

**JOURNAL**

**OF THE**

**SENATE**

**STATE OF MINNESOTA**

**SEVENTY-NINTH LEGISLATURE**

**1995**

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# Introduction

The 1995 Session of the Seventy-Ninth Legislature was organized by electing the same leadership as that of the Seventy-Eight Legislature.

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

Senator Dean E. Johnson, (IR), Willmar, was elected Minority Leader.

Senator Allan H. Spear, (DFL), Minneapolis, was elected President of the Senate.

Five special elections were necessary because of resignations. Kenric Scheevel, (IR), District 31, Preston, was elected to fill the vacancy caused by the resignation of Duane D. Benson. Senator Scheevel was sworn in December 8, 1994.

In District 19, Mark Ourada, (IR), Buffalo, was elected to replace Betty A. Adkins, who resigned. Senator Ourada was sworn in on opening day, January 3, 1995.

Dave Kleis, (IR), District 16, St. Cloud, replaced Joanne E. Benson, who was elected Lieutenant Governor. Don Kramer, (IR), District 47, Brooklyn Center, replaced William P. Luther, who was elected to Congress. Both Senators Kleis and Kramer were sworn in on January 9, 1995.

In District 33, Patrick D. McGowan resigned his Senate seat because he was elected Hennepin County Sheriff. Warren Limmer, (IR), Maple Grove won election to that seat, and was sworn in February 13, 1995.

The political makeup of the 1995 Senate, Seventy-Ninth Legislature, was 43 DFL-ers and 24 Independent Republicans.

# Members of the Senate

Anderson, Ellen R. (DFL)*	Limmer, Warren (IR)
Beckman, Tracy L. (DFL)	Marty, John (DFL)
Belanger, William V., Jr. (IR)**	Merriam, Gene (DFL)
Berg, Charles A. (DFL)	Metzen, James P. (DFL)
Berglin, Linda (DFL)	Moe, Roger D. (DFL)
Bertram, Joe, Sr. (DFL)	Mondale, Ted A. (DFL)
Betzold, Don (DFL)	Morse, Steven (DFL)
Chandler, Kevin M. (DFL)	Murphy, Steve L. (DFL)
Chmielewski, Florian (DFL)	Neuville, Thomas M. (IR)
Cohen, Richard J. (DFL)	Novak, Steven G. (DFL)
Day, Dick (IR)	Oliver, Edward C. (IR)
Dille, Steve (IR)	Olson, Gen (IR)
Finn, Harold R. "Skip" (DFL)	Ourada, Mark (IR)
Flynn, Carol (DFL)	Pappas, Sandra L. (DFL)
Frederickson, Dennis R. (IR)	Pariseau, Pat (IR)
Hanson, Paula E. (DFL)	Piper, Pat (DFL)
Hottinger, John C. (DFL)	Pogemiller, Lawrence J. (DFL)
Janezich, Jerry R. (DFL)	Price, Leonard R. (DFL)
Johnson, Dean E. (IR)	Ranum, Jane B. (DFL)
Johnson, Douglas J. (DFL)	Reichgott Junge, Ember D. (DFL)
Johnson, Janet B. (DFL)	Riveness, Phil J. (DFL)
Johnston, Terry D. (IR)	Robertson, Martha R. (IR)
Kelly, Randy C. (DFL)	Runbeck, Linda (IR)
Kiscaden, Sheila M. (IR)	Sams, Dallas C. (DFL)
Kleis, Dave (IR)	Samuelson, Don (DFL)
Knutson, David L. (IR)	Scheevel, Kenric (IR)
Kramer, Don (IR)	Solon, Sam G. (DFL)
Krentz, Jane (DFL)	Spear, Allan H. (DFL)
Kroening, Carl W. (DFL)	Stevens, Dan (IR)
Laidig, Gary W. (IR)	Stumpf, LeRoy A. (DFL)
Langseth, Keith (DFL)	Terwilliger, Roy W. (IR)
Larson, Cal (IR)	Vickerman, Jim (DFL)
Lesewski, Arlene J. (IR)	Wiener, Deanna (DFL)
Lessard, Bob (DFL)	

\*DFL--Democratic-Farmer-Labor

\*\*IR--Independent Republican

## Senate Leaders

Roger D. Moe	Majority Leader
Ember D. Reichgott Junge	Assistant Majority Leader
Carol Flynn	Majority Whip
Harold R. "Skip" Finn	Majority Whip
John C. Hottinger	Majority Whip
Kevin M. Chandler	Majority Whip
Dean E. Johnson	Minority Leader
Dennis R. Frederickson	Assistant Minority Leader/Floor Leader
David L. Knutson	Assistant Minority Leader
Thomas M. Neuville	Assistant Minority Leader/Minority Whip
Gen Olson	Assistant Minority Leader
Roy W. Terwilliger	Assistant Minority Leader

# Officers of the Senate

Allan H. Spear  
Patrick E. Flahaven  
Janine Mattson  
Patrice Dworak  
Catherine E. Morrison  
Sven K. Lindquist  
Ralph C. Graham  
Rev. Marilyn Saure Breckenridge

President of the Senate  
Secretary of the Senate  
First Assistant Secretary  
Second Assistant Secretary  
Engrossing Secretary  
Sergeant at Arms  
Assistant Sergeant at Arms  
Chaplain

Desk Assistants to the Secretary of the Senate:

Colleen J. Pacheco  
Michael R. Linn

Third Assistant Secretary  
Fourth Assistant Secretary

STATE OF MINNESOTA

# Journal of the Senate

SEVENTY-NINTH LEGISLATURE

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FIRST DAY

St. Paul, Minnesota, Tuesday, January 3, 1995

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

Prayer was offered by Rev. Marilyn Saure Breckenridge.

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

The Clerk Pro Tem called the roll by legislative districts in numerical order.

First District . . . . .	LeRoy A. Stumpf
Second District . . . . .	Roger D. Moe
Third District . . . . .	Bob Lessard
Fourth District . . . . .	Harold R. "Skip" Finn
Fifth District . . . . .	Jerry R. Janezich
Sixth District . . . . .	Douglas J. Johnson
Seventh District . . . . .	Sam G. Solon
Eighth District . . . . .	Florian Chmielewski
Ninth District . . . . .	Keith Langseth
Tenth District . . . . .	Cal Larson
Eleventh District . . . . .	Dallas C. Sams
Twelfth District . . . . .	Don Samuelson
Thirteenth District . . . . .	Charles A. Berg
Fourteenth District . . . . .	Joe Bertram, Sr.
Fifteenth District . . . . .	Dean E. Johnson
Sixteenth District . . . . .	Vacant
Seventeenth District . . . . .	Dan Stevens
Eighteenth District . . . . .	Janet B. Johnson
Nineteenth District . . . . .	Mark N. Ourada
Twentieth District . . . . .	Steve Dille
Twenty-first District . . . . .	Arlene J. Lesewski
Twenty-second District . . . . .	Jim Vickerman
Twenty-third District . . . . .	Dennis R. Frederickson
Twenty-fourth District . . . . .	John C. Hottinger
Twenty-fifth District . . . . .	Thomas M. Neuville
Twenty-sixth District . . . . .	Tracy L. Beckman
Twenty-seventh District . . . . .	Pat Piper
Twenty-eighth District . . . . .	Dick Day
Twenty-ninth District . . . . .	Steve L. Murphy
Thirtieth District . . . . .	Sheila M. Kiscaden
Thirty-first District . . . . .	Kenric Scheevel
Thirty-second District . . . . .	Steven Morse
Thirty-third District . . . . .	Vacant
Thirty-fourth District . . . . .	Gen Olson
Thirty-fifth District . . . . .	Terry D. Johnston
Thirty-sixth District . . . . .	David L. Knutson
Thirty-seventh District . . . . .	Pat Pariseau

Thirty-eighth District . . . . .	Deanna Wiener
Thirty-ninth District . . . . .	James P. Metzén
Fortieth District . . . . .	Phil J. Riveness
Forty-first District . . . . .	William V. Belanger, Jr.
Forty-second District . . . . .	Roy Terwilliger
Forty-third District . . . . .	Edward C. Oliver
Forty-fourth District . . . . .	Ted A. Mondale
Forty-fifth District . . . . .	Martha R. Robertson
Forty-sixth District . . . . .	Ember D. Reichgott Junge
Forty-seventh District . . . . .	Vacant
Forty-eighth District . . . . .	Don Betzold
Forty-ninth District . . . . .	Gene Merriam
Fiftieth District . . . . .	Paula E. Hanson
Fifty-first District . . . . .	Jane Krentz
Fifty-second District . . . . .	Steven G. Novak
Fifty-third District . . . . .	Linda Runbeck
Fifty-fourth District . . . . .	John Marty
Fifty-fifth District . . . . .	Kevin M. Chandler
Fifty-sixth District . . . . .	Gary W. Laidig
Fifty-seventh District . . . . .	Leonard R. Price
Fifty-eighth District . . . . .	Carl W. Kroening
Fifty-ninth District . . . . .	Lawrence J. Pogemiller
Sixtieth District . . . . .	Allan H. Spear
Sixty-first District . . . . .	Linda Berglin
Sixty-second District . . . . .	Carol Flynn
Sixty-third District . . . . .	Jane B. Ranum
Sixty-fourth District . . . . .	Richard J. Cohen
Sixty-fifth District . . . . .	Sandra L. Pappas
Sixty-sixth District . . . . .	Ellen R. Anderson
Sixty-seventh District . . . . .	Randy C. Kelly

The Lieutenant Governor declared a quorum present.

### MEMBERS EXCUSED

Mr. Cohen was excused from the Session of today.

### OATH OF OFFICE

Senator-elect Mark N. Ourada presented proof of his eligibility to be seated as a member of the Senate and subscribed to the oath of office as administered by the Honorable Alexander M. Keith, Chief Justice of the Supreme Court.

### ELECTION OF PRESIDENT

Mr. Solon nominated Mr. Allan H. Spear for President.

The roll was called. The following Senators voted for Mr. Allan H. Spear:

Anderson	Hanson	Larson	Olson	Samuelson
Beckman	Hottinger	Lesewski	Ourada	Scheevel
Belanger	Janezich	Lessard	Pappas	Solon
Berg	Johnson, D.J.	Marty	Pariseau	Spear
Berglin	Johnson, J.B.	Merriam	Piper	Stevens
Bertram	Johnston	Metzen	Pogemiller	Stumpf
Betzold	Kelly	Moe, R.D.	Price	Terwilliger
Chandler	Kiscaden	Mondale	Ranum	Vickerman
Day	Knutson	Morse	Reichgott Junge	Wiener
Dille	Krentz	Murphy	Riveness	
Finn	Kroening	Neuville	Robertson	
Flynn	Laidig	Novak	Runbeck	
Frederickson	Langseth	Oliver	Sams	

Mr. Allan H. Spear received 61 votes of the members of the Senate and was duly elected President of the Senate.

### OATH OF OFFICE

The President-elect subscribed to the oath of office as administered by the Honorable Alexander M. Keith.

Mr. Allan H. Spear then briefly addressed the Senate in accepting the office of President.

### ELECTION OF OFFICERS

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

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

Anderson	Frederickson	Laidig	Novak	Runbeck
Beckman	Hanson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Janezich	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.E.	Lessard	Pappas	Solon
Bertram	Johnson, D.J.	Marty	Pariseau	Spear
Betzold	Johnson, J.B.	Merriam	Piper	Stevens
Chandler	Johnston	Metzen	Pogemiller	Stumpf
Chmielewski	Kelly	Moe, R.D.	Price	Terwilliger
Day	Kiscaden	Mondale	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott Junge	Wiener
Finn	Krentz	Murphy	Riveness	
Flynn	Kroening	Neuville	Robertson	

Mr. Patrick E. Flahaven received 63 votes of the members of the Senate and was duly elected Secretary of the Senate.

### OATH OF OFFICE

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

### ELECTION OF OFFICERS - CONTINUED

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

Mr. Merriam nominated Janine Mattson for First Assistant Secretary.

Mr. Johnson, D.J. nominated Patrice Dworak for Second Assistant Secretary.

Ms. Berglin nominated Catherine Morrison for Engrossing Secretary.

Mr. Lessard nominated Sven Lindquist for Sergeant at Arms.

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

Mr. Moe, R.D. nominated Rev. Marilyn Saure Breckenridge for Chaplain.

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

Anderson	Bertram	Dille	Hottinger	Johnston
Beckman	Betzold	Finn	Janezich	Kelly
Belanger	Chandler	Flynn	Johnson, D.E.	Kiscaden
Berg	Chmielewski	Frederickson	Johnson, D.J.	Knutson
Berglin	Day	Hanson	Johnson, J.B.	Krentz

Kroening	Metzen	Olson	Reichgott Junge	Spear
Laidig	Moe, R.D.	Ourada	Riveness	Stevens
Langseth	Mondale	Pappas	Robertson	Stumpf
Larson	Morse	Pariseau	Runbeck	Terwilliger
Lesewski	Murphy	Piper	Sams	Vickerman
Lessard	Neuville	Pogemiller	Samuelson	Wiener
Marty	Novak	Price	Scheevel	
Merriam	Oliver	Ranum	Solon	

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

### OATH OF OFFICE

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

### MOTIONS AND RESOLUTIONS

#### Messrs. Moe, R.D. and Johnson, D.E. introduced--

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

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

The Senate Majority Leader is Roger D. Moe. The Senate Minority Leader is Dean E. Johnson.

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

#### Messrs. Moe, R.D. and Johnson, D.E. introduced--

**Senate Resolution No. 2:** A Senate resolution relating to rules; adopting temporary rules for the 79th session of the Legislature.

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

The permanent rules of the Senate for the 78th session of the Legislature are adopted as the temporary rules of the 79th session, to be effective until the adoption of permanent rules by a majority vote of the Senate, subject to the following conditions:

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

The rules referred to above are amended as follows:

27. Unless otherwise ordered, a vote, except upon elections ~~and upon the overriding of a governor's veto~~, may be taken by means of the electrical voting system which is under the control of the President.

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

Agriculture and Rural Development

Commerce and Consumer Protection

Crime Prevention

Education

Environment and Natural Resources



Ethics and Campaign Reform

Family Services

Finance

Gaming Regulation

~~Governmental Operations and Reform~~ Governmental Operations and Veterans

Health Care

Jobs, Energy and Community Development

Judiciary

Metropolitan and Local Government

Rules and Administration

Taxes and Tax Laws

Transportation and Public Transit

~~Veterans and General Legislation~~

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

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

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

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Sams
Beckman	Hanson	Langseth	Oliver	Samuelson
Belanger	Hottinger	Larson	Olson	Scheevel
Berg	Janezich	Lesewski	Ourada	Solon
Berglin	Johnson, D.E.	Lessard	Pappas	Spear
Bertram	Johnson, D.J.	Marty	Pariseau	Stevens
Betzold	Johnson, J.B.	Merriam	Piper	Stumpf
Chandler	Johnston	Metzen	Price	Terwilliger
Chmielewski	Kelly	Moe, R.D.	Ranum	Vickerman
Day	Kiscaden	Mondale	Reichgott Junge	Wiener
Dille	Knutson	Morse	Riveness	
Finn	Krentz	Murphy	Robertson	
Flynn	Kroening	Neuville	Runbeck	

Mr. Pogemiller voted in the negative.

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

The temporary Joint Rules of the Senate and the House of Representatives for the 78th session are adopted as the temporary joint rules of the 79th session, to be effective until the adoption of Permanent Joint Rules by the Senate and the House of Representatives.

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Runbeck
Beckman	Hanson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Janezich	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.E.	Lessard	Pappas	Solon
Bertram	Johnson, D.J.	Marty	Pariseau	Spear
Betzold	Johnson, J.B.	Merriam	Piper	Stevens
Chandler	Johnston	Metzen	Pogemiller	Stumpf
Chmielewski	Kelly	Moe, R.D.	Price	Terwilliger
Day	Kiscaden	Mondale	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott Junge	Wiener
Finn	Krentz	Murphy	Riveness	
Flynn	Kroening	Neuville	Robertson	

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

The standing committees of the Senate for the 79th session have the membership shown in this resolution.

#### COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT (10)

Bertram, Chair	Lesewski	Sams
Hanson, Vice Chair	Morse	Stevens
Berg	Murphy	Vickerman
Dille		

#### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION (15)

Solon, Chair	Day	Larson
Wiener, Vice Chair	Hottinger	Metzen
Anderson	Janezich	Oliver
Belanger	Johnston	Price
Chandler	Kroening	Samuelson

#### COMMITTEE ON CRIME PREVENTION (12)

Spear, Chair	Cohen	Merriam
Anderson, Vice Chair	Kelly	Neuville
Beckman	Laidig	Piper
Belanger	Marty	Ranum

## COMMITTEE ON EDUCATION (21)

Pogemiller, Co-Chair	Knutson	Pappas
Stumpf, Co-Chair	Langseth	Ranum
Krentz, Vice Chair	Larson	Reichgott Junge
Price, Vice Chair	Moe, R.D.	Robertson
Beckman	Murphy	Solon
Hanson	Neuville	Terwilliger
Janezich	Olson	Wiener

## COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES (17)

Lessard, Chair	Frederickson	Novak
Chandler, Vice Chair	Johnson, J.B.	Olson
Anderson	Laidig	Pariseau
Berg	Merriam	Price
Dille	Mondale	Riveness
Finn	Morse	

## COMMITTEE ON ETHICS AND CAMPAIGN REFORM (11)

Marty, Chair	Johnson, D.E.	Pariseau
Reichgott Junge, Vice Chair	Johnson, D.J.	Pogemiller
Cohen	Laidig	Sams
Flynn	Moe, R.D.	

## COMMITTEE ON FAMILY SERVICES (14)

Piper, Chair	Kelly	Robertson
Betzold, Vice Chair	Kiscaden	Samuelson
Berglin	Knutson	Solon
Chandler	Krentz	Stevens
Johnson, J.B.	Riveness	

## COMMITTEE ON FINANCE (20)

Merriam, Chair	Johnston	Ranum
Kelly, Vice Chair	Kroening	Riveness
Beckman	Laidig	Samuelson
Cohen	Langseth	Spear
Frederickson	Larson	Stumpf
Johnson, D.E.	Morse	Terwilliger
Johnson, J.B.	Piper	

## COMMITTEE ON GAMING REGULATION (8)

Berg, Chair	Johnson, D.E.	Neuville
Janezich, Vice Chair	Marty	Spear
Bertram	Mondale	

## COMMITTEE ON GOVERNMENTAL OPERATIONS AND VETERANS (12)

Metzen, Chair	Morse	Stevens
Riveness, Vice Chair	Pogemiller	Stumpf
Beckman	Runbeck	Terwilliger
Hottinger	Sams	Wiener

## COMMITTEE ON HEALTH CARE (10)

Berglin, Chair	Finn	Piper
Sams, Vice Chair	Kiscaden	Samuelson
Betzold	Oliver	Vickerman
Day		

## COMMITTEE ON JOBS, ENERGY AND COMMUNITY DEVELOPMENT (13)

Novak, Chair	Dille	Kroening
Johnson, J.B., Vice Chair	Frederickson	Lesewski
Anderson	Johnson, D.J.	Metzen
Chandler	Kelly	Runbeck
Chmielewski		

## COMMITTEE ON JUDICIARY (11)

Flynn, Chair	Cohen	Reichgott Junge
Finn, Vice Chair	Kiscaden	Robertson
Berglin	Knutson	Spear
Betzold	Krentz	

## COMMITTEE ON METROPOLITAN AND LOCAL GOVERNMENT (15)

Vickerman, Chair	Hottinger	Pappas
Mondale, Vice Chair	Janezich	Pariseau
Betzold	Langseth	Robertson
Day	Lessard	Runbeck
Flynn	Oliver	Wiener

## COMMITTEE ON RULES AND ADMINISTRATION (26)

Moe, R.D., Chair	Johnson, D.E.	Pariseau
Reichgott Junge, Vice Chair	Johnson, D.J.	Piper
Belanger	Laidig	Pogemiller
Berg	Lessard	Solon
Berglin	Marty	Spear
Bertram	Merriam	Stumpf
Chmielewski	Metzen	Terwilliger
Flynn	Novak	Vickerman
Frederickson	Olson	

## COMMITTEE ON TAXES AND TAX LAWS (20)

Johnson, D.J., Chair	Flynn	Olson
Pappas, Vice Chair	Hottinger	Pariseau
Belanger	Marty	Pogemiller
Berglin	Mondale	Price
Bertram	Murphy	Reichgott Junge
Day	Neuville	Sams
Finn	Novak	

## COMMITTEE ON TRANSPORTATION AND PUBLIC TRANSIT (15)

Chmielewski, Chair	Hanson	Murphy
Ranum, Vice Chair	Johnston	Novak
Belanger	Krentz	Olson
Dille	Langseth	Pappas
Flynn	Lesewski	Vickerman

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

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

The standing committees shall meet during the 79th Legislature according to the following schedule:

**SENATE COMMITTEE SCHEDULE****COMMITTEE/CHAIR**

Office Room	Phone 296-	Meeting Day	Room No.	Hour
<b>Agriculture and Rural Development/Bertram</b>				
323	7405	M, W	107	12-2 p.m.
<b>Commerce and Consumer Protection/Solon</b>				
303	4158	M, W	112	12-2 p.m.
<b>Crime Prevention/Spear</b>				
G-27	4191	M, W, Th	15	2-4 p.m.
<b>Education/Pogemiller/Stumpf</b>				
235	4185	T, W, Th	112	10-12 noon
<b>Environment and Natural Resources/Lessard</b>				
111	1113	T F	107 107	2-4 p.m. 10-2 p.m.
<b>Ethics and Campaign Reform/Marty</b>				
G-9	8866	T, Th	107	12-2 p.m.
<b>Family Services/Piper</b>				
G-9	9248	T, Th	15	12-2 p.m.
<b>Finance/Merriam</b>				
122	4157	M, T, W, Th	123	4-6 p.m.
<b>Gaming Regulation/Berg</b>				
328	5539	T, W, F	107	8-10 a.m.
<b>Governmental Operations and Veterans/Metzen</b>				
303	4175	T, W, F	15	8-10 a.m.
<b>Health Care/Berglin</b>				
G-9	4151	T, W, Th	15	10-12 noon

**Jobs, Energy and Community Development/Novak**

322	1767	T, W, Th	107	10-12 noon
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**Judiciary/Flynn**

G-29	4274	M, W	15	12-2 p.m.
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**Metropolitan and Local Government/Vickerman**

226	4150	M, W, Th	107	2-4 p.m.
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**Rules and Administration/Moe, R.D.**

208	4196	On call		
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**Taxes and Tax Laws/Johnson, D.J.**

205	4839	M, T, W, Th	15	4-6 p.m.
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**Transportation and Public Transit/Chmielewski**

325	4186	T, W, F	112	8-10 a.m.
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Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--****Senate Resolution No. 5:** A Senate resolution relating to postage.

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

For the 1995 session of the 79th Legislature, the Secretary of the Senate may purchase postage to furnish each member of the Senate 5,500 stamps. Each member named as chair of a standing committee in the Senate resolution designating committee assignments may be furnished with an additional 1,000 stamps for the necessary business of the committee.

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

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Runbeck
Beckman	Hanson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Janezich	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.E.	Lessard	Pappas	Solon
Bertram	Johnson, D.J.	Marty	Pariseau	Spear
Betzold	Johnson, J.B.	Merriam	Piper	Stevens
Chandler	Johnston	Metzen	Pogemiller	Stumpf
Chmielewski	Kelly	Moe, R.D.	Price	Terwilliger
Day	Kiscaden	Mondale	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott Junge	Wiener
Finn	Krentz	Murphy	Riveness	
Flynn	Kroening	Neuville	Robertson	

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

The custodian of the Capitol shall reserve all parking space necessary on the Capitol grounds, Capitol Approach and Aurora Avenue for the use of the members and staff of the Legislature for the 79th session of the Legislature, allowing reasonable space for parking to the general public having business at the Capitol. The Committee on Rules and Administration of the Senate and the Committee on Rules and Legislative Administration of the House of Representatives may designate necessary personnel to assist the custodian of the Capitol in this matter.

The Secretary of the Senate and the Chief Clerk of the House of Representatives may deduct from the check of any legislator or legislative employee in each year of the 79th session of the Legislature a sum adequate to cover the exercise of the parking privilege defined in this resolution in conformity with the practice of the Department of Administration.

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Runbeck
Beckman	Hanson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Janezich	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.E.	Lessard	Pappas	Solon
Bertram	Johnson, D.J.	Marty	Pariseau	Spear
Betzold	Johnson, J.B.	Merriam	Piper	Stevens
Chandler	Johnston	Metzen	Pogemiller	Stumpf
Chmielewski	Kelly	Moe, R.D.	Price	Terwilliger
Day	Kiscaden	Mondale	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott Junge	Wiener
Finn	Krentz	Murphy	Riveness	
Flynn	Kroening	Neuville	Robertson	

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

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

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Oliver	Samuelson
Beckman	Hanson	Larson	Olson	Scheevel
Belanger	Hottinger	Lesewski	Ourada	Solon
Berg	Janezich	Lessard	Pappas	Spear
Berglin	Johnson, D.E.	Marty	Pariseau	Stevens
Bertram	Johnson, D.J.	Merriam	Piper	Stumpf
Betzold	Johnson, J.B.	Metzen	Pogemiller	Terwilliger
Chandler	Kelly	Moe, R.D.	Price	Vickerman
Chmielewski	Kiscaden	Mondale	Ranum	Wiener
Day	Knutson	Morse	Reichgott Junge	
Dille	Krentz	Murphy	Riveness	
Finn	Kroening	Neville	Runbeck	
Flynn	Laidig	Novak	Sams	

Mses. Johnston and Robertson voted in the negative.

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

For the 1995 session of the 79th 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 \$50 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Runbeck
Beckman	Hanson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Janezich	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.E.	Lessard	Pappas	Solon
Bertram	Johnson, D.J.	Marty	Pariseau	Spear
Betzold	Johnson, J.B.	Merriam	Piper	Stevens
Chandler	Johnston	Metzen	Pogemiller	Stumpf
Chmielewski	Kelly	Moe, R.D.	Price	Terwilliger
Day	Kiscaden	Mondale	Ranum	Vickerman
Dille	Knutson	Morse	Reichgott	Wiener
Finn	Krentz	Murphy	Riveness	
Flynn	Kroening	Neville	Robertson	

The motion prevailed. So the resolution was adopted.



**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**Senate Resolution No. 8:** A Senate resolution naming a president pro tem.

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

The President Pro Tem of the Senate is Florian Chmielewski.

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

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

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

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

#### APPOINTMENTS

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

Messrs. Beckman, Hottinger, Mses. Hanson, Olson and Johnston.

#### MOTIONS AND RESOLUTIONS - CONTINUED

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

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

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

#### APPOINTMENTS

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

Mr. Kelly, Ms. Berglin, Messrs. Metzen, Laidig and Larson.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, January 4, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SECOND DAY**

St. Paul, Minnesota, Wednesday, January 4, 1995

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. Marilyn Saure Breckenridge.

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

Anderson	Flynn	Kroening	Neuville	Riveness
Beckman	Frederickson	Laidig	Novak	Robertson
Belanger	Hottinger	Langseth	Oliver	Runbeck
Berglin	Janezich	Larson	Olson	Sams
Bertram	Johnson, D.E.	Lesewski	Ourada	Samuelson
Betzold	Johnson, D.J.	Marty	Pappas	Solon
Chandler	Johnson, J.B.	Merriam	Pariseau	Spear
Chmielewski	Johnston	Metzen	Piper	Stevens
Cohen	Kelly	Moe, R.D.	Pogemiller	Stumpf
Day	Kiscaden	Mondale	Price	Terwilliger
Dille	Knutson	Morse	Ranum	Vickerman
Finn	Krentz	Murphy	Reichgott Junge	Wiener

The President declared a quorum present.

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

**MESSAGES FROM THE HOUSE**

Mr. President:

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

Irv Anderson, Speaker

Edward A. Burdick, Chief Clerk

Albin A. Mathiowetz, First Assistant Chief Clerk

Teresa B. Kittridge, Second Assistant Chief Clerk

Ronald G. Lawrence, Postmaster

Solving K. Kong, Assistant Postmaster

Joni M. Romer, Assistant Sergeant at Arms

Margaret M. Olsen, Assistant Sergeant at Arms

LeClair G. Lambert, Assistant Sergeant at Arms

Frank J. Strohmayer, Index Clerk

Monsignor James D. Habiger, Chaplain

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1995

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 like committee on the part of the Senate to notify the Governor that the House of Representatives and the Senate of the State of Minnesota are duly organized pursuant to law and are ready to receive any message that he may have.

McGuire, Chair; Schumacher; Marko; Bettermann and Daggett have been appointed to such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1995

Mr. President:

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1995

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

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

1. Upon its adjournment on January 4, 1995, the Senate may set its next day of meeting more than three days after the day of adjournment.

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

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.

**Messrs. Samuelson, Sams, Mses. Hanson, Piper and Mr. Day introduced--**

**S.F. No. 1:** A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive AFDC; providing an exception to the AFDC

overpayment statute for recipients who have become employed; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job searches; allowing vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for the community work experience program; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote self-sufficiency; expanding the parent's fair share pilot project in Ramsey county and requiring a study to expand the pilot project statewide; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1994, sections 256.031, subdivision 3; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 5, 10, and by adding a subdivision; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.03, subdivision 4; 256D.05, subdivision 6; and 256D.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1994, section 256.734.

Referred to the Committee on Family Services.

**Messrs. Larson, Terwilliger, Berg, Stevens and Ms. Robertson introduced--**

**S.F. No. 2:** A bill for an act relating to elections; changing the date of the state primary; eliminating the precinct caucus system; amending Minnesota Statutes 1992, sections 202A.192, and 204D.03, subdivision 1; repealing Minnesota Statutes 1992, sections 202A.14, subdivisions 2 and 3; 202A.15; 202A.155; 202A.156; 202A.16; 202A.17; 202A.18; 202A.19; and 202A.20; Minnesota Statutes 1993 Supplement, section 202A.14, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Cohen introduced--**

**S.F. No. 3:** A bill for an act relating to elections; providing for election judges who are not members of a major political party; amending Minnesota Statutes 1994, sections 204B.19, subdivision 5; 204B.21, subdivision 1; 204B.25, subdivision 3; and 204C.15.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Cohen introduced--**

**S.F. No. 4:** A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1; repealing Minnesota Statutes 1994, section 2.031, subdivision 2.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Cohen introduced--**

**S.F. No. 5:** A bill for an act relating to state government; extending the coverage of certain requirements and prohibitions to cover the legislative branch; amending Minnesota Statutes 1994, sections 15.054; 15.0597, subdivision 1; and 16B.01, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Cohen introduced--**

**S.F. No. 6:** A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Referred to the Committee on Judiciary.

**Mr. Cohen introduced--**

**S.F. No. 7:** A bill for an act relating to civil liability; raising the tort liability limits for claims against the metropolitan council for certain metro transit matters; amending Minnesota Statutes 1994, section 466.04, subdivisions 1 and 3.

Referred to the Committee on Judiciary.

**Mr. Cohen introduced--**

**S.F. No. 8:** A bill for an act relating to taxation; requiring disclosure of and a vote by local governing bodies on increases in property taxes due to reduced market value; amending Minnesota Statutes 1994, section 275.065, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Cohen introduced--**

**S.F. No. 9:** A bill for an act relating to education; modifying referendum equalization aid, training and experience aid, and general education aid; amending Minnesota Statutes 1994, sections 124A.03, subdivision 1h; 124A.22, subdivision 4b; and 124A.23, subdivision 4.

Referred to the Committee on Education.

**Mr. Cohen introduced--**

**S.F. No. 10:** A bill for an act relating to taxation; providing a property tax exemption for federal land used for cottage and camp purposes; amending Minnesota Statutes 1994, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Metzen introduced--**

**S.F. No. 11:** A bill for an act relating to the environment; exempting newer motor vehicles from annual air pollution emissions inspections; amending Minnesota Statutes 1994, section 116.61, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Mr. Metzen introduced--**

**S.F. No. 12:** A bill for an act relating to the environment; abolishing the motor vehicle emission control equipment inspection program; repealing Minnesota Statutes 1994, sections 116.60; 116.61; 116.62; 116.63; 116.64; and 116.65.

Referred to the Committee on Environment and Natural Resources.

**Mr. Bertram introduced--**

**S.F. No. 13:** A bill for an act relating to taxation; permanently extending sales tax exemption for used farm machinery; amending Minnesota Statutes 1994, section 297A.25, subdivision 59.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Chmielewski introduced--**

**S.F. No. 14:** A bill for an act proposing an amendment to the Minnesota Constitution; adding a

section to article IV to provide for initiative and referendum; providing procedures for initiative and referendum; providing penalties; amending Minnesota Statutes 1994, sections 10A.20, by adding a subdivision; 204C.19, subdivision 2; 204C.27; 204C.33; 204D.11, by adding a subdivision; 204D.15; 204D.16; and 204D.165; proposing coding for new law in Minnesota Statutes, chapter 3B.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Chmielewski introduced--**

**S.F. No. 15:** A bill for an act relating to transportation; changing county state-aid highway apportionment formula; increasing gasoline tax rate; increasing portion of motor vehicle sales tax receipts allotted to transit assistance fund; providing for distribution of money from the transit assistance fund; appropriating money; amending Minnesota Statutes 1994, sections 162.07, subdivisions 1, 2, 3, 5, and 6; 174.32, subdivision 2; 296.02, subdivision 1b; and 297B.09, subdivision 1; repealing Minnesota Statutes 1994, section 162.07, subdivision 4.

Referred to the Committee on Transportation and Public Transit.

**Mr. Betzold introduced--**

**S.F. No. 16:** A bill for an act relating to health; modifying provisions relating to the administration and prescription of neuroleptic medications; changing the name of a court in certain circumstances; amending Minnesota Statutes 1994, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.09, subdivision 2; 253B.12, subdivision 1; and 253B.17, subdivision 1.

Referred to the Committee on Health Care.

**Mr. Bertram introduced--**

**S.F. No. 17:** A bill for an act relating to taxation; increasing the funding for firefighters state aid; amending Minnesota Statutes 1994, section 69.021, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Bertram introduced--**

**S.F. No. 18:** A bill for an act relating to intoxicating liquor; authorizing the Stearns county board to issue an intoxicating liquor license.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Bertram introduced--**

**S.F. No. 19:** A bill for an act relating to agriculture; transferring certain agricultural trade promotion duties from the commissioner of trade and economic development to the commissioner of agriculture; authorizing certain regional trade centers; appropriating money; amending Minnesota Statutes 1994, section 17.03, subdivision 8; repealing Minnesota Statutes 1994, section 116J.966, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Chmielewski introduced--**

**S.F. No. 20:** A bill for an act relating to natural resources; appropriating money for the Minnesota rock, gem, and mineral interpretative center; powers and duties of the commissioner of natural resources.

Referred to the Committee on Environment and Natural Resources.

**Mr. Metzen introduced--**

**S.F. No. 21:** A bill for an act relating to financial institutions; banks and trust companies; eliminating the requirement that banks and trust companies publish their financial statements annually in a qualified newspaper; amending Minnesota Statutes 1994, section 48.48, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Larson, Vickerman, Stevens, Samuelson and Dille introduced--**

**S.F. No. 22:** A bill for an act relating to counties; permitting examinations of accounts and records by certified public accountants; amending Minnesota Statutes 1994, section 6.48.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Hanson introduced--**

**S.F. No. 23:** A resolution instructing the United States government to conform to the limits on federal powers expressed by the Tenth Amendment.

Referred to the Committee on Judiciary.

**MEMBERS EXCUSED**

Messrs. Berg, Scheevel and Ms. Hanson were excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, January 9, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



**THIRD DAY**

St. Paul, Minnesota, Thursday, January 5, 1995

The House of Representatives met on Thursday, January 5, 1995, which was the Third Legislative Day of the Seventy-Ninth Session of the Minnesota State Legislature. The Senate did not meet on this date.



## FOURTH DAY

St. Paul, Minnesota, Monday, January 9, 1995

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Rodney L. Anderson.

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:

Anderson	Flynn	Laidig	Oliver	Sams
Beckman	Frederickson	Langseth	Olson	Samuelson
Belanger	Hanson	Larson	Ourada	Scheevel
Berg	Janezich	Lesewski	Pappas	Solon
Berglin	Johnson, D.E.	Marty	Pariseau	Spear
Bertram	Johnson, J.B.	Merriam	Piper	Stevens
Betzold	Johnston	Metzen	Pogemiller	Stumpf
Chandler	Kelly	Moe, R.D.	Price	Terwilliger
Chmielewski	Kiscaden	Mondale	Ranum	Vickerman
Cohen	Kleis	Morse	Reichgott Junge	Wiener
Day	Knutson	Murphy	Riveness	
Dille	Kramer	Neuville	Robertson	
Finn	Krentz	Novak	Runbeck	

The President declared a quorum present.

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

### OATH OF OFFICE

The newly elected Senators, Mr. Dave Kleis from the Sixteenth District and Mr. Don Kramer from the Forty-seventh District, presented their certificates of election and subscribed to the oath of office as administered by the Honorable Jack Davies, Judge of the Court of Appeals.

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

Various reports were filed during the 1994 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by the Legislative Audit Commission on various state institutions and boards; Department of Health, Effects of Medicare Balanced Billing Limits on Home Medical Equipment Suppliers, 1993; Department of Human Services, Impact of MinnesotaCare on Children's Health Plan Enrollees, 1994; Department of

Health, Community Health Services in Minnesota, 1994; Department of Human Services, Medical Care Surcharge Fund, Quarterly Report, 1994; Department of Human Services, Investigations of Reports of Maltreatment in Child Care Centers; Department of Health, Prescription Drug Study, 1994; Department of Public Safety, Implements of Husbandry; Department of Public Safety, Gambling Enforcement Division, Audit of Physical Security, Minnesota State Lottery Facilities, 1994; Metropolitan Council, Role of Twin Cities Libraries in a World of Information, 1994; Metropolitan Council, Inventory of Libraries in the Twin Cities Metropolitan Area, 1994; Telecommunications Access for Communication-Impaired Persons Board (TACIP), Reasonableness of Charging for Toll Calls Made through the Minnesota Relay Service, 1994; Southwest Regional Development Commission, Overall Work Program for Fiscal Year 1995; Department of Health, Registration of Speech Language Pathologists and Audiologists, 1994; Ombudsman for Corrections, Annual Report, 1992-93; Department of Human Services, Children in Out-of-Home Placement, 1992; Department of Human Services, Caring for Children in Out-of-Home Placement, 1994; Department of Finance, Office of the Legislative Auditor, Office of the State Auditor and U.S. Department of Agriculture, Financial and Compliance Report on Federally Assisted Programs, 1993; Department of Public Safety, Motor Vehicle Crash Facts, 1993; Metropolitan Council, Abatement Progress Report, 1993; Department of Trade and Economic Development, Migration of Minnesota Manufacturers, Annual Report, 1994; Department of Administration, Annual Report, Year of Fruition, 1994; Board of Chiropractic Examiners, Biennial Report, July 1, 1992 to June 30, 1994; Department of Public Safety, Traffic Escort Services, 1994; Higher Education Board, State Colleges and Universities, Restructured Staff Retraining Plan, 1994; Department of Finance, Cold Weather Resource Center, 1994; Department of Corrections, Amount and Use of Training Funds, 1994; Department of Human Services, Medical Care Surcharge, 1994; Department of Public Safety, Minnesota Crime Information, 1993; Board of Barber Examiners, Examining and Licensing Boards, Biennial Report, July 1, 1992 to June 30, 1994; Department of Transportation, Annual Report, 1994; Agricultural Chemical Response Compensation Board and the Commissioner of Agriculture, Report to the Minnesota Legislative Water Commission, 1994; Minnesota Education in Agriculture Leadership Council, Perceptions about Agriculture Education in Minnesota, 1994; Legislative Commission on Minnesota Resources, Recommendations to the 1995 Legislature, 1994; Southwest Regional Development Commission, Annual Report, 1994; Office of Environmental Assistance, 1993 SCORE Programs; Office of Environmental Assistance, Packaging Discards, 1994; Department of Employee Relations, Civil Service Pilot Projects, 1994; Region Nine Development Commission, Annual Report, 1994; Board of Private Detective and Protective Agent Services, Biennial Report, July 1, 1992 to June 30, 1994; Board of Podiatric Medicine, Biennial Report, July 1, 1992 to June 30, 1994; Board of Electricity, Biennial Report, July 1, 1992 to July 1, 1994; Department of Human Services, Medical Care Surcharge Fund, 1994; Board of Animal Health, Annual Report, July 1, 1993 to June 30, 1994; Board of Nursing, Biennial Report, July 1, 1992 to June 30, 1994; Board of Veterinary Medicine, Biennial Report, July 1, 1992 to June 30, 1994; Board of Teaching, Biennial Report, July 1, 1992 to June 30, 1994; Department of Administration, Biennial Land Disposition, 1994; Environmental Assistance, Biennial Report, 1994; Department of Finance, Guidelines for Capital Project Grants to Political Subdivisions, 1994; Ethical Practices Board, Annual Report, July 1, 1993 to June 30, 1994; Department of Corrections, Community-Based Sex Offender Program Evaluation Project, 1994; Department of Corrections, Survey of Minnesota Prison Inmates: Risk and Protective Factors in Adolescence, 1994; Board of Accountancy, Biennial Report, July 1, 1992 to June 30, 1994; Environmental Assistance, Solid Waste Fee, 1994; Department of Finance, Governor's Debt Capacity Forecast, 1994; Iron Range Resources and Rehabilitation Board, Biennial Report, 1993-94; Department of Health, Licensure of Chemical Dependency Counselors, 1994; Office of the Revisor of Statutes, Required Periodic Reports to the Legislature, 1994; Minnesota Sentencing Guidelines Commission, 1995; Minnesota Early Childhood Care and Education Council, 1995; Office of the Attorney General, Vulnerable Adult Act Reform Initiative; Department of Public Safety, Guidelines to Missing Children Investigations; Department of Public Safety, Safety of Fireworks Displays and Operator Qualifications, 1994; Minnesota Higher Education Board, Projected Merger Impact on System Office Positions, 1995; Department of Economic Security, Head Start in Minnesota, 1995; County of Stearns, Office of County Attorney, Adult Diversion Program, 1994; Department of Corrections, Task Force on Juvenile Programming, Evaluation and Planning, 1994; Board of Marriage and Family Therapy; University of Minnesota, Overview of the University of Minnesota Strategic Plan, 1994; Indian Affairs Council, Annual Report, 1994; University of Minnesota, Proposal to Establish the Minnesota Institute for Telecommunications

Technology Applications and Education, 1994; Department of Administration, Cost Analysis for Lease of Space for the Department of Corrections; Metropolitan Council, Metropolitan Sports Facilities Commission, 1995 Budget and 1995 User Fee Charges; Department of Health, Environmental Radiation Data Report, 1993; Harmful Substance Compensation Board, Annual Report, 1994; Department of Administration, Cost Analysis for Lease of Space for the Department of Natural Resources; State Advisory Council on Mental Health, 1994; Minnesota Adult Mental Health Statewide Task Force, 1995; Department of Corrections, Inmate Contribution to Cost of Confinement, 1994; Office of Washington County Attorney, Diversion Report, 1995; Department of Administration, Research and Design of State Training and Professional Development Models Relating to Public Information Policy, 1994; Department of Transportation, Rail User Loan Guarantee Program; Metropolitan Council, Personnel, Ethical Practices and Communication Activities, 1995.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 14, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Ellen Palmer, 120 W. Soo, P.O. Box 37, Parkers Prairie, Otter Tail County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

James Bowlus, 1740 Weston Ln., Plymouth, Hennepin County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

Gale R. Mitchell, 150 Farrington St., St. Paul, Ramsey County, effective March 14, 1994, for a term expiring on the first Monday in January, 1998.

(Referred to the Committee on Education.)

April 15, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### MINNESOTA POLLUTION CONTROL AGENCY

Jacqueline Duncanson, Rt. 1, Box 70, Mapleton, Blue Earth County, effective April 20, 1994, for a term expiring on the first Monday in January, 1998.

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

April 25, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Gary Chin-Fong Liew, 1521 Westminster St., St. Paul, Ramsey County, effective April 27, 1994, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

April 27, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## MINNESOTA POLLUTION CONTROL AGENCY

Elaine Neitzel, Rt. 1, Box 113, Morton, Redwood County, effective May 1, 1994, for a term expiring on the first Monday in January, 1998.

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

May 26, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## ENVIRONMENTAL TRUST FUND CITIZENS' ADVISORY COMMITTEE

Guy Glover, 13880 - 23rd St. Ct. N., Stillwater, Washington County, effective May 26, 1994, for a term expiring on the first Monday in January, 1998.

Merilee Hein, R.R. 1, Box 198, Mabel, Fillmore County, effective May 26, 1994, for a term expiring on the first Monday in January, 1998.

Michael Triggs, 9350 Collegeview Rd., Bloomington, Hennepin County, effective May 26, 1994, for a term expiring on the first Monday in January, 1998.

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

May 26, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Will Antell, 317 Lake St., Bayport, Washington County, effective May 26, 1994, for a term expiring on the first Monday in January, 2000.

(Referred to the Committee on Education.)

May 27, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Jack Amundson, 911 - 18th St. N., St. Cloud, Stearns County, effective June 1, 1994, for a term expiring on the first Monday in January, 1998.

Christopher A. Nelson, 4060 Alabama Ave. S., St. Louis Park, Hennepin County, effective June 1, 1994, for a term expiring on the first Monday in January, 1998.

(Referred to the Committee on Education.)

June 14, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, MINNESOTA HOUSING FINANCE AGENCY**

Katherine G. Hadley, 2083 James Ave., St. Paul, Ramsey County, effective July 1, 1994, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Jobs, Energy and Community Development.)

June 17, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA POLLUTION CONTROL AGENCY**

Bonita Nelson, 5002 Otsego, Duluth, St. Louis County, effective June 21, 1994, for a term expiring on the first Monday in January, 1997.

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

July 12, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**GAMBLING CONTROL BOARD**

Allan E. Fonfara, 1117 Kingsley Cir. S., Mendota Heights, Dakota County, effective July 12, 1994, for a term expiring on June 30, 1998.

Lynda L. Boudreau, 18166 Faribault Blvd., Faribault, Rice County, effective July 12, 1994, for a term expiring on June 30, 1998.

(Referred to the Committee on Gaming Regulation.)

September 12, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION**

Pam Swenson, 430 N. Union, Fergus Falls, Otter Tail County, effective September 12, 1994, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Education.)

September 28, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF FINANCE**

Laura M. King, 5911 Girard Ave. S., Minneapolis, Hennepin County, effective October 10, 1994, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Finance.)

September 28, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate as required by law:

**ACTING COMMISSIONER**

**MINNESOTA DEPARTMENT OF EMPLOYEE RELATIONS**

Bruce Johnson, 2125 E. 3rd St., Duluth, St. Louis County, effective October 8, 1994.

December 13, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**GAMBLING CONTROL BOARD**

Peggy Moon, 1315 Ives Ln. N., Plymouth, Hennepin County, effective December 14, 1994, for a term expiring on June 30, 1997.

(Referred to the Committee on Gaming Regulation.)

Warmest regards,  
Arne H. Carlson, Governor

**MEMORANDUM**

**TO:** Allan Spear, President of the Senate  
Irv Anderson, Speaker of the House of Representatives  
Joan Growe, Secretary of State

**FROM:** Governor Arne H. Carlson

**DATE:** December 16, 1994



**SUBJECT:** Designation of Acting Commissioner for  
the Department of Administration

Pursuant to Minnesota Statutes 15.06, I am designating Robert A. Schroeder as acting commissioner of the Department of Administration. The effective date of this designation is December 17, 1994, which coincides with the resignation of Commissioner Debra Rae Anderson.

December 19, 1994

The Honorable Allan H. Spear  
President of the Senate

The Honorable Irv Anderson  
Speaker of the House

Dear President Spear and Speaker Anderson:

I respectfully request the opportunity of addressing a Joint meeting of the 79th Session of the Minnesota State Legislature on Wednesday, January 18, 1995 at 12:00 Noon for the purpose of presenting my State of the State message.

Thank you.

Warmest regards,  
Arne H. Carlson, Governor

December 27, 1994

Mr. Allan H. Spear, President of the Senate  
Mr. Irv Anderson, Speaker of the House  
Ms. Joan A. Growe, Secretary of State

Dear Sirs and Madam:

This letter is to inform you that effective December 28, 1994, I am appointing Mr. Lance Teachworth of the Bureau of Mediation Services to be the Acting Commissioner of the Department.

Warmest regards,  
Arne H. Carlson, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 5, 1995

Mr. President:

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 5, 1995

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate in Joint Convention at 11:45 a.m., Wednesday, January 18, 1995, to receive the message of the Honorable Arne H. Carlson, Governor of the State of Minnesota, said message to be delivered at 12:00 noon, Wednesday, January 18, 1995.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1995

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 11:45 a.m., Wednesday, January 18, 1995, to receive the message of the Honorable Arne H. Carlson, Governor of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House has appointed a committee of 5 members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Wednesday, January 18, 1995, said Joint Convention to be convened at 11:45 a.m. and said message of the Governor to be delivered at 12:00 noon.

Solberg; Clark; Mariani; Johnson, V. and Bishop have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 3, 1995

### MOTIONS AND RESOLUTIONS

Mr. Cohen moved that the names of Messrs. Murphy and Mondale be added as co-authors to S.F. No. 4. The motion prevailed.

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

Mr. Cohen moved that the names of Ms. Anderson and Mr. Marty be added as co-authors to S.F. No. 6. The motion prevailed.

Mr. Metzen moved that the names of Messrs. Kelly, Riveness and Dille be added as co-authors to S.F. No. 11. The motion prevailed.

Mr. Metzen moved that the names of Mr. Kelly, Ms. Johnston, Messrs. Murphy and Dille be added as co-authors to S.F. No. 12. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Johnson, D.J.; Sams; Ms. Hanson and Mr. Dille be added as co-authors to S.F. No. 13. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Johnston be added as a co-author to S.F. No. 14. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Sams; Johnson, D.J.; Day and Morse be added as co-authors to S.F. No. 17. The motion prevailed.

**Mr. Moe, R.D. introduced--**

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

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

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Arne H. Carlson, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, January 18, 1995, at 12:00 noon.

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

### APPOINTMENTS

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

Mses. Anderson; Johnson, J.B.; Wiener; Messrs. Ourada and Scheevel.

### MOTIONS AND RESOLUTIONS - CONTINUED

**Mr. Larson introduced--**

**Senate Resolution No. 12:** A Senate resolution congratulating The West Otter Tail Soil and Water Conservation District on 50 successful years of service.

Referred to the Committee on Rules and Administration.

**Mr. Vickerman introduced--**

**Senate Resolution No. 13:** A Senate resolution congratulating the Tracy-Milroy High School Girls' Volleyball team for winning the 1994 State High School Class A Girls' Volleyball Tournament.

Referred to the Committee on Rules and Administration.

**Mr. Betzold introduced--**

**Senate Resolution No. 14:** A Senate resolution honoring Dennis E. Rens, Fridley, Minnesota, as he retires.

Referred to the Committee on Rules and Administration.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**Senate Resolution No. 15:** 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 79th session, Senate Daily Journal pages 10-12, be amended as follows:

AGRICULTURE AND RURAL DEVELOPMENT - ~~40~~ 11

Add: Scheevel

CRIME PREVENTION - 12

Delete: Piper

Add: Knutson

EDUCATION - ~~24~~ 23

Delete: Terwilliger

Add: Kleis, Ourada and Scheevel

ENVIRONMENT AND NATURAL RESOURCES - ~~47~~ 18

Add: Stevens

ETHICS AND CAMPAIGN REFORM - 11

Delete: Flynn

Add: Day

FAMILY SERVICES - 14

Delete: Kelly and Knutson

Add: Kramer and Ourada

FINANCE - ~~20~~ 21

Add: Neuville

GAMING REGULATION - ~~8~~ 9

Delete: Bertram

Add: Lessard and Scheevel

GOVERNMENTAL OPERATIONS AND VETERANS - ~~42~~ 14

Delete: Sams

Add: Bertram, Kleis and Kramer

HEALTH CARE - ~~10~~ 11

Delete: Day

Add: Kramer and Terwilliger

JUDICIARY - ~~44~~ 12

Add: Kleis

RULES AND ADMINISTRATION - ~~26~~ 28

Delete: Pariseau

Add: Knutson, Larson and Neuville

TAXES AND TAX LAWS - ~~20~~ 21

Delete: Finn and Neuville

Add: Dille, Oliver and Runbeck

TRANSPORTATION AND PUBLIC TRANSIT - ~~45~~ 14

Delete: Dille, Novak and Olson

Add: Day and Ourada

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

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**Senate Resolution No. 16:** A Senate resolution relating to expenses of interns.

That Senate Resolution No. 7 relating to interns for the 79th session, Senate Daily Journal pages 15-16, be amended as follows:

Page 1, after line 9, insert:

"Each member of the Senate may be reimbursed for the cost of lodging furnished by the member to a volunteer intern assisting with the member's work, if the intern is enrolled in an intern program at a post-secondary institution outside the seven-county metropolitan area, up to a maximum of \$300 during each month the Legislature is in session."

Page 1, line 14, after the period, insert "Requests for lodging reimbursement must be accompanied by receipts or other suitable documentation."

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 53 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Larson	Oliver	Sams
Beckman	Frederickson	Lesewski	Olson	Samuelson
Berglin	Hanson	Marty	Ourada	Scheevel
Bertram	Janezich	Merriam	Pappas	Solon
Betzold	Johnson, D.E.	Metzen	Pariseau	Spear
Chandler	Johnson, J.B.	Moe, R.D.	Pogemiller	Stevens
Chmielewski	Kelly	Mondale	Price	Stumpf
Cohen	Kiscaden	Morse	Ranum	Vickerman
Day	Krentz	Murphy	Reichgott Junge	Wiener
Dille	Laidig	Neuville	Riveness	
Finn	Langseth	Novak	Runbeck	

Those who voted in the negative were:

Belanger	Johnston	Knutson	Kramer	Robertson
Berg	Kleis			

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

1. Upon its adjournment on Thursday, January 12, 1995, the Senate may set its next day of meeting for Tuesday, January 17, 1995.

2. Upon its adjournment on Thursday, January 12, 1995, the House of Representatives may set its next day of meeting for Tuesday, January 17, 1995.

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

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Ms. Robertson and Mr. Belanger introduced--**

**S.F. No. 24:** A bill for an act relating to taxation; repealing the tax on 900 pay-per-call services; repealing Minnesota Statutes 1994, section 297A.136.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Metzen introduced--**

**S.F. No. 25:** A bill for an act relating to game and fish; authorizing a combined angling license for certain senior anglers; amending Minnesota Statutes 1994, section 97A.475, subdivision 6, as amended.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Frederickson and Vickerman introduced--**

**S.F. No. 26:** A bill for an act relating to agriculture; changing license fees for certain wholesale food handlers; amending Minnesota Statutes 1994, section 28A.08.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Betzold and Langseth introduced--**

**S.F. No. 27:** A bill for an act relating to the environment; automobile emissions; providing that a vehicle need not be inspected until the year of its registration is five years more than its model year; changing the inspection fee; amending Minnesota Statutes 1994, sections 116.61, subdivision 1, and by adding a subdivision; and 116.64, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Samuelson, Sams, Mses. Berglin, Piper and Mr. Day introduced--**

**S.F. No. 28:** A bill for an act relating to health care; increasing reimbursement rates for certain services; appropriating money.

Referred to the Committee on Health Care.

**Mr. Solon introduced--**

**S.F. No. 29:** A bill for an act relating to marriage; authorizing retired court administrators to solemnize marriages; amending Minnesota Statutes 1994, section 517.04.

Referred to the Committee on Judiciary.

**Mrs. Pariseau and Ms. Johnston introduced--**

**S.F. No. 30:** A bill for an act relating to the environment; abolishing the motor vehicle emission control equipment inspection program; repealing Minnesota Statutes 1994, sections 116.60; 116.61; 116.62; 116.63; 116.64; and 116.65.

Referred to the Committee on Environment and Natural Resources.

**Mr. Langseth introduced--**

**S.F. No. 31:** A bill for an act relating to education; allowing independent school district No. 548, Pelican Rapids, to make a fund transfer.

Referred to the Committee on Education.

**Mses. Johnston, Robertson, Mrs. Pariseau, Messrs. Belanger and Price introduced--**

**S.F. No. 32:** A bill for an act relating to the environment; providing for temporary registrations of vehicles for the purpose of emissions inspections; amending Minnesota Statutes 1994, section 116.62, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Mr. Bertram introduced--**

**S.F. No. 33:** A bill for an act relating to drivers' licenses; permitting certain licensees to wear headwear in driver's license and Minnesota identification card photographs; amending Minnesota Statutes 1994, section 171.071.

Referred to the Committee on Transportation and Public Transit.

**Ms. Wiener, Mr. Solon, Ms. Piper, Mr. Samuelson and Ms. Berglin introduced--**

**S.F. No. 34:** A bill for an act relating to insurance; health; requiring plans issued to supplement Medicare to provide coverage for equipment and supplies for the management and treatment of diabetes; amending Minnesota Statutes 1994, section 62A.45.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Marty introduced--**

**S.F. No. 35:** A bill for an act relating to elections; changing certain requirements and procedures for voter registration and absentee voting; imposing a penalty; amending Minnesota Statutes 1994, sections 201.061, subdivision 1; 201.071, subdivision 1; 201.081; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivisions 1 and 2; 201.171; 203B.02, subdivision 1a; 203B.03, subdivision 1; 203B.04, subdivision 1; 203B.06, subdivision 3; 203B.07, subdivision 2; 203B.08, subdivision 1; 203B.11, by adding a subdivision; 203B.12, subdivision 2, and by adding a subdivision; 203B.13, subdivisions 1 and 2; 203B.16, by adding a subdivision; and 203B.19; proposing coding for new law in Minnesota Statutes, chapter 203B.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Marty introduced--**

**S.F. No. 36:** A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; clarifying campaign finance requirements; requiring return of public subsidies under certain conditions; providing penalties; amending Minnesota Statutes 1994, sections 10A.01, subdivisions 11, 25, 28, and by adding a subdivision; 10A.02, subdivisions 11 and 12; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 3, 4, 5, 6, and 7; 10A.05; 10A.065, subdivision 1, and by adding a subdivision; 10A.08; 10A.09, subdivision 7; 10A.14, subdivision 4; 10A.15, subdivisions 3a and 5; 10A.20, subdivisions 3, 5, 6b, and 12; 10A.21, subdivision 3; 10A.23; 10A.25, subdivisions 2, 6, 11, and 13; 10A.27, subdivisions 9, 10, and 12; 10A.275, subdivision 1; 10A.28, subdivision 1; 10A.31, subdivisions 3, 4, 5, 7, 11, and 12; 10A.315; 10A.322, subdivisions 1 and 4; 10A.323; 10A.324, subdivision 1; 10A.335; 10A.34; 211A.12; 211B.15, subdivisions 2, 15, and 16; and 290.06, subdivision 23; repealing Minnesota Statutes 1994, sections 10A.09, subdivision 3; 10A.21, subdivisions 1 and 2; and 10A.324, subdivisions 2 and 4.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Laidig; Johnson, D.E.; Ms. Kiscaden and Mr. Frederickson introduced--**

**S.F. No. 37:** A bill for an act relating to elections; changing the date of the state primary; amending Minnesota Statutes 1994, section 204D.03, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

### **MEMBERS EXCUSED**

Messrs. Hottinger; Johnson, D.J.; Kroening and Lessard were excused from the Session of today.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, January 12, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## FIFTH DAY

St. Paul, Minnesota, Thursday, January 12, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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 H. Harris.

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

Anderson	Flynn	Kramer	Morse	Robertson
Beckman	Frederickson	Krentz	Murphy	Sams
Belanger	Hanson	Kroening	Neuville	Samuelson
Berg	Hottinger	Laidig	Novak	Scheevel
Berglin	Janezich	Langseth	Olson	Solon
Bertram	Johnson, D.E.	Larson	Ourada	Spear
Betzold	Johnson, D.J.	Lesewski	Pappas	Stevens
Chandler	Johnson, J.B.	Lessard	Pariseau	Stumpf
Chmielewski	Johnston	Marty	Pogemiller	Terwilliger
Cohen	Kelly	Merriam	Price	Vickerman
Day	Kiscaden	Metzen	Ranum	Wiener
Dille	Kleis	Moe, R.D.	Reichgott Junge	
Finn	Knutson	Mondale	Riveness	

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

May 12, 1992

The Honorable Jerome Hughes

President of the Senate

Dear Sir:

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

#### BOARD OF ANIMAL HEALTH

John A. Howe, D.V.M., 575 Trout Lake Rd., Grand Rapids, Itasca County, effective May 11, 1992, for a term expiring on the first Monday in January, 1996.

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

May 12, 1992

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**STATE BOARD OF EDUCATION**

Georgina Y. Stephens, 875 Laurel Ave., St. Paul, Ramsey County, effective May 13, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

May 13, 1992

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION**

Terry Anderson, 406 Ave. D, Cloquet, Carlton County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

Ellen Doll, 1716 Irving Ave. S., Minneapolis, Hennepin County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

Patricia Surrat, Rt. 1, Box 175, Wanamingo, Goodhue County, effective May 18, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

June 2, 1992

The Honorable Jerome Hughes  
President of the Senate

Dear Sir:

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

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

James R. Miller, 707 Mount Curve Blvd., St. Paul, Ramsey County, effective June 8, 1992, for a term expiring on the first Monday in January, 1996.

Mollie N. Thibodeau, 407 Wallace Ave., Duluth, St. Louis County, effective June 8, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

August 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 required by law:

## STATE UNIVERSITY BOARD

Nancy Alfton, 2555 Kyle Ave. N., Golden Valley, Hennepin County, effective August 15, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

January 6, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## STATE BOARD FOR COMMUNITY COLLEGES

Nancy Brataas, 839 - 10 1/2 St. S.W., Rochester, Olmsted County, effective January 11, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

January 6, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## STATE UNIVERSITY BOARD

Christine Fritsche, Rt. 4, Box 79, Marshall, Lyon County, effective January 11, 1993, for a term expiring on the first Monday in January, 1997.

Rod Searle, R.R. 1, Box 44, Waseca, Waseca County, effective January 11, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

January 27, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## STATE BOARD OF EDUCATION

Thomas Lindquist, 12393 Flag Ave. S., Savage, Scott County, effective January 27, 1993, for a term expiring on the first Monday in January, 1997.

Patsy A. Randell, 3510 Basswood Rd., Minneapolis, Hennepin County, effective January 27, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

February 24, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

STATE BOARD FOR COMMUNITY COLLEGES

Charlotte Nordby, 8915 Glen Edin Ln. N., Brooklyn Park, Hennepin County, effective February 27, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

March 1, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Marilyn Bryant, 17819 Maple Hill Rd., Wayzata, Hennepin County, effective February 24, 1993, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Education.)

March 1, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

John Hoyt, 4812 Dunberry Ln., Edina, Hennepin County, effective February 26, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

March 15, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

John C. Kim, 9350 Collegeview Rd., Bloomington, Hennepin County, effective March 20, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

March 23, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Earl Herring, Rt. 1, Box 230C, Detroit Lakes, Otter Tail County, effective March 27, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Education.)

April 21, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**BOARD OF ANIMAL HEALTH**

Joni Scheftel, D.V.M., 15155 County Rd. 32, Mayer, Carver County, effective April 17, 1993, for a term expiring on the first Monday in January, 1997.

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

September 30, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA RURAL FINANCE AUTHORITY**

Christopher J. Skaalen, 235 W. Center St., Harmony, Fillmore County, effective October 4, 1993, for a term expiring on the first Monday in January, 1997.

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

January 28, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA RURAL FINANCE AUTHORITY**

Marlene Malstrom, Rt. 5, Box 344, Detroit Lakes, Becker County, effective February 2, 1994, for a term expiring on the first Monday in January, 1998.

Armin Tesch, Rt. 1, Box 133, Waldorf, Waseca County, effective February 2, 1994, for a term expiring on the first Monday in January, 1998.

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

March 11, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA RURAL FINANCE AUTHORITY**

Patrick A. Thiry, 37767 Rendova St. N.E., Stanchfield, Isanti County, effective March 16, 1994, for a term expiring on the first Monday in January, 1997.

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

March 28, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### STATE BOARD OF TECHNICAL COLLEGES

Sara Carlson, 219 Elmwood Dr., Alexandria, Douglas County, effective April 2, 1994, for a term expiring on the first Monday in January, 1998.

Terance Smith, 673 Schilling Cir. N.W., Forest Lake, Washington County, effective April 2, 1994, for a term expiring on the first Monday in January, 1998.

(Referred to the Committee on Education.)

March 29, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### BOARD OF ANIMAL HEALTH

Theodore Huisinga, 5770 County Rd. 9 N.E., Willmar, Kandiyohi County, effective April 3, 1994, for a term expiring on the first Monday in January, 1998.

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

April 15, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### BOARD ON JUDICIAL STANDARDS

Robert W. Johnson, 2006 - 1st Ave. N., Ste. 201, Anoka, Anoka County, effective April 20, 1994, for a term expiring on the first Monday in January, 1998.

Verna Kelly, 900 - 13th Ave. S.W., Willmar, Kandiyohi County, effective April 20, 1994, for a term expiring on the first Monday in January, 1998.

(Referred to the Committee on Judiciary.)

April 28, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Brian Steeves, P.O. Box 51, Princeton, Mille Lacs County, effective April 18, 1994, 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 announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1995

## MOTIONS AND RESOLUTIONS

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

Mr. Cohen moved that the name of Mr. Knutson be added as a co-author to S.F. No. 5. The motion prevailed.

Mr. Metzen moved that the name of Mr. Novak be added as a co-author to S.F. No. 11. The motion prevailed.

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

Mr. Bertram moved that the names of Messrs. Sams, Stumpf, Larson and Langseth be added as co-authors to S.F. No. 19. The motion prevailed.

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

Mr. Bertram moved that the name of Ms. Piper be added as a co-author to S.F. No. 33. The motion prevailed.

Mr. Marty moved that the names of Ms. Piper and Mr. Finn be added as co-authors to S.F. No. 36. The motion prevailed.

**Mr. Johnson, D.E. introduced--**

**Senate Resolution No. 17:** A Senate resolution commending Mayor Richard Hogle for his many years of dedicated service for the city of Willmar.

Referred to the Committee on Rules and Administration.

**Mr. Bertram introduced--**

**Senate Resolution No. 18:** A Senate resolution commending Dr. Allen Horn for over ten years of public service as mayor of Melrose, Minnesota.

Referred to the Committee on Rules and Administration.

**Ms. Berglin introduced--**

**Senate Resolution No. 19:** 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.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

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

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

1. Upon its adjournment on Wednesday, January 18, 1995, the Senate may set its next day of meeting for Monday, January 23, 1995.

2. Upon its adjournment on Wednesday, January 18, 1995, the House of Representatives may set its next day of meeting for Monday, January 23, 1995.

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

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 4 be laid on the table. The motion prevailed.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**Senate Resolution No. 20:** A Senate resolution relating to mileage; setting the miles traveled by members of the Senate in going to and returning from the Capitol.

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



The miles traveled by members of the Senate for the 79th Legislature in each round trip going to and returning from the Capitol to their places of residence are as follows:

MEMBER	MILEAGE
ANDERSON, Ellen R. . . . .	0
BECKMAN, Tracy L. . . . .	260
BELANGER, William V., Jr. . . . .	46
BERG, Charles A. . . . .	370
BERGLIN, Linda . . . . .	22
BERTRAM, Joe, Sr. . . . .	210
BETZOLD, Don . . . . .	30
CHANDLER, Kevin M. . . . .	30
CHMIELEWSKI, Florian . . . . .	210
COHEN, Richard J. . . . .	0
DAY, Dick . . . . .	140
DILLE, Steve . . . . .	150
FINN, Harold R. "Skip" . . . . .	440
FLYNN, Carol . . . . .	22
FREDERICKSON, Dennis R. . . . .	210
HANSON, Paula E. . . . .	50
HOTTINGER, John C. . . . .	194
JANEZICH, Jerry R. . . . .	396
JOHNSON, Dean E. . . . .	202
JOHNSON, Douglas J. . . . .	440
JOHNSON, Janet B. . . . .	99
JOHNSTON, Terry D. . . . .	54
KELLY, Randy C. . . . .	8
KISCADEN, Sheila M. . . . .	160
KLEIS, Dave . . . . .	145
KNUTSON, David L. . . . .	38
KRAMER, Don . . . . .	38
KRENTZ, Jane . . . . .	54
KROENING, Carl W. . . . .	30
LAIDIG, Gary W. . . . .	44
LANGSETH, Keith . . . . .	472
LARSON, Cal . . . . .	392
LESEWSKI, Arlene J. . . . .	336
LESSARD, Bob . . . . .	625
MARTY, John . . . . .	25
MERRIAM, Gene . . . . .	42
METZEN, James P. . . . .	18
MOE, Roger D. . . . .	522
MONDALE, Ted A. . . . .	25
MORSE, Steven . . . . .	244
MURPHY, Steve L. . . . .	102
NEUVILLE, Thomas M. . . . .	94
NOVAK, Steven G. . . . .	30
OLIVER, Edward C. . . . .	54
OLSON, Gen . . . . .	70
OURADA, Mark N. . . . .	101
PAPPAS, Sandra L. . . . .	4
PARISEAU, Pat . . . . .	64
PIPER, Pat . . . . .	200
POGEMILLER, Lawrence J. . . . .	16

PRICE, Leonard R. . . . .	14
RANUM, Jane B. . . . .	24
REICHGOTT JUNGE, Ember D. . . . .	42
RIVENESS, Phil J. . . . .	24
ROBERTSON, Martha R. . . . .	40
RUNBECK, Linda . . . . .	44
SAMS, Dallas C. . . . . (air 264)	300
SAMUELSON, Don . . . . .	270
SCHEEVEL, Kenric . . . . .	250
SOLON, Sam G. . . . .	310
SPEAR, Allan H. . . . .	22
STEVENS, Dan . . . . .	156
STUMPF, LeRoy A. . . . . (air 550)	622
TERWILLIGER, Roy . . . . .	42
VICKERMAN, Jim . . . . .	336
WIENER, Deanna . . . . .	25

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.

### Messrs. Marty and Merriam introduced--

**S.F. No. 38:** A bill for an act proposing an amendment to the Minnesota Constitution; providing for a unicameral legislature; changing article IV; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by statute for a unicameral legislature to consist of 99 members; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

### Messrs. Knutson, Belanger and Laidig introduced--

**S.F. No. 39:** A bill for an act relating to crime; controlled substances; limiting the sentencing court's authority to stay adjudication of a controlled substance offender's guilt and to expunge the offender's record upon the successful completion of treatment and probation; providing that this procedure applies only to first-time offenders convicted of a fifth-degree or a nonfelony controlled substance offense; amending Minnesota Statutes 1994, section 152.18, subdivision 1.

Referred to the Committee on Crime Prevention.

### Messrs. Knutson, Chandler, Stevens and Murphy introduced--

**S.F. No. 40:** A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; providing for the legislature to meet only in the odd-numbered year.

Referred to the Committee on Ethics and Campaign Reform.

### Mr. Metzen introduced--

**S.F. No. 41:** A bill for an act relating to taxation; property; reducing the class rates applied to noncommercial seasonal recreational residential property; amending Minnesota Statutes 1994, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Vickerman, Langseth, Larson, Belanger and Chmielewski introduced--**

**S.F. No. 42:** A bill for an act relating to traffic regulations; repealing sunset provision concerning recreational vehicle combinations; amending Laws 1993, chapter 111, section 3.

Referred to the Committee on Transportation and Public Transit.

**Mr. Pogemiller introduced--**

**S.F. No. 43:** A bill for an act relating to education; repealing the appropriations caps for prekindergarten through grade 12 education funding; repealing Laws 1993, chapter 224, article 15, section 3, as amended.

Referred to the Committee on Education.

**Messrs. Novak, Lessard, Finn, Ms. Anderson and Mr. Dille introduced--**

**S.F. No. 44:** A bill for an act relating to energy; extending the deadline for the initial report of the legislative electric energy task force; amending Minnesota Statutes 1994, section 216C.051, subdivision 5.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Novak, Murphy and Finn introduced--**

**S.F. No. 45:** A bill for an act relating to the environment; exempting newer motor vehicles from annual air pollution emissions inspections; amending Minnesota Statutes 1994, section 116.61, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Metzen, Bertram and Solon introduced--**

**S.F. No. 46:** A bill for an act relating to lawful gambling; increasing the percentage of gross profit that may be expended for allowable expenses; amending Minnesota Statutes 1994, section 349.15, subdivision 1.

Referred to the Committee on Gaming Regulation.

**Mr. Samuelson, Ms. Piper, Messrs. Sams and Day introduced--**

**S.F. No. 47:** A bill for an act relating to human services; changing the monthly allowance deduction for children of institutionalized patients on medical assistance; amending Minnesota Statutes 1994, section 256B.0575.

Referred to the Committee on Health Care.

**Messrs. Knutson, Kleis, Day, Stevens and Larson introduced--**

**S.F. No. 48:** A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, article V, sections 2 and 4, and article XIII, by adding a section; placing limits on the terms of office of legislators and executive officers.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Chmielewski introduced--**

**S.F. No. 49:** A bill for an act relating to local government; allowing either the town of Glen or the town of Kimberley in Aitkin county to have an alternate annual meeting day.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Ourada, Ms. Hanson, Mr. Pogemiller, Mses. Johnston and Lesewski introduced--**

**S.F. No. 50:** A bill for an act relating to highways; designating a bridge as the Betty Adkins Bridge; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Solon introduced--**

**S.F. No. 51:** A bill for an act relating to health; modifying the membership of the health care commission by adding another member to represent consumers with physical disabilities; amending Minnesota Statutes 1994, section 62J.05, subdivision 2.

Referred to the Committee on Health Care.

**Mr. Stevens, Ms. Runbeck, Mrs. Pariseau, Messrs. Scheevel and Kleis introduced--**

**S.F. No. 52:** A resolution memorializing members of the Minnesota congressional delegation to meet periodically with the Legislature regarding unfunded federal mandates.

Referred to the Committee on Finance.

**Ms. Johnston, Messrs. Ourada, Kleis, Kramer and Scheevel introduced--**

**S.F. No. 53:** A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating net proceeds of motor vehicle excise tax to highway user tax distribution fund and a transit assistance fund.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Finn; Moe, R.D. and Stumpf introduced--**

**S.F. No. 54:** A bill for an act relating to juvenile corrections facilities; authorizing local government financing of the nonstate share of the cost of the northwestern Minnesota juvenile training center; amending Laws 1994, chapter 643, section 79, subdivision 7.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Bertram introduced--**

**S.F. No. 55:** A bill for an act relating to the military; establishing a program providing compensation to national guard members for honor guard services at funerals of veterans; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Finn; Moe, R.D. and Johnson, D.J. introduced--**

**S.F. No. 56:** A bill for an act relating to taxation; providing that certain information is reclassified as public information; amending Minnesota Statutes 1994, section 270B.02, subdivision 4.

Referred to the Committee on Judiciary.

**Messrs. Marty and Merriam introduced--**

**S.F. No. 57:** A bill for an act relating to human rights; prohibiting employers from asking employees to furnish information regarding unlawful discrimination complaints or charges they

have made; lengthening the statute of limitations for certain human rights act violations; limiting the discovery and admission of certain evidence in sexual harassment cases; amending Minnesota Statutes 1994, sections 363.03, subdivision 1; 363.06, subdivision 3; and 363.116; proposing coding for new law in Minnesota Statutes, chapter 363.

Referred to the Committee on Judiciary.

**Mr. Solon introduced--**

**S.F. No. 58:** A bill for an act relating to insurance; extending eligibility for certain elective individual paid insurance and benefits; amending Minnesota Statutes 1994, section 43A.27, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Merriam introduced--**

**S.F. No. 59:** A bill for an act relating to traffic regulations; restricting the issuance of limited licenses for the operation of commercial motor vehicles for certain offenses committed with a private vehicle; amending Minnesota Statutes 1994, section 171.30.

Referred to the Committee on Transportation and Public Transit.

**Mr. Merriam introduced--**

**S.F. No. 60:** A bill for an act relating to public employees; prohibiting reemployment of certain early retirees; amending Minnesota Statutes 1994, section 356.70, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Moe, R.D. introduced--**

**S.F. No. 61:** A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States of America relating to balancing the budget of the United States.

Referred to the Committee on Finance.

**Mr. Merriam introduced--**

**S.F. No. 62:** A bill for an act relating to housing; exempting the publicly owned transitional housing program from certain sale restrictions placed upon projects financed by state general obligation bond proceeds; amending Minnesota Statutes 1994, section 462A.202, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

**Messrs. Finn, Betzold, Chandler and Merriam introduced--**

**S.F. No. 63:** A bill for an act relating to game and fish; removing restrictions on the importation of fish from Ontario; amending Minnesota Statutes 1994, section 97A.531, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

**Mr. Betzold introduced--**

**S.F. No. 64:** A bill for an act relating to corrections; requiring that the commissioner of corrections notify affected local governments before licensing foster care facilities for delinquent

children; amending Minnesota Statutes 1994, section 241.021, subdivision 2, and by adding a subdivision.

Referred to the Committee on Crime Prevention.

**Messrs. Kelly, Novak and Metzen introduced--**

**S.F. No. 65:** A bill for an act relating to utilities; abolishing sunset provision related to area development rate plans; amending Minnesota Statutes 1994, section 216B.161; and Laws 1990, chapter 370, section 7; repealing Minnesota Statutes 1994, section 216B.161, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**S.F. No. 66:** A resolution memorializing Congress to continue its progress at reducing the federal deficit and provide to the state information on the impact that a balanced federal budget will have on the state of Minnesota.

Mr. Moe, R.D. moved that S.F. No. 66 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 66 be taken from the table. The motion prevailed.

**S.F. No. 66:** A resolution memorializing Congress to continue its progress at reducing the federal deficit and provide to the state information on the impact that a balanced federal budget will have on the state of Minnesota.

WHEREAS, the 50 States, including the State of Minnesota, have long been required by their state constitutions to balance their state operating budgets; and

WHEREAS, the States have long done so by making difficult choices each budget session to insure that their expenditures do not exceed their revenues; and

WHEREAS, without a federal balanced budget, the deficit will continue to grow within the next ten years from \$150 billion gross domestic product (GDP) per year to \$400 billion GDP per year, continuing the serious negative impact on interest rates, available credit for consumers, and taxpayer obligations; and

WHEREAS, the Congress of the United States, in the last two years, has begun to reduce the annual federal deficit by making substantial reductions in federal spending; and

WHEREAS, achieving a balanced budget by the year 2002 will require continued reductions in the annual deficit, averaging almost 15 percent per year over the next seven years; and

WHEREAS, it now appears that the Congress is willing to impose on itself the same discipline that the States have long had to follow, by passing a balanced-budget amendment to the United States Constitution; and

WHEREAS, the Congress, in working to balance the federal budget, may impose on the States unfunded mandates that shift to the States responsibility for carrying out programs that the Congress can no longer afford; and

WHEREAS, the States will better be able to revise their own budgets if the Congress gives them fair warning of the revisions Congress will be making in the federal budget; and

WHEREAS, if the federal budget is to be brought into balance by the year 2002, major reductions in the annual deficit must continue without a break; and

WHEREAS, these major reductions will be more acceptable to the people if they are shown to be part of a realistic, long-term plan to balance the budget; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the Congress of the United States to continue its progress at reducing the annual federal deficit and, when the Congress proposes to the States a balanced-budget amendment, to accompany it with specific financial data outlining the consequences to the state for major program reductions, and its impact on the budget of the State of Minnesota for budget planning purposes.

BE IT FURTHER RESOLVED that the Secretary of State of Minnesota shall transmit copies of this memorial to the Speaker and Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the presiding officers of both houses of the legislature of each of the other States in the Union, and to Minnesota's Senators and Representatives in Congress.

### 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. 66 and that the rules of the Senate be so far suspended as to give S.F. No. 66 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 66 was read the second time.

Mr. Johnson, D.E. moved to amend S.F. No. 66 as follows:

Page 2, line 20, delete "specific" and delete "data outlining the"

Page 2, delete line 21 and insert "information on its"

The motion prevailed. So the amendment was adopted.

S.F. No. 66 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Morse	Robertson
Beckman	Frederickson	Krentz	Murphy	Sams
Belanger	Hanson	Kroening	Neuville	Samuelson
Berg	Hottinger	Laidig	Novak	Scheevel
Berglin	Janezich	Langseth	Olson	Solon
Bertram	Johnson, D.E.	Larson	Ourada	Spear
Betzold	Johnson, D.J.	Lesewski	Pappas	Stevens
Chandler	Johnson, J.B.	Lessard	Pariseau	Stumpf
Chmielewski	Johnston	Marty	Pogemiller	Terwilliger
Cohen	Kelly	Merriam	Price	Vickerman
Day	Kiscaden	Metzen	Ranum	Wiener
Dille	Kleis	Moe, R.D.	Reichgott Junge	
Finn	Knutson	Mondale	Riveness	

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

### MEMBERS EXCUSED

Mses. Piper, Runbeck and Mr. Oliver were excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Tuesday, January 17, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



**SIXTH DAY**

St. Paul, Minnesota, Tuesday, January 17, 1995

The Senate met at 10:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

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

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

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

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

Anderson	Hanson	Laidig	Novak	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Marty	Pariseau	Stumpf
Chandler	Johnston	Merriam	Piper	Terwilliger
Chmielewski	Kiscaden	Metzen	Pogemiller	Vickerman
Cohen	Kleis	Moe, R.D.	Price	Wiener
Day	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Reichgott Junge	
Flynn	Krentz	Murphy	Riveness	
Frederickson	Kroening	Neuville	Robertson	

The President declared a quorum present.

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

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

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

January 12, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**HIGHER EDUCATION BOARD**

Fannie Marshall Primm, 4544 - 5th Ave. S., Minneapolis, Hennepin County, effective July 1, 1993, for a term expiring on June 30, 1996.

Rachel M. Scherer, 1825 Ives Ln. N., Plymouth, Hennepin County, effective July 1, 1993, for a term expiring on June 30, 1998.

(Referred to the Committee on Education.)

March 11, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**STATE BOARD FOR COMMUNITY COLLEGES**

Andrew R. Larson, 3002 E. Superior St., Duluth, St. Louis County, effective March 16, 1994, for a term expiring on the first Monday in January, 1998.

John M. Lundsten, 1804 Hillside Ln., Buffalo, Wright County, effective March 16, 1994, for a term expiring on the first Monday in January, 1998.

(Referred to the Committee on Education.)

April 14, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Donald M. Sudor, 612 - 15th Ave. S.W., Rochester, Olmsted County, effective April 18, 1994, for a term expiring on the first Monday in January, 2000.

(Referred to the Committee on Education.)

June 3, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**HIGHER EDUCATION BOARD**

Steve McElroy, 4994 Upper 147th St. W., Apple Valley, Dakota County, effective June 6, 1994, for a term expiring on June 30, 1995.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, Governor

December 7, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Senator Spear:

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

Howard Register, 6601 Buckley Circle, #101, Inver Grove Heights, Minnesota, Dakota County. Effective December 11, 1994, expiring June 30, 1995. Mr. Register replaces Ms. Laura Schupp, who has resigned.

(Referred to the Committee on Gaming Regulation.)

Warmest regards,  
Michael S. Jordan  
Commissioner

## MESSAGES FROM THE HOUSE

Mr. President:

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

**House Concurrent Resolution No. 2:** A House concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 12, 1995

**House Concurrent Resolution No. 2:** 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 18, 1995, the Senate may set its next day of meeting more than three days after the day of adjournment.

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

Mr. Moe, R.D. moved that House Concurrent Resolution No. 2 be adopted. The motion prevailed. So the resolution was adopted.

## MOTIONS AND RESOLUTIONS

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

Mr. Marty moved that the names of Messrs. Spear and Kelly be added as co-authors to S.F. No. 38. The motion prevailed.

Mr. Knutson moved that the name of Mr. Murphy be added as a co-author to S.F. No. 39. The motion prevailed.

Mr. Knutson moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 40. The motion prevailed.

Mr. Metzen moved that the names of Mr. Kelly, Ms. Johnson, J.B. and Mr. Novak be added as co-authors to S.F. No. 41. The motion prevailed.

Mr. Pogemiller moved that the names of Mses. Johnson, J.B.; Hanson and Mr. Sams be added as co-authors to S.F. No. 43. The motion prevailed.

Mr. Metzen moved that the names of Mr. Murphy and Ms. Johnson, J.B. be added as co-authors to S.F. No. 46. The motion prevailed.

Mr. Solon moved that the names of Ms. Johnson, J.B. and Mr. Finn be added as co-authors to S.F. No. 51. The motion prevailed.

Mr. Finn moved that the name of Ms. Wiener be added as a co-author to S.F. No. 63. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Morse be added as a co-author to S.F. No. 66. The motion prevailed.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Ms. Johnston, Messrs. Frederickson; Johnson, D.E.; Belanger and Langseth introduced--**

**S.F. No. 67:** A bill for an act relating to taxation; indexing the rate of taxation on gasoline; allocating 23 percent of proceeds from motor vehicle excise tax to the transit assistance fund; amending Minnesota Statutes 1994, sections 296.02, subdivision 1b, and by adding a subdivision; and 297B.09, subdivision 1.

Referred to the Committee on Transportation and Public Transit.

**Mr. Solon introduced--**

**S.F. No. 68:** A bill for an act relating to insurance; requiring insurers to offer alternative methods for the payment of group life policy proceeds; amending Minnesota Statutes 1994, section 61A.09, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Larson, Neuville, Mrs. Pariseau, Messrs. Merriam and Kramer introduced--**

**S.F. No. 69:** A bill for an act proposing an amendment to the Minnesota Constitution to provide for a unicameral legislature; changing article IV; article V, sections 3 and 5; 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 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Mrs. Pariseau, Messrs. Frederickson, Ourada, Scheevel and Kramer introduced--**

**S.F. No. 70:** A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 1; providing that state spending may not increase at a greater rate than increases in the consumer price index.

Referred to the Committee on Finance.

**Mrs. Pariseau, Ms. Johnston, Mr. Laidig, Ms. Olson and Mr. Merriam introduced--**

**S.F. No. 71:** A bill for an act relating to the environment; exempting certain newer motor vehicles from the motor vehicle emission inspection program; repealing the program effective July 1, 1998; amending Minnesota Statutes 1994, section 116.61, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

**Mses. Piper, Kiscaden, Messrs. Larson, Sams and Betzold introduced--**

**S.F. No. 72:** A bill for an act relating to occupations and professions; board of medical practice; reinstating certain advisory councils.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Piper, Kiscaden, Messrs. Larson, Sams and Betzold introduced--**

**S.F. No. 73:** A bill for an act relating to occupations and professions; requiring reporting of certain insurance settlements to board of medical practice; amending Minnesota Statutes 1994, sections 147.111, subdivision 5; and 147.161, subdivision 1.

Referred to the Committee on Health Care.

**Ms. Reichgott Junge introduced--**

**S.F. No. 74:** 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 1994, sections 84.911, subdivision 7; 86B.335, subdivision 13; 115B.42, subdivision 1; 144.871, subdivision 3; 144.8782; 260.185, subdivision 6; 325F.692, subdivision 3; 326.71, subdivision 4; and 340A.503, subdivision 1; Laws 1994, chapter 527, section 7.

Referred to the Committee on Judiciary.

**Mr. Betzold introduced--**

**S.F. No. 75:** A bill for an act relating to real property; clarifying requirements relating to filing of notice of mechanics' liens; amending Minnesota Statutes 1994, section 514.08, subdivision 1.

Referred to the Committee on Judiciary.

**Mr. Solon introduced--**

**S.F. No. 76:** A bill for an act relating to consumer protection; requiring the payment of interest on security deposits for motor vehicle leases; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Betzold introduced--**

**S.F. No. 77:** A bill for an act relating to civil actions; new motor vehicle warranties; clarifying the limitation on actions after informal dispute settlement mechanism decisions; amending Minnesota Statutes 1994, section 325F.665, subdivisions 7 and 10.

Referred to the Committee on Judiciary.

**Messrs. Frederickson and Vickerman introduced--**

**S.F. No. 78:** A bill for an act relating to the city of Springfield; allowing the city to establish a tax increment financing district for certain purposes; exempting the district from certain aid reductions.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Merriam, Novak, Ms. Reichgott Junge, Messrs. Marty and Neuville introduced--**

**S.F. No. 79:** A bill for an act relating to crime; requiring landlords of residential rental buildings to conduct a criminal conviction background check of individuals employed as building managers or caretakers; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Crime Prevention.

**Messrs. Merriam, Marty, Larson, Ms. Reichgott Junge and Mr. Terwilliger introduced--**

**S.F. No. 80:** A bill for an act proposing an amendment to the Minnesota Constitution; providing for a unicameral legislature; changing article IV; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by statute for a unicameral legislature to consist of 135 members; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Solon, Hottinger and Finn introduced--**

**S.F. No. 81:** A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1994, section 177.24, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Dille; Johnson, D.J.; Bertram and Scheevel introduced--**

**S.F. No. 82:** A bill for an act relating to taxation; sales and use; exempting certain materials sold to veterinarians; amending Minnesota Statutes 1994, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Cohen and Ms. Krentz introduced--**

**S.F. No. 83:** A bill for an act relating to taxation; providing that contributions to and interest earned on certain educational savings plan accounts are exempt from income taxes; amending Minnesota Statutes 1994, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Cohen, Riveness, Ms. Reichgott Junge and Mr. Metzen introduced--**

**S.F. No. 84:** A bill for an act relating to the legislature; requiring certain committee planning; requiring the adoption of budget targets; setting limits for certain meetings of the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 12; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

**Mr. Cohen, Mses. Flynn, Wiener, Anderson and Mr. Mondale introduced--**

**S.F. No. 85:** A bill for an act relating to health; codifying certain case law regarding abortion; amending Minnesota Statutes 1994, section 609.269; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 1994, section 145.412.

Referred to the Committee on Health Care.

**Mr. Cohen introduced--**

**S.F. No. 86:** A bill for an act relating to crime; creating the crime of theft of video rental property; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention.

**Messrs. Price; Johnson, D.J.; Hottinger; Mses. Flynn and Pappas introduced--**

**S.F. No. 87:** A bill for an act relating to taxation; making technical corrections and clarifications; making administrative changes; amending Minnesota Statutes 1994, sections 270.0604, subdivision 4; 273.11, subdivision 16; 273.121; 290.067, subdivision 1; and 297B.01, subdivision 8; Laws 1993, chapter 375, article 15, section 15; and Laws 1994, chapter 587, article 11, section 9, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Robertson, Messrs. Samuelson, Terwilliger, Solon and Ms. Kiscaden introduced--**

**S.F. No. 88:** A bill for an act relating to human services; changing eligibility for general assistance; detailing food stamp employment and training program; establishing start work grants; establishing work first program; expanding information released to department of revenue on individuals in the welfare system; establishing a joint effort to provide monetary supplements to working families; detailing assistance to minor parents; specifying waiver requests; establishing the process for claims for injury or death of work experience participants; defining obligation to seek and obtain full-time employment; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 3a, and by adding a subdivision; 256.736, subdivisions 3a, 4a, 10, 16, and by adding a subdivision; 256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.10; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113.

Referred to the Committee on Family Services.

**Messrs. Ourada, Pogemiller, Ms. Olson, Mr. Knutson and Ms. Reichgott Junge introduced--**

**S.F. No. 89:** A bill for an act relating to education; maximum effort school loan program; approving a capital loan for independent school district No. 727, Big Lake; appropriating money; authorizing the sale of bonds.

Referred to the Committee on Education.

**Mrs. Pariseau, Messrs. Lessard, Kramer, Stevens and Dille introduced--**

**S.F. No. 90:** A bill for an act proposing an amendment to the Minnesota Constitution; adding a section to article I; establishing the right of a citizen to keep and bear arms.

Referred to the Committee on Judiciary.

**Mr. Finn introduced--**

**S.F. No. 91:** A bill for an act relating to gambling; providing eligibility for participation as a provider in the state compulsive gambling program; amending Minnesota Statutes 1994, section 245.98, subdivision 2.

Referred to the Committee on Gaming Regulation.

**Messrs. Bertram and Berg introduced--**

**S.F. No. 92:** A bill for an act relating to gambling; reducing the minimum age to participate in bingo games in certain circumstances; amending Minnesota Statutes 1994, section 349.2127, subdivision 8.

Referred to the Committee on Gaming Regulation.

**Messrs. Bertram and Sams introduced--**

**S.F. No. 93:** A bill for an act relating to Stearns county; requiring the county to refund money paid by the city of Melrose for acquisition of certain property.

Referred to the Committee on Metropolitan and Local Government.

**MEMBERS EXCUSED**

Messrs. Beckman, Samuelson and Spear were excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:30 a.m., Wednesday, January 18, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## SEVENTH DAY

St. Paul, Minnesota, Wednesday, January 18, 1995

The Senate met at 11:30 a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Betzold 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. Warren Jorenby.

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

Anderson	Frederickson	Kroening	Novak	Sams
Beckman	Hanson	Laidig	Oliver	Samuelson
Belanger	Hottinger	Langseth	Olson	Scheevel
Berg	Janezich	Larson	Ourada	Solon
Berglin	Johnson, D.E.	Lesewski	Pappas	Spear
Bertram	Johnson, D.J.	Lessard	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Chmielewski	Kelly	Metzen	Price	Vickerman
Cohen	Kiscaden	Moe, R.D.	Ranum	Wiener
Day	Kleis	Mondale	Reichgott Junge	
Dille	Knutson	Morse	Riveness	
Finn	Kramer	Murphy	Robertson	
Flynn	Krentz	Neuville	Runbeck	

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, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 66:** A resolution memorializing Congress to continue its progress at reducing the federal deficit and provide to the state information on the impact that a balanced federal budget will have on the state of Minnesota.

Senate File No. 66 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 17, 1995

### CONCURRENCE AND REPASSAGE

Mr. Moe, R.D. moved that the Senate concur in the amendments by the House to S.F. No. 66 and that the resolution be placed on its repassage as amended. The motion prevailed.

S.F. No. 66 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the resolution, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Kroening	Neuville	Robertson
Belanger	Hanson	Laidig	Novak	Runbeck
Berg	Hottinger	Langseth	Oliver	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Bertram	Johnson, D.J.	Lesewski	Pappas	Solon
Betzold	Johnston	Lessard	Pariseau	Spear
Chandler	Kelly	Merriam	Piper	Stevens
Chmielewski	Kiscaden	Metzen	Pogemiller	Stumpf
Cohen	Kleis	Moe, R.D.	Price	Terwilliger
Dille	Knutson	Mondale	Ranum	Vickerman
Finn	Kramer	Morse	Reichgott Junge	
Flynn	Krentz	Murphy	Riveness	

So the resolution, as amended, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS

Ms. Hanson moved that the names of Mr. Janezich, Ms. Krentz, Messrs. Kramer and Stumpf be added as co-authors to S.F. No. 23. The motion prevailed.

Mr. Metzen moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 41. The motion prevailed.

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

Mr. Solon moved that the name of Mr. Finn be added as a co-author to S.F. No. 76. The motion prevailed.

Mr. Betzold moved that the name of Mr. Finn be added as a co-author to S.F. No. 77. The motion prevailed.

Mr. Solon moved that the name of Ms. Berglin be added as a co-author to S.F. No. 81. The motion prevailed.

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

Mr. Frederickson moved that S.F. No. 78 be withdrawn from the Committee on Metropolitan and Local Government and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Hanson moved that S.F. No. 23 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Governmental Operations and Veterans. 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. Morse, Betzold, Frederickson, Merriam and Johnson, D.J. introduced--**

**S.F. No. 94:** A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Piper, Kiscaden, Messrs. Larson, Sams and Betzold introduced--**

**S.F. No. 95:** A bill for an act relating to occupations and professions; board of medical practice; changing licensing requirements for foreign applicants; changing certain disciplinary procedures; amending Minnesota Statutes 1994, sections 147.037, subdivision 1; 147.091, subdivisions 1, 2, and 6; 147.121, subdivision 2; 148.70; and 148.72, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Health Care.

**Messrs. Sams, Day, Langseth and Johnson, D.E. introduced--**

**S.F. No. 96:** A bill for an act relating to workers' compensation; providing for insurance regulation; regulating benefits; appropriating money; amending Minnesota Statutes 1994, sections 79.50; 79.51, subdivisions 1 and 3; 79.53, subdivision 1; 79.55, subdivisions 2, 5, and by adding subdivisions; 79.56, subdivisions 1 and 3; 176.021, subdivisions 3 and 3a; 176.101, subdivisions 1, 3g, 3l, 3m, 3o, 3q, 4, and 5; 176.645, subdivision 1; and 176.66, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1994, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; 79.58; and 176.132, subdivisions 1 and 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Betzold and Frederickson introduced--**

**S.F. No. 97:** A bill for an act relating to taxation; providing that certain income earned for service in the armed forces is exempt from taxation; amending Minnesota Statutes 1994, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Merriam, Ms. Reichgott Junge, Messrs. Marty, Novak and Neuville introduced--**

**S.F. No. 98:** A bill for an act relating to public safety; requiring landlords of residential rental buildings to conduct a criminal conviction background check of individuals employed as building managers or caretakers; requiring criminal background checks for individuals employed as managers or caretaking employees in manufactured park homes; requiring 24-hour oral or written notice before entry of certain buildings used as dwellings, including apartments and manufactured homes; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapters 327; and 504.

Referred to the Committee on Crime Prevention.

**Mr. Janezich introduced--**

**S.F. No. 99:** A bill for an act relating to insurance; homeowner's; requiring prompt payment of claims; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 65A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Janezich introduced--**

**S.F. No. 100:** A bill for an act relating to St. Louis county; requiring a polling place in the community of Makinen; amending Minnesota Statutes 1994, section 383C.806.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Chandler introduced--**

**S.F. No. 101:** A bill for an act relating to retirement; permitting certain members of the teachers retirement association to make lump-sum contributions to obtain full-service credit for sabbatical leaves beyond the end of the fiscal years following the fiscal years in which the leaves terminated.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Morse, Frederickson, Merriam, Ms. Johnson, J.B. and Mr. Lessard introduced--**

**S.F. No. 102:** A bill for an act relating to the environment and natural resources; appropriating money for various purposes; expanding the allowable sources of contributions to the Minnesota critical habitat matching account; expanding the availability of money in the Minnesota environment and natural resources trust fund for certain purposes; amending Minnesota Statutes 1994, sections 84.943; and 116P.11.

Referred to the Committee on Environment and Natural Resources.

**Ms. Hanson, Messrs. Metzen and Riveness introduced--**

**S.F. No. 103:** A bill for an act relating to animals; prohibiting manufactured home parks from prohibiting senior citizens from keeping pet dogs, cats, and birds on the park premises; amending Minnesota Statutes 1994, section 327.27, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Stevens, Berg, Mrs. Pariseau, Messrs. Larson and Lessard introduced--**

**S.F. No. 104:** 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 Crime Prevention.

**Mses. Olson, Hanson, Messrs. Langseth and Knutson introduced--**

**S.F. No. 105:** A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; affirming the right of parents to direct the upbringing and education of their children.

Referred to the Committee on Education.

**Messrs. Morse, Langseth, Frederickson, Bertram and Larson introduced--**

**S.F. No. 106:** A bill for an act relating to ethanol; modifying provisions relating to producer payments; appropriating money; amending Minnesota Statutes 1994, sections 41A.09, by adding subdivisions; and 296.02, by adding a subdivision; repealing Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; and 296.02, subdivision 7.

Referred to the Committee on Agriculture and Rural Development.

**RECESS**

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

The Senate reconvened at the appropriate time.

**MEMBERS EXCUSED**

Mses. Anderson; Wiener; Johnson, J.B.; Messrs. Ourada and Scheevel were excused from the Session of today to escort the Governor to the Joint Convention.

**ADJOURNMENT**

Mr. Chandler moved that the Senate do now adjourn until 11:00 a.m., Monday, January 23, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



**EIGHTH DAY**

**St. Paul, Minnesota, Thursday, January 19, 1995**

The House of Representatives met on Thursday, January 19, 1995, which was the Eighth Legislative Day of the Seventy-Ninth Session of the Minnesota State Legislature. The Senate did not meet on this date.





## NINTH DAY

St. Paul, Minnesota, Monday, January 23, 1995

The Senate met at 11:00 a.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. L. Douglas Throckmorton.

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:

Anderson	Frederickson	Krentz	Morse	Robertson
Beckman	Hanson	Kroening	Murphy	Runbeck
Belanger	Hottinger	Laidig	Neuville	Sams
Berg	Janezich	Langseth	Novak	Samuelson
Berglin	Johnson, D.E.	Larson	Oliver	Scheevel
Betzold	Johnson, D.J.	Lesewski	Olson	Solon
Chandler	Johnston	Lessard	Ourada	Spear
Chmielewski	Kelly	Marty	Piper	Stevens
Cohen	Kiscaden	Merriam	Price	Terwilliger
Dille	Kleis	Metzen	Ranum	Vickerman
Finn	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Flynn	Kramer	Mondale	Riveness	

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.

January 17, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### HIGHER EDUCATION BOARD

Irene Bertram, 9405 Cherry Ln., Corcoran, Hennepin County, effective September 5, 1993, for a term expiring on June 30, 1995.

Marty Seifert, 111 E. Main St., Marshall, Lyon County, effective September 5, 1993, for a term expiring on June 30, 1995.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

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

**House Concurrent Resolution No. 3:** A House concurrent resolution recognizing Thursday, February 2, 1995, as Girls and Women in Sports Day in Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 19, 1995

**House Concurrent Resolution No. 3:** A House concurrent resolution recognizing Thursday, February 2, 1995, as Girls and Women in Sports Day in Minnesota.

WHEREAS, Minnesotans share a unique enthusiasm for sports and recreational activity; and

WHEREAS, nearly one-half of our state's citizens participate regularly in organized recreational activity, and about 40 percent of those participants are female; and

WHEREAS, sports and recreation represent one of our country's largest development and social institutions and all women, men, girls, and boys should have the opportunities and resources to participate in this institution to enhance their lives; and

WHEREAS, it has been recognized locally and nationally that there is a need to increase opportunities and to celebrate accomplishments for girls and women in sports; and

WHEREAS, Minnesotans have worked hard to remove the barriers facing girls and women who want to participate in sports and have made enormous strides to get more girls and women involved in sports and recreation; and

WHEREAS, the Women's Sports Foundation created National Girls and Women in Sports Day in 1987 to celebrate and commemorate the victories and growth for girls and women in sports; and

WHEREAS, Minnesota is a national leader in the development of opportunities for girls and women in sports and has much to celebrate; NOW, THEREFORE,

BE IT RESOLVED by the House of Representatives of the State of Minnesota, the Senate concurring, that it recognizes Thursday, February 2, 1995, as Girls and Women in Sports Day in Minnesota.

BE IT FURTHER RESOLVED that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Speaker of the House of Representatives, the Chair of the Senate Rules and Administration Committee, and the Secretary of the Senate, and transmit it to the Minnesota Amateur Sports Commission.

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

**MOTIONS AND RESOLUTIONS**

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

Mr. Merriam moved that the name of Ms. Wiener be added as a co-author to S.F. No. 60. The motion prevailed.

Mr. Merriam moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 62. The motion prevailed.

Mr. Betzold moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 64. The motion prevailed.

Mr. Kelly moved that the names of Ms. Runbeck and Mr. Kroening be added as co-authors to S.F. No. 65. The motion prevailed.

Ms. Reichgott Junge moved that the name of Mr. Knutson be added as a co-author to S.F. No. 74. The motion prevailed.

Mr. Solon moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 81. The motion prevailed.

Mr. Betzold moved that the names of Ms. Lesewski and Mr. Finn be added as co-authors to S.F. No. 97. The motion prevailed.

Mr. Janezich moved that the name of Mr. Finn be added as a co-author to S.F. No. 99. The motion prevailed.

Ms. Hanson moved that the names of Messrs. Finn and Marty be added as co-authors to S.F. No. 103. The motion prevailed.

Ms. Olson moved that the name of Mr. Janezich be added as a co-author to S.F. No. 105. The motion prevailed.

**Mr. Kroening, Mrs. Pariseau and Mr. Lessard introduced--**

**Senate Concurrent Resolution No. 5:** A Senate concurrent resolution expressing support for the recommendations of the Rainy Lake/Namakan Reservoir Water Level International Steering Committee.

Referred to the Committee on Rules and Administration.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Messrs. Johnson, D.E.; Langseth; Berg; Stumpf and Ms. Runbeck introduced--**

**S.F. No. 107:** A bill for an act relating to workers' compensation; modifying provisions relating to procedures and benefits; providing penalties; amending Minnesota Statutes 1994, sections 79.211, subdivision 1; 175.16; 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.105, subdivision 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, and 20; 176.178; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; 176.82; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1994, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Solon introduced--**

**S.F. No. 108:** A bill for an act relating to health; allowing all-payer insurers to contract with integrated networks; amending Minnesota Statutes 1994, section 62P.31.

Referred to the Committee on Health Care.

**Messrs. Cohen and Chandler introduced--**

**S.F. No. 109:** A bill for an act relating to the legislature; eliminating per diem compensation of members of the legislature; requiring recommendations on the salaries of members; amending Minnesota Statutes 1994, sections 3.099, subdivision 1; 3.101; and 3A.01, subdivision 6a.

Referred to the Committee on Rules and Administration.

**Mses. Piper, Kiscaden, Messrs. Larson, Sams and Betzold introduced--**

**S.F. No. 110:** A bill for an act relating to occupations and professions; board of medical practice; prohibiting prior authorization by anyone other than a person licensed to practice medicine; amending Minnesota Statutes 1994, sections 147.081, subdivision 3; and 147.091, subdivision 1.

Referred to the Committee on Health Care.

**Messrs. Day, Stevens, Solon and Sams introduced--**

**S.F. No. 111:** A bill for an act relating to game and fish; removing restrictions on the importation of fish from Ontario; amending Minnesota Statutes 1994, section 97A.531, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

**Mr. Betzold, Mses. Krentz and Runbeck introduced--**

**S.F. No. 112:** A bill for an act relating to child abuse reporting; records retention; requiring a specified retention period for records of cases in which no maltreatment is found; classifying data; amending Minnesota Statutes 1994, section 626.556, subdivisions 10f and 11c.

Referred to the Committee on Judiciary.

**Mr. Metzen introduced--**

**S.F. No. 113:** A bill for an act relating to gambling; adding two members to the gambling control board; amending Minnesota Statutes 1994, section 349.151, subdivision 2.

Referred to the Committee on Gaming Regulation.

**Mr. Merriam introduced--**

**S.F. No. 114:** 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 Crime Prevention.

**Ms. Flynn, Messrs. Moe, R.D.; Johnson, D.E.; Ms. Kiscaden and Mr. Sams introduced--**

**S.F. No. 115:** A bill for an act relating to elections; changing the dates of precinct caucuses, the state party nominating election and primary, and the presidential primary; changing the deadline for delivery of absentee ballots; providing for distribution of a caucus guide and a voters' guide;

changing requirements for names appearing on the state party nominating election ballot; changing certain terminology; providing for a presidential primary by mail; increasing the filing fee for an affidavit of candidacy; changing certain duties and procedures; appropriating money; amending Minnesota Statutes 1994, sections 202A.14, subdivision 1; 204B.03; 204B.06, subdivisions 2, 5, and 7; 204B.08, subdivisions 1 and 2; 204B.09, subdivision 1; 204B.10, subdivisions 2, 3, and 4; 204B.11; 204B.12, subdivision 1; 204B.33; 204B.35, subdivision 4; 204B.45, subdivision 3, and by adding a subdivision; 204D.03, subdivision 1; 204D.08, subdivision 4; 207A.01; 207A.02, subdivision 1a; 207A.03; 207A.04, subdivision 3; 207A.06, subdivision 2; 207A.08; and 207A.09; proposing coding for new law in Minnesota Statutes, chapters 202A; 204B; and 207A; repealing Minnesota Statutes 1994, section 207A.07.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Sams, Morse, Bertram, Dille and Lessard introduced--**

**S.F. No. 116:** A bill for an act relating to the environment; providing for an annual funding allocation to soil and water conservation districts; amending Minnesota Statutes 1994, section 103C.401, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Beckman, Vickerman, Sams and Johnson, D.J. introduced--**

**S.F. No. 117:** A bill for an act relating to taxation; property tax; reducing the apartment class rate in certain municipalities; amending Minnesota Statutes 1994, sections 273.13, subdivision 25; and 273.1398, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Robertson, Messrs. Scheevel and Knutson introduced--**

**S.F. No. 118:** A bill for an act relating to education; authorizing the use of a portion of capital expenditure facilities revenue for equipment uses; amending Minnesota Statutes 1994, section 124.243, subdivision 8.

Referred to the Committee on Education.

**Ms. Flynn, Mr. Vickerman, Ms. Kiscaden, Mr. Johnson, D.E. and Ms. Reichgott Junge introduced--**

**S.F. No. 119:** A bill for an act relating to local government; establishing county services districts; requiring counties to cooperate in the delivery of services; authorizing boards and advisory committees; proposing coding for new law in Minnesota Statutes, chapter 373.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Robertson, Mr. Samuelson and Ms. Kiscaden introduced--**

**S.F. No. 120:** A bill for an act relating to human services; adjusting Medicare inpatient rates for long-term hospitals; amending Minnesota Statutes 1994, section 256.969, by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Sams, Solon, Samuelson, Kroening and Belanger introduced--**

**S.F. No. 121:** A bill for an act relating to insurance; providing a remedy to an insured when an insurer refuses in bad faith to pay or to settle a claim; awarding attorney fees and costs to an insured who prevails in a first-party coverage action against an insurer; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Mondale; Murphy; Johnson, D.J.; Ms. Flynn and Mr. Bertram introduced--**

**S.F. No. 122:** A bill for an act relating to the city of St. Louis Park; authorizing the creation of special service districts in the city; removing a restriction on the use of certain tax increments; exempting a certain tax increment district from the LGA/HACA offset.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Mondale, Hottinger, Spear and Cohen introduced--**

**S.F. No. 123:** A bill for an act relating to civil actions; providing for recovery of damages and injunctive relief for victims of bias offenses; imposing parental liability; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

**Messrs. Kramer, Stevens, Ms. Runbeck, Mrs. Pariseau and Mr. Neuville introduced--**

**S.F. No. 124:** A bill for an act relating to human services; changing eligibility for general assistance; detailing food stamp employment and training program; establishing start work grants; establishing work first program; expanding information released to department of revenue on individuals in the welfare system; establishing a joint effort to provide monetary supplements to working families; detailing assistance to minor parents; specifying waiver requests; establishing the process for claims for injury or death of work experience participants; defining obligation to seek and obtain full-time employment; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 3a, and by adding a subdivision; 256.736, subdivisions 3a, 4a, 10, 16, and by adding a subdivision; 256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.10; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113.

Referred to the Committee on Family Services.

**Mr. Kelly introduced--**

**S.F. No. 125:** A bill for an act relating to public safety; providing a statewide policy on school lockers; proposing coding for new law in chapter 127.

Referred to the Committee on Education.

**Messrs. Terwilliger, Belanger and Oliver introduced--**

**S.F. No. 126:** A bill for an act relating to retirement; Eden Prairie volunteer firefighters relief association; authorizing a reduction in the service pension vesting requirement; authorizing posttermination service pension adjustments for certain deferred retirees.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Terwilliger introduced--**

**S.F. No. 127:** A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water or natural wetlands in Hennepin county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Metzen introduced--**

**S.F. No. 128:** A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Metzen introduced--**

**S.F. No. 129:** A bill for an act relating to taxation; providing that certain rebates are not part of the purchase price for purposes of the sales tax on motor vehicles; amending Minnesota Statutes 1994, section 297B.01, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Wiener introduced--**

**S.F. No. 130:** A bill for an act relating to retirement; authorizing the city of Eagan to make certain lump sum payments to volunteer firefighters.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Cohen, Ms. Reichgott Junge and Mr. Kelly introduced--**

**S.F. No. 131:** A bill for an act relating to education; permitting school boards to permanently expel pupils who commit violent acts in school; amending Minnesota Statutes 1994, section 127.27, subdivision 5.

Referred to the Committee on Education.

**Mr. Bertram, Mses. Hanson, Johnston, Lesewski and Mr. Chmielewski introduced--**

**S.F. No. 132:** A bill for an act relating to highways; prohibiting headwalls in highway rights-of-way; imposing a penalty; amending Minnesota Statutes 1994, section 160.27, subdivision 5.

Referred to the Committee on Transportation and Public Transit.

**Mr. Johnson, D.J. introduced--**

**S.F. No. 133:** A bill for an act relating to state lands; authorizing the private sale of certain tax-forfeited lands bordering public waters in Cook county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Metzen introduced--**

**S.F. No. 134:** A bill for an act relating to gambling; providing for an alternate member of the advisory council on gambling; amending Laws 1994, chapter 633, article 8, section 5, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Neuville, Stevens and Ms. Runbeck introduced--**

**S.F. No. 135:** A bill for an act relating to health occupations and professions; board of psychology; eliminating the written declaration of intent filing requirement for persons with a master's degree who are seeking licensure as a licensed psychologist; amending Minnesota Statutes 1994, section 148.921, subdivision 2.

Referred to the Committee on Health Care.

**Mr. Moe, R.D. introduced--**

**S.F. No. 136:** A bill for an act relating to education; authorizing use of capital health and safety revenue to purchase portable classrooms by independent school district No. 600, Fisher.

Referred to the Committee on Education.

**Mr. Moe, R.D. introduced--**

**S.F. No. 137:** A bill for an act relating to education; transferring funds from independent school district Nos. 526, Twin Valley, and 523, Gary, to the Twin Valley and Gary successor school district.

Referred to the Committee on Education.

**Messrs. Solon; Johnson, D.J.; Samuelson; Janezich and Johnson, D.E. introduced--**

**S.F. No. 138:** A bill for an act relating to state government; increasing the membership of the designer selection board; requiring representation on the board from each congressional district; amending Minnesota Statutes 1994, section 16B.33, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Solon; Moe, R.D.; Hottinger; Larson and Oliver introduced--**

**S.F. No. 139:** A bill for an act relating to insurance; life; regulating living benefits settlements; adopting the NAIC viatical settlements model act; prescribing powers and duties; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Frederickson introduced--**

**S.F. No. 140:** A bill for an act relating to education; providing for independent school district No. 422, Glencoe, to transfer funds from its debt redemption fund to the capital expenditure fund.

Referred to the Committee on Education.

**Messrs. Sams, Marty, Pogemiller and Ms. Reichgott Junge introduced--**

**S.F. No. 141:** A bill for an act relating to elections; providing for review of certain school board plans by the secretary of state; changing allocation of certain election expenses; providing for retention of election materials; clarifying terms of office and election frequency in certain cities; providing for transition in certain offices; providing for dissolution of certain election districts; amending Minnesota Statutes 1994, sections 122.23, by adding a subdivision; 122.242, subdivision 1; 204B.32, subdivision 2; 204B.40; 205.07, subdivision 1; 205.84, by adding a subdivision; 205A.12, by adding a subdivision; and Laws 1994, chapter 646, section 26, subdivision 3.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Johnson, D.E. introduced--**

**S.F. No. 142:** A bill for an act relating to education; providing for a pilot enhanced pairing agreement of independent school district Nos. 648, Danube, 654, Renville, 655, Sacred Heart, and 631, Belview.

Referred to the Committee on Education.



**Mrs. Pariseau, Messrs. Metzen, Hottinger, Ms. Runbeck and Mr. Terwilliger introduced--**

**S.F. No. 143:** A bill for an act relating to the state building code; providing for the disposition of certain receipts from permit surcharges; appropriating money; amending Minnesota Statutes 1994, section 16B.70, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Hanson, Ranum, Messrs. Beckman and Metzen introduced--**

**S.F. No. 144:** A bill for an act relating to traffic regulations; allowing certain holders of disabled parking certificates to make their address or name and address private; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; and 169.345, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mses. Hanson, Ranum, Messrs. Beckman and Metzen introduced--**

**S.F. No. 145:** A bill for an act relating to motor vehicles; providing time limit for refunding motor vehicle registration tax overpayment; amending Minnesota Statutes 1994, section 168.16.

Referred to the Committee on Transportation and Public Transit.

**Mses. Hanson, Ranum, Messrs. Beckman and Metzen introduced--**

**S.F. No. 146:** A bill for an act relating to corrections; requiring the commissioner of corrections to establish by rule standards for community service work crews; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Crime Prevention.

**Messrs. Sams, Samuelson, Ms. Piper, Messrs. Day and Riveness introduced--**

**S.F. No. 147:** A bill for an act relating to human services; clarifying variance criteria for day training and habilitation services; allowing a payment rate to continue under certain circumstances; amending Minnesota Statutes 1994, section 252.46, subdivision 6, and by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Solon introduced--**

**S.F. No. 148:** A bill for an act relating to retirement; Duluth teachers retirement fund association; authorizing the purchase of future service credit under Laws 1994, chapter 572, section 3, for certain former teachers at the Duluth technical college.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Berg and Mrs. Pariseau introduced--**

**S.F. No. 149:** A bill for an act relating to game and fish; temporarily extending the application of certain seasons, methods, and limits in game and fish regulations of the Mille Lacs Band of Chippewa Indians to nonband members who reside in the 1837 treaty area; requiring a report by the commissioner of natural resources.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Merriam, Morse, Berg, Finn and Ms. Runbeck introduced--**

**S.F. No. 150:** A bill for an act relating to game and fish; removing certain requirements relating to fish taken in Canada; amending Minnesota Statutes 1994, section 97A.531, subdivision 1; repealing Minnesota Statutes 1994, section 97A.531, subdivisions 2, 3, 4, 5, and 6.

Referred to the Committee on Environment and Natural Resources.

**Mrs. Pariseau, Messrs. Kleis and Ourada introduced--**

**S.F. No. 151:** A bill for an act relating to education; requiring recitation of the pledge of allegiance in grades kindergarten through 12; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

**Mrs. Pariseau, Messrs. Day and Johnson, D.E. introduced--**

**S.F. No. 152:** A bill for an act relating to the legislature; providing for its size in 2003 and thereafter; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Reichgott Junge and Mr. Moe, R.D. introduced--**

**S.F. No. 153:** A bill for an act proposing an amendment to the Minnesota Constitution, article VIII, section 5; providing for recall of elected state officers.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Moe, R.D. introduced--**

**S.F. No. 154:** A bill for an act relating to elections; correcting an error in the transition schedule for the election of school board members in even-year elections; amending Laws 1994, chapter 646, section 26, subdivision 3.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Stumpf and Larson introduced--**

**S.F. No. 155:** A bill for an act relating to wild animals; authorizing turkey farmers to trap great horned owls; amending Minnesota Statutes 1994, section 97B.705.

Referred to the Committee on Environment and Natural Resources.

**Mr. Novak introduced--**

**S.F. No. 156:** A bill for an act relating to the city of Columbia Heights; exempting a tax increment financing district from the LGA/HACA offset.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Betzold and Kramer introduced--**

**S.F. No. 157:** A bill for an act relating to highways; appropriating money to commissioner of transportation for payment of loan to city of Brooklyn Park from metropolitan council's right-of-way acquisition loan fund for costs related to proposed trunk highway No. 610.

Referred to the Committee on Transportation and Public Transit.

**MEMBERS EXCUSED**

Messrs. Bertram, Stumpf, Mses. Johnson, J.B.; Pappas and Mrs. Pariseau were excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, January 26, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TENTH DAY

St. Paul, Minnesota, Thursday, January 26, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

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

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

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

Beckman	Frederickson	Krentz	Morse	Robertson
Belanger	Hottinger	Kroening	Murphy	Runbeck
Berg	Janezich	Laidig	Neuville	Sams
Berglin	Johnson, D.E.	Langseth	Oliver	Samuelson
Bertram	Johnson, D.J.	Larson	Ourada	Scheevel
Betzold	Johnson, J.B.	Lesewski	Pappas	Solon
Chandler	Johnston	Lessard	Pariseau	Spear
Chmielewski	Kelly	Marty	Piper	Stevens
Cohen	Kiscaden	Merriam	Pogemiller	Stumpf
Day	Kleis	Metzen	Price	Terwilliger
Dille	Knutson	Moe, R.D.	Ranum	Vickerman
Finn	Kramer	Mondale	Reichgott Junge	Wiener

The President declared a quorum present.

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

December 21, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## COMMISSIONER, DEPARTMENT OF EMPLOYEE RELATIONS

Bruce Johnson, 2125 E. 3rd St., Duluth, St. Louis County, effective December 21, 1994, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Governmental Operations and Veterans.)

December 21, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**BOARD OF ANIMAL HEALTH**

Russell J. Wirt, Rt. 1, Box 45, Lewiston, Winona County, effective December 26, 1994, for a term expiring on the first Monday in January, 1999.

Sharon Baker, Rt. 3, Box 293, Morris, Stevens County, effective December 26, 1994, for a term expiring on the first Monday in January, 1999.

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

January 5, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Ruth Ann Eaton, 3728 Greysolon Rd., Duluth, St. Louis County, effective January 10, 1995, for a term expiring on the first Monday in January, 2001.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, Governor

January 20, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 66.

Warmest regards,  
Arne H. Carlson, Governor

January 23, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
66		Res. No. 1	10:25 a.m. January 20	January 20

Sincerely,  
Joan Anderson Growe  
Secretary of State

### REPORTS OF COMMITTEES

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

#### **Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 35:** A bill for an act relating to elections; changing certain requirements and procedures for voter registration and absentee voting; imposing a penalty; amending Minnesota Statutes 1994, sections 201.061, subdivision 1; 201.071, subdivision 1; 201.081; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivisions 1 and 2; 201.171; 203B.02, subdivision 1a; 203B.03, subdivision 1; 203B.04, subdivision 1; 203B.06, subdivision 3; 203B.07, subdivision 2; 203B.08, subdivision 1; 203B.11, by adding a subdivision; 203B.12, subdivision 2, and by adding a subdivision; 203B.13, subdivisions 1 and 2; 203B.16, by adding a subdivision; and 203B.19; proposing coding for new law in Minnesota Statutes, chapter 203B.

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

Pages 5 and 6, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 1994, section 203B.02, subdivision 1, is amended to read:

Subdivision 1. ~~[UNABLE TO GO TO POLLING PLACE VOTING BEFORE ELECTION DAY.] Any eligible voter who reasonably expects to be unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct, illness, disability, religious discipline, observance of a religious holiday, or service as an election judge in another precinct may vote by absentee ballot as provided in sections 203B.04 to 203B.15 this chapter.~~"

Page 7, lines 14 and 15, strike "for one of the reasons specified" and insert "as provided"

Page 10, delete lines 6 to 12 and insert:

"Subdivision 1. [ELIGIBILITY.] An eligible voter who either becomes a patient in a hospital or health care facility during the seven days immediately before an election or is residing outside the United States may vote by an electronically transmitted facsimile ballot as provided in this section."

Page 14, after line 16, insert:

"Sec. 24. [REPEALER.]

Minnesota Statutes 1994, section 203B.02, subdivision 1a, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "1a" and insert "1"

Page 1, line 15, before the period, insert "; repealing Minnesota Statutes 1994, section 203B.02, subdivision 1a"

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 36:** A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; clarifying campaign finance requirements; requiring return of public subsidies under certain conditions; providing penalties; amending Minnesota Statutes 1994, sections 10A.01, subdivisions 11, 25, 28, and by adding a subdivision; 10A.02, subdivisions 11 and 12; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 3, 4, 5, 6, and 7; 10A.05; 10A.065, subdivision 1, and by adding a subdivision; 10A.08; 10A.09, subdivision 7; 10A.14, subdivision 4; 10A.15, subdivisions 3a and 5; 10A.20, subdivisions 3, 5, 6b, and 12; 10A.21, subdivision 3; 10A.23; 10A.25, subdivisions 2, 6, 11, and 13; 10A.27, subdivisions 9, 10, and 12; 10A.275, subdivision 1; 10A.28, subdivision 1; 10A.31, subdivisions 3, 4, 5, 7, 11, and 12; 10A.315; 10A.322, subdivisions 1 and 4; 10A.323; 10A.324, subdivision 1; 10A.335; 10A.34; 211A.12; 211B.15, subdivisions 2, 15, and 16; and 290.06, subdivision 23; repealing Minnesota Statutes 1994, sections 10A.09, subdivision 3; 10A.21, subdivisions 1 and 2; and 10A.324, subdivisions 2 and 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any of the following purposes:

- (a) payment for accounting and legal services;
- (b) return of a contribution to the source;
- (c) repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) return of a public subsidy;
- (e) payment for food, beverages, entertainment, and facility rental for a fundraising event;
- (f) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;
- (g) a donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f);
- (h) payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities;
- (i) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;



- (j) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;
- (k) costs of child care for the candidate's children when campaigning;
- (l) fees paid to attend a campaign school;
- (m) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- (n) interest on loans paid by a principal campaign committee on outstanding loans;
- (o) filing fees;
- (p) post-general election thank-you notes or advertisements in the news media;
- (q) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;
- (r) transfers to a party unit as defined in section 10A.275, subdivision 3;
- (s) payment of a fine assessed by the board against the committee or fund or against its treasurer; and
- ~~(s)~~ (t) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Sec. 2. Minnesota Statutes 1994, section 10A.01, subdivision 11, is amended to read:

Subd. 11. [LOBBYIST.] (a) "Lobbyist" means an individual:

~~(1)~~ engaged for pay or other consideration, or authorized to spend money by another individual, association, political subdivision, or public higher education system, who spends more than five hours in any month or more than ~~\$250~~ \$1,000, not including the individual's own travel expenses and membership dues, in any year, for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials; ~~or. After an individual has communicated directly with a public or local official, time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit, is counted toward the five-hour limit.~~

~~(2)~~ "Lobbyist" also means an individual who spends more than ~~\$250~~ \$1,000, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

- (1) a public official;
- (2) an employee of the state, including an employee of any of the public higher education systems;
- (3) an elected local official;
- (4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit other than the political subdivision employing the

official or employee, by communicating or urging others to communicate with public or local officials, ~~including. After an individual has communicated directly with a public or local official, time spent monitoring legislative or administrative action, or the official action of a metropolitan governmental unit, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of metropolitan governmental units~~ is counted toward the 50-hour limit;

(5) a party or the party's representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony;

(9) a stockholder of a family farm corporation as defined in section 500.24, subdivision 2, who does not spend over ~~\$250~~ \$1,000, excluding the stockholder's own travel expenses, in any year in communicating with public officials; or

(10) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Sec. 3. Minnesota Statutes 1994, section 10A.01, is amended by adding a subdivision to read:

Subd. 13a. [OFFICIAL ACTION OF A METROPOLITAN GOVERNMENTAL UNIT.] "Official action of a metropolitan governmental unit" does not include action to apply or administer an adopted ordinance or land use plan but does include action to approve a contract, conveyance, or financing agreement.

Sec. 4. Minnesota Statutes 1994, section 10A.01, subdivision 25, is amended to read:

Subd. 25. [LOCAL OFFICIAL.] "Local official" means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, to recommend, or to vote on as a member of the governing body, major final recommendations and decisions regarding the expenditure or investment of public money. In a metropolitan governmental unit, "local official" includes a person appointed to or employed in a part-time or acting position.

Sec. 5. Minnesota Statutes 1994, section 10A.01, subdivision 28, is amended to read:

Subd. 28. [PRINCIPAL.] "Principal" means an individual or, association, political subdivision, or public higher education system that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least ~~\$50,000~~ \$5,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

Sec. 6. Minnesota Statutes 1994, section 10A.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby created a state ethical practices board composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment or by adjournment sine die, whichever occurs first, the appointment shall terminate on the day following

the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials other than members of the board, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party. No member of the board may currently serve as a lobbyist.

Sec. 7. Minnesota Statutes 1994, section 10A.02, subdivision 11, is amended to read:

Subd. 11. The board may investigate any alleged violation of this chapter. The board shall investigate any violation which is alleged in a written complaint filed with the board and, except for alleged violations of section 10A.25 or 10A.27, shall within ~~30~~ 90 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred. In the case of a written complaint alleging a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether or not there is probable cause, within ~~60~~ 90 days of the filing of the complaint. The deadline for action on any written complaint may be extended by majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding of whether or not there is probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. Any hearing or action of the board concerning any complaint or investigation other than a finding concerning probable cause or a conciliation agreement shall be confidential. Until the board makes a public finding concerning probable cause or enters a conciliation agreement:

(a) No member, employee, or agent of the board shall disclose to any individual any information obtained by that member, employee, or agent concerning any complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter; and

(b) Any individual who discloses information contrary to the provisions of this subdivision shall be guilty of a misdemeanor. Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

Sec. 8. Minnesota Statutes 1994, section 10A.02, subdivision 12, is amended to read:

Subd. 12. [ADVISORY OPINIONS.] (a) The board may issue and publish advisory opinions on the requirements of this chapter based upon real or hypothetical situations. An application for an advisory opinion may be made only by an individual or association who wishes to use the opinion to guide the individual's or the association's own conduct. The board shall issue written opinions on all such questions submitted to it within ~~30~~ 60 days after receipt of written application, unless a majority of the board agrees to extend the time limit.

(b) A written advisory opinion issued by the board is binding on the board in any subsequent board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless:

(1) the board has amended or revoked the opinion before the initiation of the board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion;

(2) the request has omitted or misstated material facts; or

(3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

(c) A request for an opinion and the opinion itself are nonpublic data. The board, however, may publish an opinion or a summary of an opinion, but may not include in the publication the name of the requester, the name of a person covered by a request from an agency or political subdivision, or any other information that might identify the requester unless the person consents to the inclusion.

Sec. 9. Minnesota Statutes 1994, section 10A.03, subdivision 2, is amended to read:

Subd. 2. The registration form shall be prescribed by the board and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, and, if different, of each principal by which the lobbyist is engaged, compensated, or authorized to lobby, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby whether the lobbying is to influence legislative action, administrative action, or the official actions of a metropolitan governmental unit. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association. If the lobbyist lobbies on behalf of a political subdivision, the registration must include the name and address of the chief executive and members of the governing body of the political subdivision.

Sec. 10. Minnesota Statutes 1994, section 10A.03, subdivision 3, is amended to read:

Subd. 3. The board shall notify by certified mail ~~or personal service~~ any lobbyist who fails to file a registration form within five days after becoming a lobbyist. If a lobbyist fails to file a form within ~~seven~~ five days after ~~receiving this~~ the notice was mailed, the board may impose a late filing fee at \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$500~~, commencing with the ~~eighth~~ sixth day after ~~receiving the notice was mailed.~~ ~~The board shall further notify by certified mail or personal service any lobbyist who fails to file a form within 21 days of receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who knowingly fails to file a form within seven days after receiving a second notice from the board is guilty of a misdemeanor.~~

Sec. 11. Minnesota Statutes 1994, section 10A.04, subdivision 3, is amended to read:

Subd. 3. Each person ~~or~~, association, political subdivision, or public system of higher education about whose activities a lobbyist is required to report shall provide the information required by sections 10A.03 to 10A.05 to the lobbyist no later than five days before the prescribed filing date.

Sec. 12. Minnesota Statutes 1994, section 10A.04, subdivision 4, is amended to read:

Subd. 4. (a) The report shall include such information as the board may require from the registration form and the information required by this subdivision for the reporting period.

(b) Each lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any ~~public or local~~ official as defined in section 10A.071, subdivision 1, by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each ~~public or local~~ official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid. A lobbyist need report only the aggregate amount and nature of food or beverages given or made available to all members of the legislature or a house of the legislature or to all members of a local legislative body, along with the name of the legislative body and the date it was given or made available.

(d) Each lobbyist shall report each original source of ~~funds~~ money in excess of \$500 in any

year used for the purpose of lobbying to influence legislative action, each such source of funds money used to influence administrative action, and each such source of funds money used to influence the official action of metropolitan governmental units. For money used to influence administrative action or the official action of metropolitan governmental units, the administrative entities and metropolitan governmental units must be identified. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

Sec. 13. Minnesota Statutes 1994, section 10A.04, subdivision 5, is amended to read:

Subd. 5. The board shall notify by certified mail ~~or personal service~~ any lobbyist or principal who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. ~~If a lobbyist or principal fails to file a report within seven five days after receiving this the notice was mailed, the board may impose a late filing fee of \$5 \$25 per day, not to exceed \$100 \$500, commencing with the eighth sixth day after receiving the notice was mailed. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.~~

Sec. 14. Minnesota Statutes 1994, section 10A.04, subdivision 6, is amended to read:

Subd. 6. ~~[LOBBYIST AND PRINCIPAL REPORTS.]~~ (a) Each principal shall report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) ~~Each principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative action, the total amount spent by the principal during the preceding calendar year to influence administrative action, and the total amount spent by the principal during the preceding calendar year to influence the official action of metropolitan governmental units:~~

- ~~(1) \$501 to \$50,000;~~
- ~~(2) \$50,001 to \$150,000; or~~
- ~~(3) \$150,001 to \$250,000.~~

~~(c) Beyond \$250,000, each additional \$250,000 constitutes an additional category, and each principal shall report which of the categories includes the total amount spent by the principal for the purposes provided in this subdivision.~~

~~(d) The principal shall report under this subdivision a total amount that includes amounts reported under paragraph (b) must include:~~

- ~~(1) all direct payments by the principal to lobbyists in Minnesota;~~
- ~~(2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota; and~~
- ~~(3) an estimate of all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota.~~

~~(d) For amounts used to influence administrative action or the official action of metropolitan governmental units, the administrative entities and metropolitan governmental units must be identified.~~

Sec. 15. Minnesota Statutes 1994, section 10A.04, subdivision 7, is amended to read:

Subd. 7. ~~[FINANCIAL RECORDS.]~~ The board may randomly audit the financial records of lobbyists and principals required to report under this section. Lobbyists and principals shall retain

for four years after the report was filed all records concerning the matters reported under this chapter, including vouchers, canceled checks, bills, invoices, worksheets, and receipts.

Sec. 16. Minnesota Statutes 1994, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons ~~or~~, associations, political subdivisions, or public systems of higher education whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative or administrative action or both. At the same times, the executive director of the board shall report to the governing body of each metropolitan governmental unit, the names of the registered lobbyists who attempt to influence the official action of metropolitan governmental units, and the names of the persons ~~or~~, associations, political subdivisions, or public systems of higher education whom they represent as lobbyists, and the subject or subjects on which they are lobbying.

Sec. 17. Minnesota Statutes 1994, section 10A.065, subdivision 1, is amended to read:

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.]

A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, any other political committee with the candidate's name or title, any committee authorized by the candidate, or a political committee established by all or a part of the party organization within a house of the legislature, shall not solicit or accept a contribution on behalf of a candidate's principal campaign committee, any other political committee with the candidate's name or title, any committee authorized by the candidate, or a political committee established by all or a part of the party organization within a house of the legislature, from a registered lobbyist, political committee, or political fund during a regular session of the legislature. However, the party organization within a house of the legislature may receive a member's dues during a regular session of the legislature, even if the dues are paid from the assets of the member's principal campaign committee.

Sec. 18. Minnesota Statutes 1994, section 10A.065, is amended by adding a subdivision to read:

Subd. 6. [FEDERAL OFFICES.] This section does not prohibit a candidate from soliciting or accepting a contribution to a campaign for a federal office.

Sec. 19. Minnesota Statutes 1994, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

Any public official who represents a client for a fee before any individual, board, commission or agency that has rule making authority in a hearing conducted under chapter 14, shall disclose the official's participation in the action to the board within 14 days after the appearance. The board shall notify by certified mail ~~or personal service~~ any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ~~seven~~ five days ~~of~~ after this notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed ~~\$100~~ \$500, commencing on the ~~eighth~~ sixth day after receiving the notice was mailed.

Sec. 20. Minnesota Statutes 1994, section 10A.09, subdivision 3, is amended to read:

Subd. 3. The board shall notify ~~the secretary of state or the appropriate county auditor and~~, when necessary in the case of appointive office, the presiding officer of the house that will approve or disapprove the nomination, of the name of the individual who has filed a statement of economic interest with the board, a copy of the statement, and the date on which the statement was filed.

Sec. 21. Minnesota Statutes 1994, section 10A.09, subdivision 7, is amended to read:

Subd. 7. The board shall notify by certified mail ~~or personal service~~ any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within ~~seven~~ five days after ~~receiving this~~ the notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed ~~\$100~~ \$500, commencing on the ~~eighth~~ sixth day after ~~receiving~~ the notice was mailed. ~~The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after a second notice is guilty of a misdemeanor.~~

Sec. 22. Minnesota Statutes 1994, section 10A.14, subdivision 4, is amended to read:

Subd. 4. The board shall notify by certified mail ~~or personal service~~ any individual who fails to file a statement required by this section. If an individual fails to file a statement within ~~seven~~ five days after ~~receiving a~~ the notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$500~~, commencing with the ~~eighth~~ sixth day after ~~receiving the~~ notice was mailed. ~~The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that such individual may be subject to a criminal penalty for failure to file the report. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.~~

Sec. 23. Minnesota Statutes 1994, section 10A.15, subdivision 3a, is amended to read:

Subd. 3a. No treasurer of a principal campaign committee of a candidate or of a political committee or political fund shall deposit any transfer which on its face exceeds the limit on contributions to that candidate or political committee or political fund prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.

Sec. 24. Minnesota Statutes 1994, section 10A.15, subdivision 5, is amended to read:

Subd. 5. [LOBBYIST, POLITICAL COMMITTEE, OR POLITICAL FUND REGISTRATION NUMBER ON CHECKS.] A contribution made to a candidate by a lobbyist, political committee, or political fund that makes a contribution to a candidate must show on the contribution the name of the lobbyist, political committee, or political fund and the number under which it is registered with the board. A candidate may rely upon the presence or absence of a registration number in determining whether the contribution is from a lobbyist and is not subject to a civil penalty for the failure of a contributor to comply with this subdivision. The contributor is subject to a civil penalty imposed by the board.

Sec. 25. Minnesota Statutes 1994, section 10A.20, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF REPORT.] Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who ~~within the year~~ has made one or more transfers or donations in kind to the political committee or political fund during the reporting period, including the purchase of tickets for all fund raising efforts, which in aggregate within the year equal or exceed \$100 for legislative, judicial district, or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the

name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund during the reporting period that aggregate within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate, except that an independent expenditure of less than \$300 per candidate by an association targeted to inform solely its own dues-paying members of the association's position on a candidate need not be itemized and an association that makes only this type of expenditure need not register with the board;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers have been made during the reporting period that aggregate in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) ~~Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1,~~ The name and address of each individual or association to whom aggregate nonelection disbursements have been made during the reporting period that aggregate in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each ~~nonelection~~ disbursement;

(m) The sum of all ~~nonelection~~ disbursements made within the year reporting period by or on behalf of a principal campaign committee, political committee, or political fund; and

(n) A report filed under subdivision 2, clause (b), by a political committee or political fund that is subject to subdivision 14, must contain the information required by subdivision 14, if the political committee or political fund has solicited and caused others to make aggregate contributions greater than \$5,000 between January 1 of the general election year and the end of the reporting period. This disclosure requirement is in addition to the report required by subdivision 14.

Sec. 26. Minnesota Statutes 1994, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In any statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:



- (1) in person within 48 hours after its receipt;
- (2) by facsimile transmission and first class mail sent within 48 hours after its receipt;
- ~~(2)~~ (3) by telegram or mailgram within 48 hours after its receipt; or
- ~~(3)~~ (4) by certified mail sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary if the statewide or legislative candidate is unopposed in that primary.

Sec. 27. Minnesota Statutes 1994, section 10A.20, subdivision 6b, is amended to read:

Subd. 6b. [INDEPENDENT EXPENDITURES; NOTICE.] (a) Within 24 hours after an individual, political committee, or political fund makes or becomes obligated by oral or written agreement to make an independent expenditure in excess of \$100, other than an expenditure by an association targeted to inform solely its own dues-paying members of the association's position on a candidate, the individual, political committee, or political fund shall file with the board an affidavit notifying the board of the intent to make the independent expenditure and serve a copy of the affidavit on each candidate in the affected race and on the treasurer of the candidate's principal campaign committee. The affidavit must contain the information with respect to the expenditure that is required to be reported under subdivision 3, paragraph (g); except that if an expenditure is reported before it is made, the notice must include a reasonable estimate of the anticipated amount. Each new expenditure requires a new notice.

(b) An individual or the treasurer of a political committee or political fund who fails to give notice as required by this subdivision, or who files a false affidavit of notice, is guilty of a gross misdemeanor and is subject to a civil fine of up to four times the amount of the independent expenditure stated in the notice or of which notice was required or, whichever is greater in the case of a false notice, the difference between the amount stated and the amount required.

Sec. 28. Minnesota Statutes 1994, section 10A.20, subdivision 12, is amended to read:

Subd. 12. The board shall notify by certified mail ~~or personal service~~ any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within ~~seven~~ five days after ~~receiving a notice was mailed~~, the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$500, commencing on the ~~eighth~~ sixth day after ~~receiving notice was mailed~~. If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of ~~\$50~~ \$100 per day, not to exceed ~~\$500~~ \$1,000, commencing on the fourth day after the date the statement was due. ~~The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor. The late filing fee may be paid out of the assets of the political committee or fund.~~

Sec. 29. Minnesota Statutes 1994, section 10A.20, is amended by adding a subdivision to read:

Subd. 15. [EQUITABLE RELIEF.] A candidate whose opponent does not timely file the report due ten days before the general election may petition the district court for immediate equitable relief to enforce the filing requirement.

Sec. 30. Minnesota Statutes 1994, section 10A.21, subdivision 3, is amended to read:

Subd. 3. Statements and reports filed with county auditor shall be available to the public in the manner prescribed by section 10A.02, subdivision 8, clause (e). Statements and reports of principal campaign committees shall be retained until four years after the election to which they pertain. Economic interest statements shall be retained until the subject of the statement is no longer a candidate or officeholder. Upon request of a county auditor, the board shall send the auditor a copy of a statement of economic interest filed with the board. The copy need not be certified.

Sec. 31. Minnesota Statutes 1994, section 10A.23, is amended to read:

**10A.23 [CHANGES AND CORRECTIONS.]**

Subdivision 1. [REPORT.] Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any person who willfully fails to report a material change or correction is guilty of a gross misdemeanor.

Subd. 2. [NOTICE; PENALTY.] If the board determines that a report or statement is inaccurate, the board shall notify by certified mail the person who filed the report or statement of the need to correct it. If the person fails to file a corrected report or statement within ten days after the notice was mailed, the board may impose a late filing fee at the rate of \$25 a day, not to exceed \$500, commencing with the 11th day after the notice was mailed.

Sec. 32. Minnesota Statutes 1994, section 10A.25, subdivision 2, is amended to read:

Subd. 2. (a) In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

- (1) for governor and lieutenant governor, running together, \$1,626,691;
- (2) for attorney general, \$271,116;
- (3) for secretary of state, state treasurer, and state auditor, separately, \$135,559;
- (4) for state senator, \$40,669;
- (5) for state representative, \$20,335.

(b) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(c) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is running a candidate for that office for the first time and who has not ~~run~~ previously been a candidate for any other state, federal, or local office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

Sec. 33. Minnesota Statutes 1994, section 10A.25, subdivision 6, is amended to read:

Subd. 6. During an election cycle, in any year before an the election year for the office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2.

Sec. 34. Minnesota Statutes 1994, section 10A.25, subdivision 10, is amended to read:

Subd. 10. [EFFECT OF OPPONENT'S AGREEMENT.] (a) The expenditure limits imposed by this section apply only to candidates ~~whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns.~~

(b) A candidate who agrees to be bound by the limits ~~and receives a public subsidy~~, who has an opponent who: (1) is a candidate of a major political party whose name will appear on the ballot in the general election; and (2) does not agree to be bound by the limits ~~but is otherwise eligible to receive a public subsidy~~:

(i) is no longer bound by the limits, ~~including those in section 10A.324, subdivision 1, paragraph (e)~~;

(ii) is eligible to receive a public subsidy; and

(iii) also receives, or shares equally with any other candidate who agrees to be bound by limits, the opponent's share of the general account public subsidy under section 10A.31.

~~For purposes of this subdivision, "otherwise eligible to receive a public subsidy" means that a candidate meets the requirements of sections 10A.31, 10A.315, 10A.321, and 10A.322, but does not mean that the candidate has filed an affidavit of matching funds under section 10A.323.~~

Sec. 35. Minnesota Statutes 1994, section 10A.25, subdivision 11, is amended to read:

Subd. 11. [CARRYFORWARD; DISPOSITION OF OTHER FUNDS.] After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 50 percent of the election-year expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund ~~and any public matching subsidy~~ must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign fund or a political party for multicandidate expenditures as defined in section 10A.275.

Sec. 36. Minnesota Statutes 1994, section 10A.25, subdivision 13, is amended to read:

Subd. 13. [INDEPENDENT EXPENDITURES; LIMITS INCREASED.] (a) The expenditure limits in this section are increased by the sum of independent expenditures made in opposition to a candidate plus independent expenditures made on behalf of the candidate's major political party opponents, other than expenditures by an association targeted to inform solely its own dues-paying members of the association's position on a candidate.

(b) Within 48 hours after receipt of an expenditure report or notice required by section 10A.20, subdivision 3, 6, or 6b, the board shall notify each candidate in the race of the increase in the expenditure limit for the candidates against whom the independent expenditures have been made.

(c) Within three days after providing this notice, the board shall pay each candidate against whom the independent expenditures have been made, if the candidate is eligible to receive a public subsidy and has raised twice the minimum match required, an additional public subsidy equal to one-half the independent expenditures. If the candidate has not already filed with the board an affidavit that the candidate has raised twice the minimum match required, the board need not make the payment until three days after the candidate has filed the affidavit. The amount needed to pay the additional public subsidy under this subdivision is appropriated from the general fund to the board.

Sec. 37. Minnesota Statutes 1994, section 10A.27, subdivision 9, is amended to read:

Subd. 9. (a) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a transfer or contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee shall not make a transfer or contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A candidate's principal campaign committee shall not accept a transfer or contribution from, or make a transfer or contribution to, a committee associated with a person who seeks nomination or election to the office of President, Senator, or Representative in Congress of the United States.

(c) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a contribution from a candidate for state or political subdivision office, in any state, unless the contribution is from the personal funds of the candidate for state or political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee shall not make a contribution from the principal campaign committee to a candidate for state or political subdivision office in any state.

Sec. 38. Minnesota Statutes 1994, section 10A.27, subdivision 10, is amended to read:

Subd. 10. [PROHIBITED CONTRIBUTIONS.] A candidate who accepts a public subsidy may not contribute to the candidate's own campaign during a year more than ten times the candidate's ~~election-year~~ contribution limit for that year under subdivision 1.

Sec. 39. Minnesota Statutes 1994, section 10A.27, subdivision 12, is amended to read:

Subd. 12. [CONTRIBUTIONS TO OTHER POLITICAL COMMITTEES OR FUNDS.] The treasurer of a political committee or political fund that makes contributions to candidates, other than a candidate's principal campaign committee or a political party unit as defined in section 10A.275, shall not permit the political committee or political fund to accept aggregate contributions from an individual, political committee, or political fund in an amount more than ~~\$100~~ \$1,000 a year.

Sec. 40. Minnesota Statutes 1994, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. [EXCEPTIONS.] Notwithstanding any other provisions of this chapter, the following expenditures by a state political party, a party unit, or two or more party units acting together, with at least one party unit being either: the state party organization or the party organization within a congressional district, county, or legislative district, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot;

(d) expenditures for any political party fundraising effort on behalf of three or more candidates;  
or

(e) expenditures for party committee staff member services that benefit three or more candidates.

Public subsidy money received from the state and required to be used for multicandidate political expenditures must be kept in a separate account and may not be used on behalf of candidates who are subject to chapter 10A and have not filed a spending limit agreement under section 10A.322.

Sec. 41. Minnesota Statutes 1994, section 10A.28, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATE EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits in section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, may be ordered by the board to return part or all of the public subsidy paid to the candidate and is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Sec. 42. Minnesota Statutes 1994, section 10A.31, subdivision 3, is amended to read:

Subd. 3. [FORM.] The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$5 (or \$10 if filing a joint return) to: (i) one of the major political parties and its candidates; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of

subdivision 3a, and its candidates; or (iii) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Sec. 43. Minnesota Statutes 1994, section 10A.31, subdivision 4, is amended to read:

Subd. 4. (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for distribution as set forth in subdivisions 5, 6 and 7. An amount equal to three percent shall be retained in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Sec. 44. Minnesota Statutes 1994, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account shall be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.4 percent for the office of attorney general;

(3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee by the state treasurer as notified by the state ethical practices board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the department of revenue is different from the amount that should have been received during the period according to the certification, each

subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account ~~not distributed to~~ refused by candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. ~~Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.~~

Sec. 45. Minnesota Statutes 1994, section 10A.31, subdivision 6, is amended to read:

Subd. 6. As soon as the board has obtained from the secretary of state the results of the primary election, but in any event no later than one week after certification by the state canvassing board of the results of the primary, the board shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 1, to the candidates of that party who have signed the agreement as provided in section 10A.322 and filed the affidavit required by section 10A.323, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivision 5. The distribution must be in the form of a check made "payable to the campaign fund of .....(name of candidate)....." and may include as an additional payee a financial institution named by the candidate. If a candidate files the affidavit required by section 10A.323 after September 1 of the general election year, the board shall pay the candidate's allocation to the candidate at the next regular payment date for public subsidies for that election cycle that occurs at least 15 days after the candidate files the affidavit.

Sec. 46. Minnesota Statutes 1994, section 10A.31, subdivision 7, is amended to read:

Subd. 7. (a) Within two weeks after certification by the state canvassing board of the results of the general election, the board shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 1 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates, provided that the public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account and the public subsidy paid to match independent expenditures to exceed 50 percent of the expenditure limit for the candidate, or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. If a candidate is entitled to receive an opponent's share of the general account public subsidy under section 10A.25, subdivision 10, the opponent's share must be excluded in calculating the 50 percent limit. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted. ~~The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account~~

(b) The distribution must be in the form of a check made "payable to the campaign fund of .....(name of candidate)....." and may include as an additional payee a financial institution named by the candidate.

(c) If a candidate has not yet filed a campaign finance report required by section 10A.20, subdivision 2, or the candidate owes money to the board, the board shall not pay a public subsidy to the candidate until the report has been filed or the debt has been paid, whichever applies.

Sec. 47. Minnesota Statutes 1994, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [DISTRIBUTION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board by December 1 the amount accumulated in each account since the previous certification. By December 15, the board shall distribute to each candidate according to the allocations as provided in subdivision 5 the amounts to which the candidates are entitled in the form of checks made "payable to the campaign fund of .....(name of candidate)....." A check may include as an additional payee a financial institution named by the candidate. Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 48. Minnesota Statutes 1994, section 10A.31, subdivision 11, is amended to read:

Subd. 11. For the purposes of this section, a write-in candidate is a candidate only upon complying with ~~the provisions of section 10A.322, subdivision 1~~ sections 10A.322 and 10A.323.

Sec. 49. Minnesota Statutes 1994, section 10A.31, subdivision 12, is amended to read:

Subd. 12. [UNOPPOSED CANDIDATE NOT ELIGIBLE.] A candidate who is unopposed in both the primary election and the general election is not eligible to receive a public subsidy from the state election campaign fund. The subsidy from the party account the candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under ~~section 10A.31~~, subdivision 5, clause (6), and used for only those items permitted under section 10A.275.

Sec. 50. Minnesota Statutes 1994, section 10A.315, is amended to read:

10A.315 [SPECIAL ELECTION SUBSIDY.]

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to candidates for the same office at the last general election.

(b) If the filing period for the special election coincides with the filing period for the general election, the candidate must meet the matching requirements of section 10A.323 and the special election subsidy must be distributed in the same manner as money is distributed to legislative candidates in a general election.

(c) If the filing period for the special election does not coincide with the filing period for the general election, the procedures in this paragraph apply. A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. The candidate must meet one-quarter of the matching requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

(d) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the ~~state treasurer~~ ethical practices board.

Sec. 51. Minnesota Statutes 1994, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the candidate's general election. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

(e) A candidate who fills a vacancy in nomination that occurs after the deadline in paragraph (b) may file a spending limit agreement no later than the day after the candidate fills the vacancy.

Sec. 52. Minnesota Statutes 1994, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] The board shall make available at cost to



a political party on request, other than a political party unit organized at the municipal or precinct level, and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 53. Minnesota Statutes 1994, section 10A.323, is amended to read:

10A.323 [MATCHING REQUIREMENTS.]

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 ~~or 10A.312~~ a candidate or the candidate's treasurer shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions from persons eligible to vote in this state in the amount indicated for the office sought, counting only the first \$50 received from each contributor, or \$100 from a married couple contributing jointly:

- (1) candidates for governor and lieutenant governor running together, \$35,000;
- (2) candidates for attorney general, \$15,000;
- (3) candidates for secretary of state, state treasurer, and state auditor, separately, \$6,000;
- (4) candidates for the senate, \$3,000; and
- (5) candidates for the house of representatives, \$1,500.

~~To be eligible to receive a public matching subsidy under section 10A.312,~~ The affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state and the total amount of those contributions received, disregarding the portion of any contribution in excess of \$50, or in excess of \$100 from a married couple contributing jointly.

The candidate or the candidate's treasurer shall submit the affidavit required by this section to the board in writing by September 1 of the general election year to receive the payment ~~based on the results of made following the primary election, by September 15 to receive the payment made October 1, by October 1 to receive the payment made October 15, by November 1 to receive the payment made November 15, following the general election and by December 1 to receive the payment made December 15.~~

Sec. 54. Minnesota Statutes 1994, section 10A.324, subdivision 1, is amended to read:

Subdivision 1. [WHEN RETURN REQUIRED.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund or the public matching subsidy received under section 10A.315, under the circumstances in this section or section 10A.25, subdivision 11.

(a) ~~To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board.~~

(b) To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

(b) If the board determines that a candidate has filed an affidavit of matching contributions under section 10A.323 that is not supported by the campaign finance reports filed by the candidate under section 10A.20, the board shall notify the treasurer of the candidate's principal campaign

committee and demand return of any public subsidy paid to the candidate for that election cycle. The treasurer shall return the entire public subsidy to the board.

Sec. 55. Minnesota Statutes 1994, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECKOFF.]

For the purpose of determining whether the distribution formula provided in section 10A.31, subdivision 5, (a) assures that money will be returned to the counties from which they were collected, and (b) continues to have a rational relation to the support for particular parties or particular candidates within legislative districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which ~~\$2, or in the case of a joint return, \$4, is designated~~ an amount has been checked off for a political party.

Sec. 56. Minnesota Statutes 1994, section 10A.34, is amended to read:

10A.34 [REMEDIES.]

Subdivision 1. [PERSONAL LIABILITY.] A person charged with a duty under ~~sections 10A.02 to 10A.34~~ this chapter shall be personally liable for the penalty for failing to discharge it.

Subd. 1a. [RECOVERY OF MONEY.] The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed or public subsidy paid pursuant to any provision of this chapter. All money recovered shall be deposited in the general fund of the state.

Subd. 2. [INJUNCTION.] The board or a county attorney may seek an injunction in the district court to enforce the provisions of ~~sections 10A.02 to 10A.34~~ this chapter.

Subd. 3. [CIVIL PENALTY.] Unless otherwise provided, a violation of ~~sections 10A.02 to 10A.34~~ this chapter is not a crime, but is subject to a civil penalty imposed by the board in an amount up to \$1,000.

Subd. 4. [AWARD OF COSTS.] If the board prevails in an action to enforce this chapter, the board may request and the court may award to the board its costs, disbursements, reasonable attorney fees, and witness fees.

Subd. 5. [PENALTY FOR FALSE COMPLAINTS.] A person who knowingly makes a false or bad faith complaint or report of an alleged violation of this chapter is subject to a civil penalty imposed by the board of up to \$250.

Sec. 57. Minnesota Statutes 1994, section 211A.12, is amended to read:

211A.12 [CONTRIBUTION LIMITS.]

A candidate or a candidate's committee may not accept aggregate contributions made or delivered by an individual or committee in excess of \$300 in an election year for the office sought and \$100 in other years; except that a candidate or candidate's committee for an office whose territory has a population over 100,000 may not accept aggregate contributions made or delivered by an individual or committee in excess of \$500 in an election year for the office sought and \$100 in other years. The following deliveries are not subject to the bundling limitation in this section:

(1) delivery of contributions collected by a member of the candidate's committee, such as a block worker or a volunteer who hosts a fund raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

Notwithstanding sections 211A.02, subdivision 3, and 410.21, this section supersedes any home rule charter.

Sec. 58. Minnesota Statutes 1994, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of

its officers, or employees, or ~~members~~, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 59. Minnesota Statutes 1994, section 211B.15, subdivision 15, is amended to read:

Subd. 15. [NONPROFIT CORPORATION EXEMPTION.] The prohibitions in this section do not apply to a nonprofit corporation that:

(1) ~~cannot engage in~~ is not organized or operating for the principal purpose of conducting a business activities;

(2) has no shareholders or other persons affiliated so as to have a claim on its assets or earnings; and

(3) was not established by a business corporation or a labor union and has a policy not to accept significant contributions from those entities.

Sec. 60. Minnesota Statutes 1994, section 211B.15, subdivision 16, is amended to read:

Subd. 16. [EMPLOYEE POLITICAL FUND SOLICITATION.] Any solicitation of political contributions by an employee must be in writing, informational and nonpartisan in nature, and not promotional for any particular candidate or group of candidates. The solicitation must consist only of a general request on behalf of an independent political committee (a conduit fund) program that makes contributions to candidates only as directed by its individual contributors and must state that there is no minimum contribution, that a contribution or lack thereof will in no way impact the employee's employment, that the employee must direct the contribution to candidates of the employee's choice, and that any response by the employee shall remain confidential and shall not be directed to the employee's supervisors or managers. Questions from an employee regarding a solicitation may be answered orally or in writing consistent with the above requirements. Nothing in this subdivision authorizes a corporate donation of an employee's time prohibited under subdivision 2.

Sec. 61. Minnesota Statutes 1994, 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 or treasurer, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the ethical practices board upon its request. A claim must be filed with the commissioner not sooner than 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 commissioner shall report to the ethical practices board by August 1 of each year a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) 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. 62. [ERRONEOUS PAYMENTS RATIFIED.]

Payments made by the state treasurer in 1990 under Minnesota Statutes, section 10A.31, subdivision 6, are ratified, notwithstanding any errors of the commissioner of revenue in certifying the amounts due.

#### Sec. 63. [REPEALER.]

Minnesota Statutes 1994, sections 6.76; 10A.21, subdivisions 1 and 2; 10A.324, subdivisions 2 and 4; 10A.40; 10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51, are repealed.

#### Sec. 64. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; clarifying campaign finance requirements; requiring return of public subsidies under certain conditions; providing penalties; repealing provisions for state financing of congressional campaigns; amending Minnesota Statutes 1994, sections 10A.01, subdivisions 10c, 11, 25, 28, and by adding a subdivision; 10A.02, subdivisions 1, 11, and 12; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 3, 4, 5, 6, and 7; 10A.05; 10A.065, subdivision 1, and by adding a subdivision; 10A.08; 10A.09, subdivisions 3 and 7; 10A.14, subdivision 4; 10A.15, subdivisions 3a and 5; 10A.20, subdivisions 3, 5, 6b, and 12, and by adding a subdivision; 10A.21, subdivision 3; 10A.23; 10A.25, subdivisions 2, 6, 10, 11, and 13; 10A.27, subdivisions 9, 10, and 12; 10A.275, subdivision 1; 10A.28, subdivision 1; 10A.31, subdivisions 3, 4, 5, 6, 7, 10, 11, and 12; 10A.315; 10A.322, subdivisions 1 and 4; 10A.323; 10A.324, subdivision 1; 10A.335; 10A.34; 211A.12; 211B.15, subdivisions 2, 15, and 16; and 290.06, subdivision 23; repealing Minnesota Statutes 1994, sections 6.76; 10A.21, subdivisions 1 and 2; 10A.324, subdivisions 2 and 4; 10A.40;

10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51."

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. 46:** A bill for an act relating to lawful gambling; increasing the percentage of gross profit that may be expended for allowable expenses; amending Minnesota Statutes 1994, section 349.15, subdivision 1.

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

Page 1, line 13, delete "75" and insert "65"

Page 1, line 15, delete "75" and insert "55"

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. 91:** A bill for an act relating to gambling; providing eligibility for participation as a provider in the state compulsive gambling program; amending Minnesota Statutes 1994, section 245.98, subdivision 2.

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 141:** A bill for an act relating to elections; providing for review of certain school board plans by the secretary of state; changing allocation of certain election expenses; providing for retention of election materials; clarifying terms of office and election frequency in certain cities; providing for transition in certain offices; providing for dissolution of certain election districts; amending Minnesota Statutes 1994, sections 122.23, by adding a subdivision; 122.242, subdivision 1; 204B.32, subdivision 2; 204B.40; 205.07, subdivision 1; 205.84, by adding a subdivision; 205A.12, by adding a subdivision; and Laws 1994, chapter 646, section 26, subdivision 3.

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

Page 3, line 34, delete the new language

Page 4, line 4, delete the new language

Page 4, line 5, after the period, insert "A city may hold elections in either the even-numbered year or the odd-numbered year, but not both."

Page 5, after line 1, insert:

"Sec. 7. Minnesota Statutes 1994, section 205A.11, subdivision 2, is amended to read:

Subd. 2. ~~[COMBINED POLLING PLACE.] If there is an election being conducted in some but not all of the precincts in the school district, for those precincts in which no other election is being conducted~~ When no other election is being held in two or more precincts on the day of a school district election, the school board may designate a one or more combined polling place places at which the voters in up to ten those precincts may vote in the school district election. If there is no other election being conducted in any part of the school district, the school board may establish a single polling place at which all the voters must vote."

Page 5, after line 35, insert:

"Sec. 10. [TRANSITION.]

Before January 1, 1998, on a day when no other election is being held within the school district, a school district election may be held using combined polling places that were established before August 1, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "authorizing the use of more than one combined polling place in certain school board elections;"

Page 1, line 12, after the semicolon, insert "205A.11, subdivision 2;"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 35, 36, 46 and 141 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Terwilliger be added as a co-author to S.F. No. 14. The motion prevailed.

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

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

Mr. Day moved that the name of Mr. Ourada be added as a co-author to S.F. No. 111. The motion prevailed.

Mr. Betzold moved that the name of Ms. Kiscaden be added as a co-author to S.F. No. 112. The motion prevailed.

Ms. Robertson moved that the name of Mr. Ourada be added as a co-author to S.F. No. 118. The motion prevailed.

Mr. Mondale moved that the name of Mr. Finn be added as a co-author to S.F. No. 123. The motion prevailed.

Mr. Metzen moved that the name of Mr. Solon be added as a co-author to S.F. No. 128. The motion prevailed.

Mr. Metzen moved that the name of Mr. Finn be added as a co-author to S.F. No. 129. The motion prevailed.

Mr. Cohen moved that the name of Mr. Finn be added as a co-author to S.F. No. 131. The motion prevailed.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Mr. Bertram introduced--**

**S.F. No. 158:** A bill for an act relating to education; providing funding for volunteer firefighter training; appropriating money.

Referred to the Committee on Education.

**Mr. Chandler introduced--**

**S.F. No. 159:** A bill for an act relating to retirement; allowing the North St. Paul city manager to retain membership in the public employees police and fire fund.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Reichgott Junge, Ranum, Mr. Kelly and Ms. Anderson introduced--**

**S.F. No. 160:** A bill for an act relating to corrections; expanding eligibility for the work release program to allow inmates to continue caring for their children who have special needs; amending Minnesota Statutes 1994, section 631.425, subdivisions 1 and 3.

Referred to the Committee on Crime Prevention.

**Mses. Berglin, Piper, Mr. Samuelson, Ms. Kiscaden and Mr. Day introduced--**

**S.F. No. 161:** A bill for an act relating to human services; authorizing appeals by vendors of day training and habilitation services; amending Minnesota Statutes 1994, section 252.46, by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Lessard introduced--**

**S.F. No. 162:** A bill for an act relating to community colleges; authorizing the state board to construct or acquire student residences; authorizing revenue bonds.

Referred to the Committee on Education.

**Mses. Piper; Ranum; Johnson, J.B.; Messrs. Spear and Knutson introduced--**

**S.F. No. 163:** A bill for an act relating to crimes; extending expiration date of crime victim and witness advisory council; amending Minnesota Statutes 1994, section 611A.71, subdivision 7.

Referred to the Committee on Crime Prevention.

**Messrs. Hottinger, Chandler and Ms. Kiscaden introduced--**

**S.F. No. 164:** A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Murphy, Metzen and Johnson, D.J. introduced--**

**S.F. No. 165:** A bill for an act relating to the city of Hastings; modifying a tax increment financing district.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Metzen; Riveness; Samuelson; Moe, R.D. and Ms. Wiener introduced--**

**S.F. No. 166:** A bill for an act relating to public administration; providing oversight of certain state and metropolitan government contracts; amending Minnesota Statutes 1994, sections 15.061; 16A.11, by adding a subdivision; 16B.17; 16B.19, subdivisions 2 and 10; and 473.129, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Beckman; Johnson, D.E.; Ms. Lesewski, Messrs. Laidig and Sams introduced--**

**S.F. No. 167:** A bill for an act relating to ethanol; modifying provisions relating to producer payments; phasing out ethanol blender credits; appropriating money; amending Minnesota Statutes 1994, sections 41A.09, by adding subdivisions; 41B.02, subdivision 20; and 296.02, by adding a subdivision; repealing Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; and 296.02, subdivision 7.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Solon and Stumpf introduced--**

**S.F. No. 168:** A bill for an act relating to elections; providing for simulated elections for minors; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Dille introduced--**

**S.F. No. 169:** A bill for an act relating to taxation; motor vehicle excise; allowing certain fire trucks to qualify for the in lieu tax on collector vehicles; amending Minnesota Statutes 1994, sections 297B.02, subdivision 3; and 297B.025, subdivision 2.

Referred to the Committee on Transportation and Public Transit.

**Mr. Dille introduced--**

**S.F. No. 170:** A bill for an act relating to local government; providing that maintenance of abandoned or neglected cemeteries by nonprofit organizations does not create an employment relationship or liability for local governments; amending Minnesota Statutes 1994, sections 306.243, subdivision 3; and 306.246.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Lessard; Johnson, D.J. and Janezich introduced--**

**S.F. No. 171:** A bill for an act relating to state lands; requiring the sale of certain school trust lands bordering public waters in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Lessard; Chmielewski; Johnson, D.J. and Janezich introduced--**

**S.F. No. 172:** A bill for an act relating to motor vehicles; providing for issuance of manufacturer test plates; amending Minnesota Statutes 1994, sections 168.12, subdivisions 1 and 5; and 168.28; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Lessard and Solon introduced--**

**S.F. No. 173:** A bill for an act relating to liquor; authorizing the city of International Falls to issue a temporary on-sale intoxicating liquor license for sales on property owned by a school district.

Referred to the Committee on Commerce and Consumer Protection.



**Messrs. Lessard, Merriam, Chmielewski, Stevens and Sams introduced--**

**S.F. No. 174:** A bill for an act relating to game and fish; continuing the authorization for residents under the age of 16 to take deer of either sex; amending Minnesota Statutes 1994, section 97B.301, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Lessard, Finn, Vickerman, Sams and Samuelson introduced--**

**S.F. No. 175:** A bill for an act relating to health; modifying provisions relating to nursing home swing beds; amending Minnesota Statutes 1994, section 144.562, subdivisions 2 and 4.

Referred to the Committee on Health Care.

**Messrs. Lessard, Frederickson, Ms. Hanson, Messrs. Johnson, D.J. and Samuelson introduced--**

**S.F. No. 176:** A bill for an act proposing an amendment to the Minnesota Constitution, article I; providing that the right of citizens to bear arms for certain purposes is fundamental and shall not be abridged.

Referred to the Committee on Judiciary.

**Messrs. Janezich; Johnson, D.J. and Lessard introduced--**

**S.F. No. 177:** A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers, firefighters, and surviving spouses in the city of Eveleth.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Frederickson, Morse, Price, Pogemiller and Ms. Olson introduced--**

**S.F. No. 178:** A bill for an act relating to education; modifying staff development to include environmental education; amending Minnesota Statutes 1994, section 126.70, subdivision 2a.

Referred to the Committee on Education.

**Messrs. Price, Chmielewski, Sams and Johnson, D.J. introduced--**

**S.F. No. 179:** A bill for an act relating to taxation; property; providing for deferment of taxes of senior citizens who meet certain income requirements; appropriating money; amending Minnesota Statutes 1994, sections 275.065, subdivision 3; and 276.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Reichgott Junge introduced--**

**S.F. No. 180:** A bill for an act relating to peace officers; authorizing certain expenditures by a surviving spouse from a dependent child's share of a peace officer's survivor benefits; amending Minnesota Statutes 1994, section 299A.44.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Cohen introduced--**

**S.F. No. 181:** A bill for an act relating to elections; allowing time off to vote in elections to fill a vacancy in the legislature; amending Minnesota Statutes 1994, section 204C.04, subdivision 2.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Vickerman, Langseth, Janezich, Day and Mrs. Pariseau introduced--**

**S.F. No. 182:** A bill for an act relating to towns; clarifying the procedure to fill a vacancy in the office of town supervisor; amending Minnesota Statutes 1994, section 367.03, subdivision 6.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Hottinger, Frederickson, Dille, Ms. Lesewski and Mr. Chmielewski introduced--**

**S.F. No. 183:** A bill for an act relating to telecommunications; providing for regulation of small telephone companies; limiting discriminatory practices, services, rates, and pricing; providing for investigation, hearings, and appeals regarding telecommunications services; delineating telecommunications practices allowed; providing penalties and remedies; amending Minnesota Statutes 1994, section 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Murphy, Larson, Vickerman, Metzen and Bertram introduced--**

**S.F. No. 184:** A bill for an act relating to veterans; clarifying authority for use of funds from surplus facilities of the veterans homes board; amending Minnesota Statutes 1994, section 198.003, subdivisions 3 and 4.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Kramer, Scheevel, Oliver, Ms. Hanson and Mr. Chmielewski introduced--**

**S.F. No. 185:** A bill for an act proposing an amendment to the Minnesota Constitution, by adding a section to article XII requiring full funding of state mandates on local governments.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Stumpf introduced--**

**S.F. No. 186:** A bill for an act relating to drainage; allowing a county to charge an outlet fee for use of a drainage system by another county; amending Minnesota Statutes 1994, section 103E.401, by adding a subdivision.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Hottinger introduced--**

**S.F. No. 187:** A bill for an act relating to retirement; teachers retirement associations; modifying particular term certain and life retirement annuities; amending Minnesota Statutes 1994, section 354.45, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Samuelson, Merriam, Sams and Stumpf introduced--**

**S.F. No. 188:** A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; amending Laws 1992, chapter 558, section 2, subdivision 3.

Referred to the Committee on Finance.

**Messrs. Morse; Metzen; Johnson, D.E.; Stumpf and Samuelson introduced--**

**S.F. No. 189:** A bill for an act relating to retirement; state employees; contribution rates and annuity formulas for state troopers; amending Minnesota Statutes 1994, sections 352B.02, subdivisions 1a and 1c; 352B.08, subdivision 2; 352B.10, subdivision 1; and 356.30, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Bertram, Langseth, Mses. Lesewski and Johnston introduced--**

**S.F. No. 190:** A bill for an act relating to traffic regulations; extending the length limitations and easing the weight restrictions for trucks hauling milk; amending Minnesota Statutes 1994, sections 169.81, subdivision 2; and 169.87, subdivision 3.

Referred to the Committee on Transportation and Public Transit.

**Mr. Solon introduced--**

**S.F. No. 191:** A bill for an act relating to insurance; providing that nonrenewals on homeowner's policies must be based on the total amount paid by the insurer on claims and not the number of claims; amending Minnesota Statutes 1994, section 65A.29, subdivision 8.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Marty, Stumpf, Morse and Johnson, D.E. introduced--**

**S.F. No. 192:** A bill for an act relating to elections; eliminating the presidential primary election; amending Minnesota Statutes 1994, sections 204C.04, subdivision 2; and 204D.24, subdivision 2; repealing Minnesota Statutes 1994, sections 204B.06, subdivision 1a; 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; 207A.09; and 207A.10.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Bertram and Metzen introduced--**

**S.F. No. 193:** A bill for an act relating to veterans; authorizing an annual expense allowance for the veterans homes board of directors; amending Minnesota Statutes 1994, section 15A.081, subdivision 8.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Bertram, Kleis and Stevens introduced--**

**S.F. No. 194:** A bill for an act relating to highways; designating bridge as Bridge of Hope; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Metzen introduced--**

**S.F. No. 195:** A bill for an act relating to health care; adding an exception to the nursing home moratorium; expanding a special provision for medical assistance reimbursement of moratorium exceptions; appropriating money; amending Minnesota Statutes 1994, sections 144A.071, subdivision 4a; and 256B.431, subdivision 17.

Referred to the Committee on Health Care.

**Messrs. Betzold and Kramer introduced--**

**S.F. No. 196:** A bill for an act relating to highways; requiring construction of a noise barrier on marked trunk highway No. 252 in Brooklyn Park.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Beckman and Vickerman introduced--**

**S.F. No. 197:** A bill for an act relating to corrections; prohibiting correctional inmates from applying for name changes more than once a year; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Crime Prevention.

**Messrs. Larson and Johnson, D.E. introduced--**

**S.F. No. 198:** A bill for an act relating to human services; modifying prior authorization requirements for certain therapy services; amending Minnesota Statutes 1994, section 256B.0625, subdivision 25.

Referred to the Committee on Health Care.

**Messrs. Solon; Metzen; Johnson, D.J. and Janezich introduced--**

**S.F. No. 199:** A bill for an act relating to motor vehicles; requiring certain notices to secured lienholders when vehicles are towed and stored; amending Minnesota Statutes 1994, section 514.20.

Referred to the Committee on Judiciary.

**Mr. Betzold, Mses. Hanson, Runbeck, Messrs. Merriam and Novak introduced--**

**S.F. No. 200:** A bill for an act relating to human services; authorizing changes in maximum rates of reimbursement for certain home care services provided in Anoka county; amending Minnesota Statutes 1994, sections 256B.0913, by adding a subdivision; and 256B.0915, by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Stumpf; Moe, R.D.; Langseth; Larson and Bertram introduced--**

**S.F. No. 201:** A bill for an act relating to agriculture; appropriating money for wheat and barley scab research.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Chandler and Ms. Runbeck introduced--**

**S.F. No. 202:** A bill for an act relating to education; allowing school districts to not comply with state program mandates that are not funded; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

**Mses. Hanson, Runbeck, Messrs. Betzold and Novak introduced--**

**S.F. No. 203:** A bill for an act relating to Anoka county; allowing awards of contracts to resident bidders under certain circumstances.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Chandler; Merriam; Moe, R.D.; Knutson and Ms. Runbeck introduced--**

**S.F. No. 204:** A bill for an act relating to state government; requiring reporting on and certain analysis of federal mandates imposed on state agencies; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

**Ms. Reichgott Junge, Messrs. Metzen and Riveness introduced--**

**S.F. No. 205:** A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Merriam introduced--**

**S.F. No. 206:** A bill for an act relating to data practices; eliminating a sunset on computer matching agreement requirements; repealing Laws 1990, chapter 566, section 9, as amended.

Referred to the Committee on Judiciary.

**Mr. Samuelson introduced--**

**S.F. No. 207:** A bill for an act relating to appropriations; appropriating money for the operation and maintenance of the Cuyuna Country state recreation area.

Referred to the Committee on Finance.

**Mr. Bertram introduced--**

**S.F. No. 208:** A bill for an act relating to nursing facility resident classification; providing facilities the opportunity to correct errors in a request for reconsideration; amending Minnesota Statutes 1994, section 144.0722, subdivisions 3b and 4.

Referred to the Committee on Health Care.

**Ms. Pappas, Messrs. Vickerman, Metzen, Mses. Anderson and Flynn introduced--**

**S.F. No. 209:** A bill for an act relating to government operations; requiring a study of the feasibility of consolidating counties and rationalizing other internal boundaries; appropriating money.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Morse introduced--**

**S.F. No. 210:** A bill for an act relating to local government; authorizing the city of Winona to use its lodging tax revenues for certain purposes; amending Laws 1991, chapter 291, article 8, section 28, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Johnson, J.B.; Messrs. Chmielewski and Johnson, D.J. introduced--**

**S.F. No. 211:** A bill for an act relating to taxation; providing a reduced class rate for certain commercial-industrial property; amending Minnesota Statutes 1994, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Sams, Ms. Berglin and Mr. Vickerman introduced--**

**S.F. No. 212:** A bill for an act relating to health care; modifying reimbursement methodologies for certain services; increasing reimbursement rates for certain services; appropriating money; amending Minnesota Statutes 1994, section 256B.0627, by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Johnson, D.J.; Chmielewski; Metzen; Novak and Dille introduced--**

**S.F. No. 213:** A bill for an act relating to utilities; abolishing sunset provision related to competitive rates for electric utilities; making technical changes; amending Laws 1990, chapter 370, section 7; repealing Minnesota Statutes 1994, section 216B.162, subdivision 9.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Spear, Ms. Pappas, Mr. Knutson and Ms. Berglin introduced--**

**S.F. No. 214:** A bill for an act relating to crime prevention; providing an exception to the prohibition on concealing identity; amending Minnesota Statutes 1994, section 609.735.

Referred to the Committee on Crime Prevention.

#### **MEMBERS EXCUSED**

Mses. Anderson, Hanson, Flynn, Olson and Mr. Novak were excused from the Session of today.

#### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:30 a.m., Monday, January 30, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## ELEVENTH DAY

St. Paul, Minnesota, Monday, January 30, 1995

The Senate met at 11:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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 H. Knutson.

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:

Anderson	Frederickson	Kroening	Oliver	Sams
Beckman	Hanson	Laidig	Olson	Samuelson
Belanger	Hottinger	Langseth	Ourada	Scheevel
Berg	Janezich	Larson	Pappas	Spear
Berglin	Johnson, D.J.	Lesewski	Pariseau	Stevens
Bertram	Johnson, J.B.	Marty	Piper	Stumpf
Betzold	Johnston	Merriam	Pogemiller	Terwilliger
Chandler	Kelly	Metzen	Price	Vickerman
Chmielewski	Kiscaden	Moe, R.D.	Ranum	Wiener
Cohen	Kleis	Morse	Reichgott Junge	
Day	Knutson	Murphy	Riveness	
Finn	Kramer	Neuville	Robertson	
Flynn	Krentz	Novak	Runbeck	

The President declared a quorum present.

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 45 and 47.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 26, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 45:** A bill for an act relating to taxation; making technical corrections and

clarifications; making administrative changes; amending Minnesota Statutes 1994, sections 270.0604, subdivision 4; 273.11, subdivision 16; 273.121; 290.067, subdivision 1; and 297B.01, subdivision 8; and Laws 1994, chapter 587, article 11, section 9, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 87.

**H.F. No. 47:** A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 94.

## REPORTS OF COMMITTEES

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 106:** A bill for an act relating to ethanol; modifying provisions relating to producer payments; appropriating money; amending Minnesota Statutes 1994, sections 41A.09, by adding subdivisions; and 296.02, by adding a subdivision; repealing Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; and 296.02, subdivision 7.

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

Page 2, line 12, delete "FROM ACCOUNT"

Page 2, line 13, delete "from the account"

Page 2, line 21, after "(1)" insert "except as provided in paragraph (b),"

Page 2, after line 32, insert:

"(b) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant and the increased production begins by June 30, 2000, the payment under paragraph (a), clause (1), applies to the additional increment of production until ten years after the increased production began."

Page 2, line 33, delete "(b)" and insert "(c)"

Page 3, line 17, delete "(c)" and insert "(d)" and delete "from the account" and insert "under paragraphs (a) and (b)"

Page 3, line 19, delete "from the account" and delete "paragraph (a)" and insert "paragraphs (a) and (b)"

Page 3, line 21, delete "(d)" and insert "(e)"

Page 3, line 24, after the period, insert "A producer shall file a separate claim for any amount claimed under paragraph (c). For each claim filed under this subdivision,"

Page 3, line 25, after "of" insert "ethanol" and after "production" insert "or amounts of electricity generated using closed-loop biomass"

Page 3, line 28, delete "(e)" and insert "(f)"

Page 3, line 31, after "paragraph" insert ", excluding amounts paid under paragraph (c),"

Page 3, line 32, after "quarter" insert "under paragraphs (a) and (b)" and delete "the amount"



Page 3, line 33, delete "available for payments" and insert "\$7,500,000"

Page 3, line 35, after the period, insert "If the total amount for which all producers are eligible in a quarter under paragraph (c) exceeds the amount available for payments, the commissioner shall make payments in the order in which the plants covered by the claims began generating electricity using closed-loop biomass."

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

**S.F. No. 87:** A bill for an act relating to taxation; making technical corrections and clarifications; making administrative changes; amending Minnesota Statutes 1994, sections 270.0604, subdivision 4; 273.11, subdivision 16; 273.121; 290.067, subdivision 1; and 297B.01, subdivision 8; Laws 1993, chapter 375, article 15, section 15; and Laws 1994, chapter 587, article 11, section 9, subdivision 5.

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

Page 5, line 15, delete "the" and after "is" insert "a"

Pages 8 and 9, delete section 6

Page 9, line 15, delete "Sections 1, 5, and 6 are" and insert "Section 1 is"

Page 9, line 19, delete "7" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything before "and"

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

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

**S.F. No. 94:** A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1.

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

Page 2, line 25, delete "has separate"

Page 2, line 26, delete "trash pickup, or" and insert "(A)" and delete "such service. Each"

Page 2, delete line 27

Page 2, line 28, delete "is" and insert "waste collection or (B) has"

Page 4, line 28, after the first "per" insert "each"

Page 5, line 19, delete from "The" through page 5, line 21, to "tax."

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 87 and 94 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Beckman moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 117. The motion prevailed.

Mr. Hottinger moved that the names of Messrs. Knutson and Finn be added as co-authors to S.F. No. 164. The motion prevailed.

Mr. Dille moved that the name of Mr. Kramer be added as a co-author to S.F. No. 170. The motion prevailed.

Mr. Lessard moved that the name of Mr. Finn be added as a co-author to S.F. No. 172. The motion prevailed.

Mr. Price moved that the name of Ms. Berglin be added as a co-author to S.F. No. 179. The motion prevailed.

Mr. Beckman moved that the name of Ms. Hanson be added as a co-author to S.F. No. 197. The motion prevailed.

**Messrs. Terwilliger; Frederickson; Johnson, D.E.; Knutson and Neuville introduced--  
Senate Resolution No. 21:** A Senate resolution amending the rules of the Senate.

Referred to the Committee on Rules and Administration.

**Messrs. Betzold and Ourada introduced--**

**Senate Resolution No. 22:** A Senate resolution congratulating Dick Stumpf, of Maple Lake, Minnesota, on his retirement from the Champlin Police Department.

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. Novak, Ms. Lesewski and Mr. Metzen introduced--**

**S.F. No. 215:** A bill for an act relating to employment; modifying provisions relating to independent contractors; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Pappas, Messrs. Stumpf, Metzen and Ms. Robertson introduced--**

**S.F. No. 216:** A bill for an act relating to state government; providing that certain laws apply to the legislative branch; amending Minnesota Statutes 1994, sections 3.09; 43A.05, subdivision 5; 43A.19, subdivision 1; and 177.23, subdivision 6.

Referred to the Committee on Rules and Administration.

**Messrs. Cohen, Chandler, Mses. Wiener and Flynn introduced--**

**S.F. No. 217:** A bill for an act relating to family law; providing for enforcement of child support obligations; authorizing programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 168A.05, subdivisions 2, 3, 7, and by adding subdivisions; 168A.16; 214.101, subdivisions 1 and 4; 256.01, by adding a subdivision; 518.24; 518.551,

subdivision 12, and by adding a subdivision; and 518.611, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 171; 256; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.551, subdivision 5a; and 518.561.

Referred to the Committee on Judiciary.

**Ms. Robertson, Messrs. Ourada, Knutson, Betzold and Cohen introduced--**

**S.F. No. 218:** A bill for an act relating to children; providing for care of children by noncustodial parents in certain cases; amending Minnesota Statutes 1994, section 518.551, subdivision 5.

Referred to the Committee on Judiciary.

**Messrs. Langseth, Belanger, Ms. Hanson, Mr. Chmielewski and Ms. Pappas introduced--**

**S.F. No. 219:** A bill for an act relating to transportation; appropriating money on a matching basis for a road powered electric vehicle (RPEV) demonstration project, a study of RPEV applications for Minnesota transportation and transit system options, and development of an electric vehicle consortium.

Referred to the Committee on Transportation and Public Transit.

**Mr. Solon introduced--**

**S.F. No. 220:** A bill for an act relating to liquor; term of temporary on-sale licenses; amending Minnesota Statutes 1994, section 340A.404, subdivision 10.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Chmielewski and Samuelson introduced--**

**S.F. No. 221:** A bill for an act relating to insurance; health plans; requiring coverage for treatment of Lyme disease; amending Minnesota Statutes 1994, section 62A.136; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Beckman introduced--**

**S.F. No. 222:** A bill for an act relating to municipal contracts; allowing awards of contracts to certain bidders; amending Minnesota Statutes 1994, section 471.345, by adding a subdivision.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Samuelson; Bertram; Johnson, D.E.; Ms. Lesewski and Mr. Vickerman introduced--**

**S.F. No. 223:** A bill for an act relating to education; requiring community colleges, state universities, and technical colleges to use construction plans prepared through the department of administration; amending Minnesota Statutes 1994, section 16B.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1994, section 136E.692, subdivisions 1, 2, and 3.

Referred to the Committee on Education.

**Messrs. Samuelson, Sams, Chmielewski, Mses. Lesewski and Hanson introduced--**

**S.F. No. 224:** A bill for an act relating to motor vehicles; allowing option to register recreational trailers for three years; amending Minnesota Statutes 1994, section 168.013, subdivision 1g.

Referred to the Committee on Transportation and Public Transit.

**Mr. Mondale introduced--**

**S.F. No. 225:** A bill for an act relating to the city of Hopkins; modifying a tax increment financing district.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Kleis, Knutson and Frederickson introduced--**

**S.F. No. 226:** A bill for an act relating to human services; changing eligibility for general assistance; detailing food stamp employment and training program; establishing start work grants; establishing work first program; expanding information released to department of revenue on individuals in the welfare system; establishing a joint effort to provide monetary supplements to working families; detailing assistance to minor parents; specifying waiver requests; establishing the process for claims for injury or death of work experience participants; defining obligation to seek and obtain full-time employment; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 3a, and by adding a subdivision; 256.736, subdivisions 3a, 4a, 10, 16, and by adding a subdivision; 256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.10; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113.

Referred to the Committee on Family Services.

**Messrs. Scheevel; Johnson, D.E. and Laidig introduced--**

**S.F. No. 227:** A bill for an act relating to human services; changing eligibility for general assistance; detailing food stamp employment and training program; establishing start work grants; establishing work first program; expanding information released to department of revenue on individuals in the welfare system; establishing a joint effort to provide monetary supplements to working families; detailing assistance to minor parents; specifying waiver requests; establishing the process for claims for injury or death of work experience participants; defining obligation to seek and obtain full-time employment; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 3a, and by adding a subdivision; 256.736, subdivisions 3a, 4a, 10, 16, and by adding a subdivision; 256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.10; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113.

Referred to the Committee on Family Services.

**Mr. Ourada, Ms. Lesewski and Mr. Oliver introduced--**

**S.F. No. 228:** A bill for an act relating to human services; changing eligibility for general assistance; detailing food stamp employment and training program; establishing start work grants; establishing work first program; expanding information released to department of revenue on individuals in the welfare system; establishing a joint effort to provide monetary supplements to working families; detailing assistance to minor parents; specifying waiver requests; establishing the process for claims for injury or death of work experience participants; defining obligation to seek and obtain full-time employment; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 3a, and by adding a subdivision; 256.736, subdivisions 3a, 4a, 10, 16, and by adding a subdivision; 256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.10; and 268.12, subdivision 12;

proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113.

Referred to the Committee on Family Services.

**Ms. Kiscaden, Messrs. Merriam, Knutson, Neuville and Betzold introduced--**

**S.F. No. 229:** A bill for an act relating to government data practices; medical examiner data; allowing sharing of such data with a state or federal agency charged with investigating a death; amending Minnesota Statutes 1994, section 13.83, subdivision 5.

Referred to the Committee on Judiciary.

**Messrs. Kelly, Merriam, Mses. Johnston, Ranum and Mr. Betzold introduced--**

**S.F. No. 230:** A bill for an act relating to claims against governmental units; increasing liability limits; providing for inflation adjustment; exempting medical expenses; amending Minnesota Statutes 1994, sections 3.736, subdivisions 4, 4a, and by adding subdivisions; and 466.04, subdivision 1.

Referred to the Committee on Judiciary.

**Mr. Terwilliger introduced--**

**S.F. No. 231:** A bill for an act relating to human services; providing reimbursement for a video teleconferencing medical device to measure vital signs of recipients of General Assistance Medical Care; amending Minnesota Statutes 1994, section 256D.03, subdivision 4.

Referred to the Committee on Health Care.

**Messrs. Murphy, Sams, Samuelson and Ms. Kiscaden introduced--**

**S.F. No. 232:** A bill for an act relating to insurance; the comprehensive health association; increasing the lifetime benefit limit; amending Minnesota Statutes 1994, section 62E.12.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Betzold introduced--**

**S.F. No. 233:** A bill for an act relating to elections; providing for removal of certain voters' names from public information voter registration lists; amending Minnesota Statutes 1994, section 201.091, subdivision 4, and by adding a subdivision.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Solon introduced--**

**S.F. No. 234:** A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of service credit for certain on-leave military service periods by certain St. Louis county employees.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Kiscaden, Messrs. Hottinger and Oliver introduced--**

**S.F. No. 235:** A bill for an act relating to health; regulating health plan accountability and competition, regional coordinating boards, data, technology, public health and safety, health provider liability, and funding for the health care access fund; making technical changes; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision;

43A.316, subdivision 6; 43A.317, by adding a subdivision; 62J.017; 62J.05, subdivision 2; 62J.09, subdivisions 1 and 6; 62J.152; 62J.35, subdivision 3, and by adding a subdivision; 62J.44; 62J.45; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62Q.03, by adding a subdivision; 62Q.07, subdivision 2; 62Q.17, subdivision 3; 62Q.18, subdivision 6; 62Q.41; 72A.20, by adding subdivisions; 84.9256, subdivision 2; 169.222, subdivision 4; 169.685, subdivision 5; 169.686, subdivision 1; 169.974, subdivision 4; 549.01; 595.02, subdivision 5; and 604.02; Laws 1994, chapter 625, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 62H; 62J; 62Q; 84; 290; and 548; repealing Minnesota Statutes 1994, sections 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.42; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.29; 62P.31; 62P.33; 214.16; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; and 295.57.

Referred to the Committee on Health Care.

**Mr. Hottinger, Ms. Berglin, Mr. Cohen, Mses. Kiscaden and Robertson introduced--**

**S.F. No. 236:** A bill for an act relating to civil actions; including occupational therapists in the limitation period for bringing suit against health care professionals; amending Minnesota Statutes 1994, section 541.07.

Referred to the Committee on Judiciary.

**Mr. Price introduced--**

**S.F. No. 237:** A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Terwilliger, Merriam, Ms. Kiscaden, Messrs. Oliver and Kramer introduced--**

**S.F. No. 238:** A bill for an act relating to health; modifying MinnesotaCare; prohibiting the collection of individual-level data; allowing for-profit integrated networks; modifying eligibility and premiums for the MinnesotaCare program; repealing the regulated all-payer option, growth limits, certain insurance provisions and other initiatives; authorizing and regulating medical care savings accounts; requiring malpractice reform; amending Minnesota Statutes 1994, sections 62A.65, subdivisions 3 and 7; 62J.04, subdivision 3; 62J.045, subdivision 3; 62J.06; 62J.09, subdivision 1a; 62J.17, subdivision 1; 62J.22; 62J.30, subdivisions 1, 3, 6, 7, 10, 11, and by adding a subdivision; 62J.31, subdivision 1; 62J.35, subdivision 1; 62J.45, subdivisions 1, 2, 4, 5, and 10; 62J.48; 62J.65; 62L.08, subdivision 8; 62N.05, subdivision 2; 62N.06, subdivision 1; 62N.25, subdivisions 5 and 7; 62N.381, subdivision 2; 62Q.01, subdivisions 3 and 4; 62Q.165; 62Q.18, subdivision 7; 62Q.30; 62Q.41; 256.9352, subdivision 3, and by adding a subdivision; 256.9354, subdivision 5; 256.9358, by adding a subdivision; 290.01, subdivisions 19a, 19b, and 19d; 549.01; 595.02, subdivision 5; 604.02, by adding a subdivision; 604.11, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62Q; and 548; proposing coding for new law as Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 1994, sections 13.99, subdivision 19a; 62A.021; 62J.017; 62J.04, subdivisions 1, 1a, 7, and 9; 62J.15; 62J.152; 62J.156; 62J.32, subdivision 4; 62J.34; 62J.54, subdivision 4; 62J.55; 62L.08, subdivision 11; 62P.01; 62P.02; 62P.03; 62P.04; 62P.05; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.09; 62Q.18, subdivisions 2, 3, 4, 6, 8, and 9; and 144.1481; Laws 1992, chapter 549, article 3, section 19; Laws 1994, chapter 625, article 5, section 7.

Referred to the Committee on Health Care.

**Mr. Johnson, D.E. introduced--**

**S.F. No. 239:** A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Kandiyohi county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Johnson, D.E.; Mrs. Pariseau, Messrs. Day and Laidig introduced--**

**S.F. No. 240:** A bill for an act proposing an amendment to the Minnesota Constitution, changing article IV, section 4, and article V, sections 2 and 4, and adding a section to article XII; providing for limits on the terms of office of legislators and executive and local government officers.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Stevens and Ourada introduced--**

**S.F. No. 241:** A bill for an act relating to human services; modifying nursing home geographic groups; amending Minnesota Statutes 1994, section 256B.431, by adding a subdivision.

Referred to the Committee on Health Care.

**Ms. Berglin, Messrs. Finn, Oliver, Terwilliger and Ms. Piper introduced--**

**S.F. No. 242:** A bill for an act relating to human services; providing for treatment of certain trusts under the medical assistance program; clarifying enforceability of certain supplemental needs trusts; amending Minnesota Statutes 1994, sections 265B.056, by adding a subdivision; and 501B.89, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health Care.

**Ms. Wiener introduced--**

**S.F. No. 243:** A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands bordering public waters in Dakota county to the city of Eagan.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Stumpf, Pogemiller and Ourada introduced--**

**S.F. No. 244:** A bill for an act relating to education; providing a levy for school districts to create Internet connections; appropriating money; amending Minnesota Statutes 1994, section 124.91, by adding subdivisions.

Referred to the Committee on Education.

**Mr. Stumpf introduced--**

**S.F. No. 245:** A bill for an act relating to education; increasing ITV revenue for certain combined or consolidated districts whose preexisting districts entered into ITV leases before consolidation or combination; amending Minnesota Statutes 1994, section 124.91, subdivision 5.

Referred to the Committee on Education.

**Mr. Finn and Ms. Piper introduced--**

**S.F. No. 246:** A bill for an act relating to human services; requiring the department of human services to request a waiver from the federal government to allow the expansion of the Minnesota family investment program.

Referred to the Committee on Family Services.

**Mr. Pogemiller introduced--**

**S.F. No. 247:** A bill for an act relating to elections; requiring certain special primaries and elections to be conducted by mail; amending Minnesota Statutes 1994, sections 204D.19, subdivisions 2 and 3; 204D.20, subdivision 1; 204D.21, subdivisions 2 and 3; 204D.22, subdivision 3; and 204D.23, subdivision 2.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Price introduced--**

**S.F. No. 248:** A bill for an act relating to education; making teacher licenses continuous; amending Minnesota Statutes 1994, sections 125.05, subdivision 2; 125.08; and 136C.04, subdivision 9.

Referred to the Committee on Education.

**Mses. Johnson, J.B.; Anderson and Mr. Finn introduced--**

**S.F. No. 249:** A bill for an act relating to housing; making the landlord the bill payer and customer of record on utility accounts in single-metered multiunit residential buildings; amending Minnesota Statutes 1994, section 504.185, subdivision 1, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Dille; Johnson, D.J.; Sams; Bertram and Scheevel introduced--**

**S.F. No. 250:** A bill for an act relating to taxation; sales; exempting certain purchases by veterinarians from taxation; amending Minnesota Statutes 1994, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Reichgott Junge introduced--**

**S.F. No. 251:** A bill for an act relating to highways; directing commissioner of transportation to erect noise barriers along segment of marked trunk highway No. 169 as a high priority project.

Referred to the Committee on Transportation and Public Transit.

**MEMBERS EXCUSED**

Messrs. Mondale; Johnson, D.E. and Solon were excused from the Session of today.



**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, February 2, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWELFTH DAY

St. Paul, Minnesota, Thursday, February 2, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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. Gordon C. Stewart.

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

Anderson	Frederickson	Kroening	Novak	Sams
Beckman	Hanson	Laidig	Oliver	Samuelson
Belanger	Hottinger	Langseth	Olson	Scheevel
Berg	Janezich	Larson	Ourada	Solon
Berglin	Johnson, D.E.	Lesewski	Pappas	Spear
Bertram	Johnson, D.J.	Lessard	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Chmielewski	Kelly	Metzen	Price	Vickerman
Cohen	Kiscaden	Moe, R.D.	Ranum	Wiener
Day	Kleis	Mondale	Reichgott Junge	
Dille	Knutson	Morse	Riveness	
Finn	Kramer	Murphy	Robertson	
Flynn	Krentz	Neuville	Runbeck	

The President declared a quorum present.

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 26.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 30, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 26:** A bill for an act relating to liquor; authorizing the city of International Falls to issue a temporary on-sale intoxicating liquor license for sales on property owned by a school district.

Referred to the Committee on Commerce and Consumer Protection.

### REPORTS OF COMMITTEES

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

#### Ms. Flynn from the Committee on Judiciary, to which was referred

**S.F. No. 77:** A bill for an act relating to civil actions; new motor vehicle warranties; clarifying the limitation on actions after informal dispute settlement mechanism decisions; amending Minnesota Statutes 1994, section 325F.665, subdivisions 7 and 10.

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

Page 1, line 15, delete the new language

Page 1, line 16, delete the new language and after "if" insert "the manufacturer is aggrieved by the decision of the informal dispute settlement mechanism,"

Page 1, line 17, strike "a" and insert "the" and strike "is not" and insert "must be"

Page 1, line 19, after "parties" insert ". If the application to remove is not made within 30 days"

Page 2, line 7, delete "does not prevail in" and insert "is aggrieved by the decision of"

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

#### Ms. Flynn from the Committee on Judiciary, to which was referred

**S.F. No. 74:** 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 1994, sections 84.911, subdivision 7; 86B.335, subdivision 13; 115B.42, subdivision 1; 144.871, subdivision 3; 144.8782; 260.185, subdivision 6; 325F.692, subdivision 3; 326.71, subdivision 4; and 340A.503, subdivision 1; Laws 1994, chapter 527, section 7.

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

Page 3, delete sections 4 and 5

Page 7, delete lines 3 and 4

Page 7, line 5, delete "Subd. 2. [OTHER CORRECTIONS.]"

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

Page 7, delete line 8

Page 7, line 9, delete "8 and 9" and insert "6 and 7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after "1;"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

#### Ms. Flynn from the Committee on Judiciary, to which was referred

**S.F. No. 75:** A bill for an act relating to real property; clarifying requirements relating to filing of notice of mechanics' liens; amending Minnesota Statutes 1994, section 514.08, subdivision 1.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 50:** A bill for an act relating to highways; designating a bridge as the Betty Adkins Bridge; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

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

Page 1, line 14, after the period, insert "The people of the community, having resolved to support and financially back the marking of this bridge, shall reimburse the department for costs incurred in marking and memorializing this bridge."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 42:** A bill for an act relating to traffic regulations; repealing sunset provision concerning recreational vehicle combinations; amending Laws 1993, chapter 111, section 3.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 33:** A bill for an act relating to drivers' licenses; permitting certain licensees to wear headwear in driver's license and Minnesota identification card photographs; amending Minnesota Statutes 1994, section 171.071.

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 168:** A bill for an act relating to elections; providing for simulated elections for minors; proposing coding for new law in Minnesota Statutes, chapter 204B.

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 181:** A bill for an act relating to elections; allowing time off to vote in elections to fill a vacancy in the legislature; amending Minnesota Statutes 1994, section 204C.04, subdivision 2.

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 3:** A bill for an act relating to elections; providing for election judges who are not members of a major political party; amending Minnesota Statutes 1994, sections 204B.19, subdivision 5; 204B.21, subdivision 1; 204B.25, subdivision 3; and 204C.15.

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

Page 1, delete section 1

Page 3, line 34, after "same" insert "major"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete "204B.19, subdivision 5;"

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

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

**S.F. No. 188:** A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; amending Laws 1992, chapter 558, section 2, subdivision 3.

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

Page 1, delete section 2 and insert:

"Sec. 2. Laws 1994, chapter 643, section 11, subdivision 6, is amended to read:

Subd. 6. Lakewood Community College

170,000

This appropriation is to ~~prepare schematic plans for a learning resources center for joint use with northeast metro technical college, and for~~ predesign remodeling of classrooms, labs, Americans with Disabilities Act accessible locker and fitness space, and institutional services, and to predesign the construction of new space for joint use with Northeast Metro technical college. The appropriation is available only after a master academic plan has been developed for the campus and approved by the higher education board. The master academic plan shall be developed jointly with representation from each of the public post-secondary systems.

Sec. 3. Laws 1994, chapter 643, section 11, subdivision 8, is amended to read:

Subd. 8. Minneapolis Community College

375,000

This appropriation is to prepare ~~working drawings design documents~~ to remodel and construct new space at the campus for joint use with Minneapolis technical college and Metropolitan state university. The appropriation is available only after an approved master academic plan has been developed for the campus. The master academic plan shall be developed jointly with representation from each of the public post-secondary systems. The higher education board shall review the plan. The appropriation is available if the higher education board approves the plan.

Sec. 4. Laws 1994, chapter 643, section 11, subdivision 10, is amended to read:

Subd. 10. North Hennepin Community College

6,000,000

This appropriation is to ~~plan~~ predesign, design, remodel, and construct space for classrooms, labs, student services, learning resource center, the campus center, and administrative and related space. This appropriation may also be used to predesign and design the remodeling of space vacated when the new construction is completed, even if the remodeling requires an additional appropriation.

Sec. 5. Laws 1994, chapter 643, section 11, subdivision 11, is amended to read:

Subd. 11. Northland Community College

(a) Integrate community college and technical college

100,000

This appropriation is to prepare ~~working drawings~~ design documents for remodeling and new construction necessary for the integration of the Northland community college and the Thief River Falls technical college. The project will begin with the integration of the student services area and the learning resources center.

(b) Construct regional multievent cultural center

3,000,000

This appropriation is to construct a regional multievent cultural center. All cities, counties, and school districts in region 8A, and public post-secondary education systems shall cooperate in the construction and joint use of the facility. Up to \$2,000,000 is available immediately for this project, but the remainder of the money is not available unless matched by an equal amount of money or in-kind contributions from nonstate sources. Nonstate money or in-kind contributions that are raised in excess of the required match may be used to expand the center with additional phases.

Pre-design plans for the expanded center may be based on the assumption that contributions in excess of the required match will be available to construct it, but design and construction for each phase may not be undertaken until the money necessary to complete the phase has been committed.

The nonstate match added to this project is in lieu of the debt service payment assessed to higher education projects.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing additional design and construction of space at certain community college campuses; requiring plans to provide for joint use of space

with certain technical colleges and state universities; authorizing additional construction using nonstate resources;"

Page 1, line 5, before the period, insert "; and Laws 1994, chapter 643, section 11, subdivisions 6, 8, 10, and 11"

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. 47** 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.
47	94				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 47 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 47 and insert the language after the enacting clause of S.F. No. 94, the first engrossment; further, delete the title of H.F. No. 47 and insert the title of S.F. No. 94, the first engrossment.

And when so amended H.F. No. 47 will be identical to S.F. No. 94, and further recommends that H.F. No. 47 be given its second reading and substituted for S.F. No. 94, and that the Senate File be indefinitely postponed.

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

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

**H.F. No. 45** 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.
45	87				

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. 77, 74, 75, 50, 42, 33, 168, 181, 3 and 188 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 47 and 45 were read the second time.



### MOTIONS AND RESOLUTIONS

Mr. Terwilliger moved that his name be stricken as a co-author to S.F. No. 143. The motion prevailed.

Mrs. Pariseau moved that the name of Mr. Murphy be added as a co-author to S.F. No. 143. The motion prevailed.

Mr. Dille moved that the name of Mr. Murphy be added as a co-author to S.F. No. 169. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Murphy be added as a co-author to S.F. No. 187. The motion prevailed.

Mr. Bertram moved that the name of Mr. Murphy be added as a co-author to S.F. No. 190. The motion prevailed.

Mr. Bertram moved that the name of Mr. Murphy be added as a co-author to S.F. No. 193. The motion prevailed.

Mr. Chandler moved that the name of Mr. Murphy be added as a co-author to S.F. No. 202. The motion prevailed.

Ms. Reichgott Junge moved that the name of Mr. Murphy be added as a co-author to S.F. No. 205. The motion prevailed.

Mr. Sams moved that the name of Mr. Finn be added as a co-author to S.F. No. 212. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 221. The motion prevailed.

Mr. Murphy moved that the name of Mr. Finn be added as a co-author to S.F. No. 232. The motion prevailed.

Mr. Stumpf moved that the names of Messrs. Finn and Hottinger be added as co-authors to S.F. No. 244. The motion prevailed.

Mr. Finn moved that the names of Ms. Johnson, J.B.; Mr. Hottinger and Ms. Berglin be added as co-authors to S.F. No. 246. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Marty be added as a co-author to S.F. No. 249. The motion prevailed.

Mr. Samuelson moved that S.F. No. 207 be withdrawn from the Committee on Finance and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

### GENERAL ORDERS

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

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

S.F. Nos. 141 and 46, which the committee recommends to pass.

S.F. No. 35, which the committee reports progress, after the following motion:

Mr. Frederickson moved to amend S.F. No. 35 as follows:

Pages 9 and 10, delete section 16

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Krentz	Neuville	Robertson
Berg	Johnston	Laidig	Oliver	Scheevel
Chandler	Kiscaden	Larson	Olson	Stevens
Chmielewski	Kleis	Lesewski	Ourada	Terwilliger
Frederickson	Knutson	Lessard	Ranum	Vickerman

Those who voted in the negative were:

Anderson	Finn	Kroening	Novak	Solon
Beckman	Flynn	Langseth	Pappas	Spear
Berglin	Hanson	Marty	Piper	Stumpf
Bertram	Janezich	Merriam	Pogemiller	Wiener
Betzold	Johnson, D.J.	Metzen	Price	
Cohen	Johnson, J.B.	Moe, R.D.	Reichgott Junge	
Day	Kelly	Mondale	Sams	
Dille	Kramer	Morse	Samuelson	

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

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

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Messrs. Terwilliger, Merriam, Kramer, Ms. Runbeck and Mr. Knutson introduced--**

**S.F. No. 252:** A bill for an act relating to health; authorizing the establishment and maintenance of medical care savings accounts; exempting contributions from taxation; amending Minnesota Statutes 1994, section 290.01, subdivisions 19a, 19b, and 19d; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Health Care.

**Mr. Vickerman, Ms. Lesewski, Messrs. Sams, Morse and Frederickson introduced--**

**S.F. No. 253:** A bill for an act relating to workers' compensation; modifying provisions relating to procedures and benefits; providing penalties; amending Minnesota Statutes 1994, sections 79.211, subdivision 1; 175.16; 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.105, subdivision 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, and 20; 176.178; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; 176.82; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1994, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Terwilliger, Scheevel, Frederickson, Mrs. Pariseau and Mr. Kleis introduced--**

**S.F. No. 254:** A bill for an act relating to workers' compensation law and insurance; providing a new general system of law and insurance provisions for the compensation of employment related

injuries; transferring the jurisdiction and personnel of the workers' compensation court of appeals; providing rights, duties, and remedies; providing for administration and procedure; permitting adoption of administrative rules; proposing penalties; proposing coding for new law as Minnesota Statutes, chapters 176C; and 176D; repealing Minnesota Statutes 1994, sections 79.01; 79.074; 79.081; 79.085; 79.095; 79.096; 79.10; 79.211; 79.251; 79.252; 79.253; 79.255; 79.50; 79.52; 79.53; 79.531; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.001; 176.011; 176.021; 176.031; 176.041; 176.051; 176.061; 176.071; 176.081; 176.091; 176.092; 176.095; 176.101; 176.1011; 176.102; 176.1021; 176.103; 176.104; 176.1041; 176.105; 176.106; 176.111; 176.121; 176.129; 176.130; 176.1311; 176.132; 176.1321; 176.133; 176.135; 176.1351; 176.136; 176.1361; 176.137; 176.138; 176.139; 176.141; 176.145; 176.151; 176.155; 176.161; 176.165; 176.171; 176.175; 176.178; 176.179; 176.181; 176.182; 176.183; 176.184; 176.185; 176.186; 176.191; 176.192; 176.194; 176.195; 176.201; 176.205; 176.211; 176.215; 176.221; 176.222; 176.225; 176.231; 176.232; 176.234; 176.235; 176.238; 176.239; 176.245; 176.251; 176.253; 176.261; 176.2615; 176.271; 176.275; 176.281; 176.285; 176.291; 176.295; 176.301; 176.305; 176.306; 176.307; 176.311; 176.312; 176.321; 176.322; 176.325; 176.331; 176.341; 176.351; 176.361; 176.371; 176.381; 176.391; 176.401; 176.411; 176.421; 176.442; 176.451; 176.461; 176.471; 176.481; 176.491; 176.511; 176.521; 176.522; 176.531; 176.5401; 176.541; 176.551; 176.561; 176.571; 176.572; 176.581; 176.591; 176.603; 176.611; 176.641; 176.645; 176.651; 176.66; 176.669; 176.82; 176.83; 176.84; 176.85; and 176.86.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Hanson, Pappas, Messrs. Novak, Murphy and Ms. Flynn introduced--**

**S.F. No. 255:** A bill for an act relating to elevators; regulating persons who may do elevator work; appropriating money; amending Minnesota Statutes 1994, sections 183.355, subdivision 3; 183.357, subdivisions 1, 2, and 4; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Runbeck, Messrs. Metzen and Oliver introduced--**

**S.F. No. 256:** A bill for an act relating to taxation; changing the gross premiums tax rate imposed on certain insurance companies; amending Minnesota Statutes 1994, section 60A.15, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Morse, Sams, Vickerman, Day and Mrs. Pariseau introduced--**

**S.F. No. 257:** A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Piper, Messrs. Sams, Betzold, Larson and Ms. Kiscaden introduced--**

**S.F. No. 258:** A bill for an act relating to occupations and professions; board of medical practice; providing for the registration of physician assistants by the board of medical practice; providing for rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 116J.70, subdivision 2a; 136A.1356, subdivision 1; 144.335, subdivision 1; 148B.60, subdivision 3; 151.01, subdivision 23; 151.37, subdivision 2a; 214.23, subdivision 1; and 604A.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 147A; repealing Minnesota Statutes 1994, sections 147.34; 147.35; and 147.36; Minnesota Rules, parts 5600.2600; 5600.2605; 5600.2610; 5600.2615; 5600.2620; 5600.2625; 5600.2630; 5600.2635; 5600.2640; 5600.2645; 5600.2650; 5600.2655; 5600.2660; 5600.2665; and 5600.2670.

Referred to the Committee on Health Care.

**Messrs. Merriam, Chandler, Ms. Kiscaden, Messrs. Hottinger and Belanger introduced--**

**S.F. No. 259:** A bill for an act relating to insurance; regulating the use of genetic testing and genetic characteristics by insurers; amending Minnesota Statutes 1994, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Novak introduced--**

**S.F. No. 260:** A bill for an act relating to workers' compensation; including emergency medical services personnel in the presumption for occupational disease; amending Minnesota Statutes 1994, section 176.011, subdivision 15.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Krentz, Messrs. Samuelson, Kelly, Mses. Wiener and Kiscaden introduced--**

**S.F. No. 261:** A bill for an act relating to health; establishing MN ENABL, a program to postpone sexual involvement in an effort to reduce adolescent pregnancy; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Messrs. Novak, Janezich and Ms. Anderson introduced--**

**S.F. No. 262:** A bill for an act relating to economic development; removing an expiration date for the affirmative enterprise program; repealing Minnesota Statutes 1994, section 116J.874, subdivision 6.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kramer, Stevens and Murphy introduced--**

**S.F. No. 263:** A bill for an act relating to state government; reducing the size of the legislature; amending Minnesota Statutes 1994, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Lesewski, Messrs. Vickerman, Ourada, Day and Murphy introduced--**

**S.F. No. 264:** A bill for an act relating to drivers' licenses; abolishing separate review process for commercial driver's license disqualification; amending Minnesota Statutes 1994, section 171.166, subdivision 3; repealing Minnesota Statutes 1994, section 171.166, subdivision 4.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Sams, Day, Bertram, Vickerman and Frederickson introduced--**

**S.F. No. 265:** A bill for an act relating to local government; clarifying provisions for financial audits in certain circumstances; amending Minnesota Statutes 1994, sections 367.36, subdivision 1; 412.02, subdivision 3; and 412.591, subdivision 2.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Bertram, Day, Vickerman, Frederickson and Lessard introduced--**

**S.F. No. 266:** A bill for an act relating to local government; towns; authorizing the town board

to set up a petty cash fund; amending Minnesota Statutes 1994, section 366.01, by adding a subdivision.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Samuelson, Solon, Metzen and Belanger introduced--**

**S.F. No. 267:** A bill for an act relating to insurance; automobile; regulating medical expense benefits; authorizing reparation obligors to offer medical expense benefits through certified managed care plans; authorizing the commissioner of commerce to certify these plans; requiring appropriate premium reductions; requiring rules; amending Minnesota Statutes 1994, section 65B.49, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Piper, Ranum, Messrs. Marty and Laidig introduced--**

**S.F. No. 268:** A bill for an act relating to children; providing for grants to youth intervention programs; appropriating money; amending Minnesota Statutes 1994, section 268.30, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Betzold introduced--**

**S.F. No. 269:** A bill for an act relating to elections; changing the partisan primary; amending Minnesota Statutes 1994, sections 204B.13, subdivision 4; 204C.21, subdivision 3; 204C.32, subdivision 1; 204D.03, subdivision 1; 204D.08, subdivision 4; 204D.10; 204D.20, subdivisions 1 and 2; 206.74, subdivision 2; 206.84, subdivision 3; repealing Minnesota Statutes 1994, sections 204B.13, subdivision 2; 204D.08, subdivision 5; 204D.13, subdivision 2; and 206.56, subdivision 11.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Chandler; Moe, R.D.; Ms. Reichgott Junge, Messrs. Pogemiller and Johnson, D.J. introduced--**

**S.F. No. 270:** A bill for an act proposing an amendment to the Minnesota Constitution, article XI, by adding a section; establishing an elementary and secondary education trust fund in the state treasury.

Referred to the Committee on Education.

**Messrs. Berg, Dille, Ms. Lesewski, Messrs. Stevens and Scheevel introduced--**

**S.F. No. 271:** A bill for an act relating to agriculture; removing limitations on ownership and use of agricultural lands by limited liability companies; amending Minnesota Statutes 1994, section 500.24, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

**Ms. Reichgott Junge introduced--**

**S.F. No. 272:** A bill for an act relating to trade practices; requiring public utilities commission to adopt rules to require pay-per-call telephone services to include the amount of Minnesota state tax in its advertisements of those calls; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Price, Morse and Ms. Krentz introduced--**

**S.F. No. 273:** A bill for an act relating to water; providing for the classification of water supply systems and wastewater treatment facilities and certification of operators by the department of health and the pollution control agency; appropriating money; amending Minnesota Statutes 1994, sections 115.71, subdivisions 1, 4, 8, 10, and by adding subdivisions; 115.72; 115.73; 115.75; 115.76; 115.77; and 144.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Solon; Johnson, D.J. and Chmielewski introduced--**

**S.F. No. 274:** A bill for an act relating to bond allocation; providing for the allocation of certain bonding authority to the Western Lake Superior Sanitary District; amending Minnesota Statutes 1994, section 474A.03, subdivision 2a.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Novak; Johnson, D.J.; Ms. Johnson, J.B.; Messrs. Chandler and Metzen introduced--**

**S.F. No. 275:** A bill for an act relating to public utilities; authorizing performance-based gas purchasing regulation for gas utilities; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Novak introduced--**

**S.F. No. 276:** A bill for an act relating to education; creating a school enrichment partnership program; providing for matching funds and revenue use; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

**Mr. Novak, Ms. Pappas and Mr. Merriam introduced--**

**S.F. No. 277:** A bill for an act relating to property taxes; providing for the equalization of tax bases for governmental units throughout the metropolitan area; amending Minnesota Statutes 1994, sections 469.177, subdivision 3; 473F.02, subdivisions 7, 8, 13, 14, and 15; 473F.07; and 473F.08, subdivisions 2, 3, 4, 5, and 6; repealing Minnesota Statutes 1994, sections 473F.02, subdivision 12; 473F.06; and 473F.08, subdivision 8a.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Moe, R.D.; Lessard; Finn and Stumpf introduced--**

**S.F. No. 278:** A bill for an act relating to education; maximum effort school loan program; approving a capital loan for independent school district No. 36, Kelliher; appropriating money; authorizing the sale of bonds.

Referred to the Committee on Education.

**Messrs. Johnson, D.J.; Stumpf; Lessard; Stevens and Kroening introduced--**

**S.F. No. 279:** A bill for an act relating to state government; directing the governor, attorney general, and other public officers to perform certain duties in regard to certain waters and public lands; proposing coding for new law in Minnesota Statutes, chapters 1 and 84B.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Murphy, Morse, Price and Dille introduced--**

**S.F. No. 280:** A bill for an act relating to the environment; appropriating money for combined sewer overflow grants to the city of Red Wing.

Referred to the Committee on Environment and Natural Resources.

**Ms. Flynn and Mrs. Pariseau introduced--**

**S.F. No. 281:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; amending Minnesota Statutes 1994, sections 275.066; 473.121, subdivision 11; 473.13, subdivisions 1 and 2; 473.164, subdivision 3; 473.375, subdivisions 9 and 13; 473.385, subdivision 2; 473.386, subdivisions 1, 2, and 5; 473.388, subdivision 4; 473.39, subdivision 1b; 473.446, subdivision 8; 473.448; 473.505; 473.595, subdivision 3; and Laws 1994, chapter 628, article 2, section 5; repealing Minnesota Statutes 1994, section 473.394.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Morse, Stumpf, Kleis, Price and Murphy introduced--**

**S.F. No. 282:** A bill for an act relating to higher education; bonding; exempting appropriations for Minnesota state college and university libraries from the one-third debt service requirement; amending Laws 1994, chapter 643, section 35, subdivisions 1 and 3.

Referred to the Committee on Education.

**Mr. Solon introduced--**

**S.F. No. 283:** A bill for an act relating to liquor; requiring dram shop insurance by holders of temporary on-sale licenses; amending Minnesota Statutes 1994, section 340A.404, subdivision 10.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Olson, Mr. Belanger and Mrs. Pariseau introduced--**

**S.F. No. 284:** A bill for an act relating to taxation; restricting the use of tax increment financing; requiring additional disclosure; amending Minnesota Statutes 1994, sections 469.174, subdivisions 12, 19, and 21; 469.175, subdivisions 3 and 5; 469.176, subdivisions 4b and 4c; 469.1763, subdivisions 2 and 4; 469.177, subdivision 10; 469.179, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Runbeck, Robertson, Johnston and Mr. Larson introduced--**

**S.F. No. 285:** A bill for an act relating to health; modifying MinnesotaCare; prohibiting the collection of individual-level data; allowing for-profit integrated networks; modifying eligibility and premiums for the MinnesotaCare program; repealing the regulated all-payer option, growth limits, certain insurance provisions and other initiatives; authorizing and regulating medical care savings accounts; requiring malpractice reform; amending Minnesota Statutes 1994, sections 62A.65, subdivisions 3 and 7; 62J.04, subdivision 3; 62J.045, subdivision 3; 62J.06; 62J.09, subdivision 1a; 62J.17, subdivision 1; 62J.22; 62J.30, subdivisions 1, 3, 6, 7, 10, 11, and by adding a subdivision; 62J.31, subdivision 1; 62J.35, subdivision 1; 62J.45, subdivisions 1, 2, 4, 5, and 10; 62J.48; 62J.65; 62L.08, subdivision 8; 62N.05, subdivision 2; 62N.06, subdivision 1; 62N.25, subdivisions 5 and 7; 62N.381, subdivision 2; 62Q.01, subdivisions 3 and 4; 62Q.165; 62Q.18, subdivision 7; 62Q.30; 62Q.41; 256.9352, subdivision 3, and by adding a subdivision; 256.9354, subdivision 5; 256.9358, by adding a subdivision; 290.01, subdivisions 19a, 19b, and 19d; 549.01; 595.02, subdivision 5; 604.02, by adding a subdivision; 604.11, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62Q; and 548; proposing coding for

new law as Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 1994, sections 13.99, subdivision 19a; 62A.021; 62J.017; 62J.04, subdivisions 1, 1a, 7, and 9; 62J.15; 62J.152; 62J.156; 62J.32, subdivision 4; 62J.34; 62J.54, subdivision 4; 62J.55; 62L.08, subdivision 11; 62P.01; 62P.02; 62P.03; 62P.04; 62P.05; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.09; 62Q.18, subdivisions 2, 3, 4, 6, 8, and 9; and 144.1481; Laws 1992, chapter 549, article 3, section 19; Laws 1994, chapter 625, article 5, section 7.

Referred to the Committee on Health Care.

**Ms. Olson, Messrs. Frederickson, Ourada and Mrs. Pariseau introduced--**

**S.F. No. 286:** A bill for an act relating to health; modifying MinnesotaCare; prohibiting the collection of individual-level data; allowing for-profit integrated networks; modifying eligibility and premiums for the MinnesotaCare program; repealing the regulated all-payer option, growth limits, certain insurance provisions and other initiatives; authorizing and regulating medical care savings accounts; requiring malpractice reform; amending Minnesota Statutes 1994, sections 62A.65, subdivisions 3 and 7; 62J.04, subdivision 3; 62J.045, subdivision 3; 62J.06; 62J.09, subdivision 1a; 62J.17, subdivision 1; 62J.22; 62J.30, subdivisions 1, 3, 6, 7, 10, 11, and by adding a subdivision; 62J.31, subdivision 1; 62J.35, subdivision 1; 62J.45, subdivisions 1, 2, 4, 5, and 10; 62J.48; 62J.65; 62L.08, subdivision 8; 62N.05, subdivision 2; 62N.06, subdivision 1; 62N.25, subdivisions 5 and 7; 62N.381, subdivision 2; 62Q.01, subdivisions 3 and 4; 62Q.165; 62Q.18, subdivision 7; 62Q.30; 62Q.41; 256.9352, subdivision 3, and by adding a subdivision; 256.9354, subdivision 5; 256.9358, by adding a subdivision; 290.01, subdivisions 19a, 19b, and 19d; 549.01; 595.02, subdivision 5; 604.02, by adding a subdivision; 604.11, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62Q; and 548; proposing coding for new law as Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 1994, sections 13.99, subdivision 19a; 62A.021; 62J.017; 62J.04, subdivisions 1, 1a, 7, and 9; 62J.15; 62J.152; 62J.156; 62J.32, subdivision 4; 62J.34; 62J.54, subdivision 4; 62J.55; 62L.08, subdivision 11; 62P.01; 62P.02; 62P.03; 62P.04; 62P.05; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.09; 62Q.18, subdivisions 2, 3, 4, 6, 8, and 9; and 144.1481; Laws 1992, chapter 549, article 3, section 19; Laws 1994, chapter 625, article 5, section 7.

Referred to the Committee on Health Care.

**Ms. Lesewski, Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**S.F. No. 287:** A bill for an act relating to criminal procedure; providing for use of interactive video systems at first appearances and arraignments; proposing coding for new law in Minnesota Statutes, chapter 630.

Referred to the Committee on Crime Prevention.

**Mr. Neuville and Ms. Kiscaden introduced--**

**S.F. No. 288:** A bill for an act relating to civil actions; providing that a portion of punitive damage awards be given to the crime victims reparations board; imposing limits on punitive damage awards in certain cases; providing for intervention by the attorney general; providing for the recovery of attorney fees and expenses by prevailing parties in certain cases; amending Minnesota Statutes 1994, sections 549.191; 549.20, by adding subdivisions; and 549.21.

Referred to the Committee on Judiciary.

**Messrs. Stumpf and Janezich introduced--**

**S.F. No. 289:** A bill for an act relating to education; directing capital expenditure and staff development funding for teacher training in the use of computers; amending Minnesota Statutes 1994, sections 124.244, subdivisions 1 and 4; and 126.70, subdivision 2a.



Referred to the Committee on Education.

**Messrs. Kelly, Morse, Merriam and Cohen introduced--**

**S.F. No. 290:** A bill for an act relating to the environment; providing that site testing and study may be performed as part of the project costs eligible for a contamination cleanup grant; amending Minnesota Statutes 1994, section 116J.552, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Novak, Cohen and Moe, R.D. introduced--**

**S.F. No. 291:** A bill for an act relating to elections; moving precinct caucuses to a Saturday in March; requiring major party candidates to provide proof of party support before being listed on the party's primary ballot; permitting endorsed candidates to include endorsement on the partisan primary ballot; moving the state primary election to June; amending Minnesota Statutes 1994, sections 10A.31, subdivision 6; 10A.322, subdivision 1; 10A.323; 202A.14, subdivision 1; 202A.19, subdivisions 1, 3, 5, and 6; 204B.06, subdivision 2; 204B.33; 204D.03, subdivision 1; and 204D.08, subdivision 4.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Reichgott Junge introduced--**

**S.F. No. 292:** A bill for an act relating to public safety; changing name of McGruff program; amending Minnesota Statutes 1994, section 299A.28.

Referred to the Committee on Crime Prevention.

**Mr. Betzold, Ms. Reichgott Junge and Mr. Neuville introduced--**

**S.F. No. 293:** A bill for an act relating to debt; providing for prompt payment of subcontractors of municipal contractors; modifying certain provisions relating to liens and performance bonds; amending Minnesota Statutes 1994, sections 471.425, by adding a subdivision; 514.13; 574.28; 574.30; and 574.31, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

**Messrs. Kleis, Sams, Bertram and Ms. Lesewski introduced--**

**S.F. No. 294:** A bill for an act relating to higher education; delaying implementation of the higher education system merger; amending Laws 1991, chapter 356, article 9, section 9, as amended.

Referred to the Committee on Education.

**Messrs. Sams; Chmielewski; Johnson, D.J. and Vickerman introduced--**

**S.F. No. 295:** A bill for an act relating to human services; requiring the commissioner of human services to establish a statewide capitation rate for the prepaid medical assistance demonstration project; amending Minnesota Statutes 1994, section 256B.69, by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Solon, Ms. Piper, Messrs. Samuelson; Johnson, D.E. and Hottinger introduced--**

**S.F. No. 296:** A bill for an act relating to human services; requiring the commissioner of human services to establish a statewide capitation rate for the prepaid medical assistance demonstration project; amending Minnesota Statutes 1994, section 256B.69, by adding a subdivision.

Referred to the Committee on Health Care.

**Ms. Johnson, J.B.; Mr. Spear and Ms. Anderson introduced--**

**S.F. No. 297:** A bill for an act relating to driving while intoxicated; establishing a pilot program to evaluate the effectiveness of electronic alcohol monitoring of DWI offenders; appropriating money.

Referred to the Committee on Crime Prevention.

**Messrs. Kroening; Johnson, D.E. and Metzen introduced--**

**S.F. No. 298:** A bill for an act relating to economic development; removing the prohibition on use of state money for the board of invention; repealing Minnesota Statutes 1994, section 116J.990, subdivision 7.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Larson, Novak, Ms. Lesewski and Mr. Dille introduced--**

**S.F. No. 299:** A bill for an act relating to employment; changing references to visually handicapped people; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1994, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.10; 248.11; 268A.02, subdivision 2; 268A.03; and 268A.11, subdivisions 1 and 3; repealing Minnesota Statutes 1994, section 268A.12.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Sams and Merriam introduced--**

**S.F. No. 300:** A bill for an act relating to appropriations; modifying the purpose of a certain line item appropriation for an environmental learning center.

Referred to the Committee on Environment and Natural Resources.

**Mses. Berglin, Piper, Mr. Samuelson, Ms. Kiscaden and Mr. Stevens introduced--**

**S.F. No. 301:** A bill for an act relating to human services; families; social services programs; child care; federal waivers; appropriating money; amending Minnesota Statutes 1994, section 256.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Family Services.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

Ms. Krentz moved that S.F. No. 261 be withdrawn from the Committee on Health Care and returned to its author. The motion prevailed.

## MEMBERS EXCUSED

Mrs. Pariseau was excused from the Session of today from 9:00 to 9:30 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, February 6, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## THIRTEENTH DAY

St. Paul, Minnesota, Monday, February 6, 1995

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Dr. Randall K. Taber.

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:

Anderson	Frederickson	Krentz	Murphy	Robertson
Beckman	Hanson	Kroening	Neuville	Runbeck
Belanger	Hottinger	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Marty	Pariseau	Stevens
Chmielewski	Kelly	Merriam	Piper	Stumpf
Cohen	Kiscaden	Metzen	Price	Terwilliger
Dille	Kleis	Moe, R.D.	Ranum	Vickerman
Finn	Knutson	Mondale	Reichgott Junge	Wiener
Flynn	Kramer	Morse	Riveness	

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.

November 30, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### METROPOLITAN COUNCIL

Neil Peterson, 9640 Xylon Ave. S., Bloomington, Hennepin County, effective January 2, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Metropolitan and Local Government.)

January 26, 1995

Mr. Allan H. Spear, President of the Senate  
Mr. Irv Anderson, Speaker of the House  
Ms. Joan A. Growe, Secretary of State

Dear Sirs and Madam:

This letter is to inform you that effective December 12, 1994 I appointed Mr. Matt Smith to be Acting Commissioner of the Minnesota Department of Revenue.

January 26, 1995

Mr. Allan H. Spear, President of the Senate  
Mr. Irv Anderson, Speaker of the House  
Ms. Joan A. Growe, Secretary of State

Dear Sirs and Madam:

This letter is to inform you that effective February 1, 1995 I am appointing Mr. Gary Bastian to be Acting Commissioner of the Minnesota Department of Labor and Industry.

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. 14 and 98.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 2, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 14:** A resolution urging the United Nations to admit the Republic of Taiwan as a full member.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 98:** A bill for an act relating to gambling; providing for an alternate member of the advisory council on gambling; amending Laws 1994, chapter 633, article 8, section 5, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

### REPORTS OF COMMITTEES

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 182:** A bill for an act relating to towns; clarifying the procedure to fill a vacancy in the office of town supervisor; amending Minnesota Statutes 1994, section 367.03, subdivision 6.

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

Page 1, line 17, delete from "shall" through page 1, line 18, to "(c)" and insert "must, upon assuming the office, be an eligible voter, be 21 years of age and have resided in the town for at least 30 days"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 93:** A bill for an act relating to Stearns county; requiring the county to refund money paid by the city of Melrose for acquisition of certain 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.

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 16:** A bill for an act relating to health; modifying provisions relating to the administration and prescription of neuroleptic medications; changing the name of a court in certain circumstances; amending Minnesota Statutes 1994, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.09, subdivision 2; 253B.12, subdivision 1; and 253B.17, subdivision 1.

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

Page 4, line 28, delete "hearing" and insert "judicial review"

Page 4, line 36, after "of" insert "a physician's order for"

Page 5, line 2, after "or" insert ", with the consent of the committing court,"

Page 5, line 3, delete from "The" through page 5, line 5, to "residence."

Page 5, line 16, after the period, insert "If the patient refuses to participate in an examination, the examiner may rely on the patient's medical records to reach an opinion as to the appropriateness of neuroleptic medication."

Page 5, after line 17, insert:

"(j) At any time during the commitment proceedings, the court may appoint a guardian ad litem upon the request of any party, the recommendation of the prepetition screener, an examining physician, the court's examiner, or upon the court's own motion."

Page 5, line 18, delete "(j)" and insert "(k)"

Page 5, line 27, delete "(k)" and insert "(l)"

Page 5, line 32, delete "(l)" and insert "(m)"

Page 5, line 34, after "community" insert "or treatment"

Page 6, line 3, delete "(m)" and insert "(n)"

Page 6, line 6, delete "(n)" and insert "(o)"

Page 6, line 12, delete "be reviewed by:"

Page 6, line 13, after the first comma, insert "which shall provide copies to" and delete the second comma

Page 6, line 14, delete "(o)" and insert "(p)" and after "transferred" insert "from a facility which does not have a treatment review panel"

Page 6, line 15, after the first "the" insert "receiving"

Page 6, delete lines 18 to 22

Page 6, line 29, after "behavior" insert a comma

Page 6, line 30, after the first "person's" insert "recent" and delete "public" and after "past" insert "behavior or"

Page 9, line 15, delete "this" and insert "a"

Page 9, line 16, after "determination" insert "as to the patient's competency or need for a guardian ad litem"

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 213:** A bill for an act relating to utilities; abolishing sunset provision related to competitive rates for electric utilities; making technical changes; amending Laws 1990, chapter 370, section 7; repealing Minnesota Statutes 1994, section 216B.162, subdivision 9.

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 65:** A bill for an act relating to utilities; abolishing sunset provision related to area development rate plans; amending Minnesota Statutes 1994, section 216B.161; and Laws 1990, chapter 370, section 7; repealing Minnesota Statutes 1994, section 216B.161, 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 1994, section 216B.161, is amended to read:

216B.161 [AREA DEVELOPMENT RATE PLAN.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them in this subdivision.

(b) "Area development rate" means a rate schedule established by a utility that provides customers within an area development zone service under a base utility rate schedule, except that monthly demand charges may be reduced from the base rate as agreed upon by the utility and the customer consistent with this section.

(c) "Area development zone" means a contiguous or noncontiguous area designated by an authority or municipality for development or redevelopment and within which one of the following conditions exists:

(1) obsolete buildings not suitable for improvement or conversion or other identified hazards to the health, safety, and general well-being of the community;

(2) buildings in need of substantial rehabilitation or in substandard condition; or

(3) low values and damaged investments.

(d) "Authority" means a rural development financing authority established under sections 469.142 to 469.150; a housing and redevelopment authority established under sections 469.001 to 469.047; a port authority established under sections 469.048 to 469.068; an economic



development authority established under sections 469.090 to 469.108; a redevelopment agency as defined in sections 469.152 to 469.165; the iron range resources and rehabilitation board established under section 298.22; a municipality that is administering a development district created under sections 469.124 to 469.134 or any special law; a municipality that undertakes a project under sections 469.152 to 469.165, except a town located outside the metropolitan area as defined in section 473.121, subdivision 2, or with a population of 5,000 persons or less; or a municipality that exercises the powers of a port authority under any general or special law.

(e) "Municipality" means a city, however organized, and, with respect to a project undertaken under sections 469.152 to 469.165, "municipality" has the meaning given in sections 469.152 to 469.165, and, with respect to a project undertaken under sections 469.142 to 469.151 or a county or multicounty project undertaken under sections 469.004 to 469.008, also includes any county.

Subd. 2. ~~[PILOT AREA DEVELOPMENT RATE PLAN PROGRAM.]~~ The commission shall ~~order at least one public utility to establish a pilot program that offers an~~ may allow gas or electric public utilities to offer area development rate rates. The program must be designed to assist industrial revitalization projects located within the service area of the participating utility.

Subd. 3. ~~[TERMS AND CONDITIONS OF THE RATE.]~~ An area development rate offered under this section must:

(1) ~~be offered for a period of more than two years but no more than five years~~ specified length of time to be determined by the commission;

(2) be offered as a supplement to other development incentives offered by the authority or municipality in which the rate is available;

(3) be available only to new or expanding manufacturing or wholesale trade customers;

(4) be designed to recover at least the incremental cost of providing service to the participating customers;

(5) be offered in a fixed number of area development zones; and

(6) include a provision that the utility provide participating customers with an energy audit and inform those customers of all existing energy conservation programs available from the utility.

Recovery of costs under clause (4) may be made only from the class of customers to which the rate is offered and not must not be from residential customers. A utility within a general rate case, may seek recovery of the difference in revenue collected under the area development plan rate and what would have been collected under the standard tariff.

Subd. 4. ~~[EVALUATION.]~~ ~~The commission shall evaluate the impact and effectiveness of the area development plan or plans established under this section. The evaluation must include analysis of information submitted by the utility regarding the plan. Within 60 days after the expiration of a plan, the commission shall determine whether the area development rates should be continued, modified, or eliminated. The commission shall submit its findings to the legislature by January 1, 1995.~~

Sec. 2. Laws 1990, chapter 370, section 7, is amended to read:

Sec. 7. ~~[REPEALER.]~~

~~Sections 2 and 3 are~~ Section 3 is repealed July 1, 1995.

Sec. 3. ~~[EFFECTIVE DATE.]~~

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

Delete the title and insert:

"A bill for an act relating to utilities; regulating area development rate plans; amending Minnesota Statutes 1994, section 216B.161; and Laws 1990, chapter 370, section 7."

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 44:** A bill for an act relating to energy; extending the deadline for the initial report of the legislative electric energy task force; amending Minnesota Statutes 1994, section 216C.051, subdivision 5.

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 Crime Prevention, to which was referred**

**S.F. No. 214:** A bill for an act relating to crime prevention; providing an exception to the prohibition on concealing identity; amending Minnesota Statutes 1994, section 609.735.

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

Page 1, line 11, delete "cultural practices,"

Page 1, line 12, strike "or" and insert a comma and after "entertainment," insert "or protection from weather,"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 182, 213, 65, 44 and 214 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 61. The motion prevailed.

Mr. Sams moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 212. The motion prevailed.

Mr. Novak moved that the name of Mr. Marty be added as a co-author to S.F. No. 215. The motion prevailed.

Ms. Piper moved that the name of Mr. Finn be added as a co-author to S.F. No. 268. The motion prevailed.

Mr. Kelly moved that the name of Mr. Finn be added as a co-author to S.F. No. 290. The motion prevailed.

Mr. Kleis moved that the name of Ms. Olson be added as a co-author to S.F. No. 294. The motion prevailed.

Mr. Sams moved that the name of Mr. Finn be added as a co-author to S.F. No. 295. The motion prevailed.

Ms. Johnson, J.B. moved that the names of Mr. Beckman and Ms. Ranum be added as co-authors to S.F. No. 297. The motion prevailed.

**Messrs. Oliver and Larson introduced--**

**Senate Resolution No. 23:** A Senate resolution recognizing Minnesota World Bandy Championship Week, January 29 to February 5, 1995.

Referred to the Committee on Rules and Administration.

Ms. Reichgott Junge moved that S.F. No. 74, No. 1 on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

## CALENDAR

**S.F. No. 46:** A bill for an act relating to lawful gambling; increasing the percentage of gross profit that may be expended for allowable expenses; amending Minnesota Statutes 1994, section 349.15, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Beckman	Hottinger	Kroening	Novak	Runbeck
Belanger	Janezich	Laidig	Oliver	Sams
Berg	Johnson, D.E.	Langseth	Olson	Samuelson
Berglin	Johnson, D.J.	Larson	Ourada	Scheevel
Bertram	Johnson, J.B.	Lesewski	Pappas	Solon
Betzold	Johnston	Lessard	Pariseau	Stevens
Chandler	Kelly	Merriam	Piper	Stumpf
Chmielewski	Kiscaden	Metzen	Price	Terwilliger
Cohen	Kleis	Moe, R.D.	Ranum	Vickerman
Dille	Knutson	Mondale	Reichgott Junge	Wiener
Finn	Kramer	Morse	Riveness	
Frederickson	Krentz	Murphy	Robertson	

Mses. Anderson, Flynn, Messrs. Marty and Spear voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 141:** A bill for an act relating to elections; providing for review of certain school board plans by the secretary of state; changing allocation of certain election expenses; providing for retention of election materials; clarifying terms of office and election frequency in certain cities; providing for transition in certain offices; authorizing the use of more than one combined polling place in certain school board elections; providing for dissolution of certain election districts; amending Minnesota Statutes 1994, sections 122.23, by adding a subdivision; 122.242, subdivision 1; 204B.32, subdivision 2; 204B.40; 205.07, subdivision 1; 205.84, by adding a subdivision; 205A.11, subdivision 2; 205A.12, by adding a subdivision; and Laws 1994, chapter 646, section 26, 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 60 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Murphy	Riveness
Beckman	Hottinger	Kroening	Neuville	Robertson
Belanger	Janezich	Laidig	Novak	Runbeck
Berglin	Johnson, D.E.	Langseth	Oliver	Sams
Bertram	Johnson, D.J.	Larson	Olson	Samuelson
Betzold	Johnson, J.B.	Lesewski	Ourada	Scheevel
Chandler	Johnston	Lessard	Pappas	Spear
Cohen	Kelly	Marty	Pariseau	Stevens
Dille	Kiscaden	Metzen	Piper	Stumpf
Finn	Kleis	Moe, R.D.	Price	Terwilliger
Flynn	Knutson	Mondale	Ranum	Vickerman
Frederickson	Kramer	Morse	Reichgott Junge	Wiener

Messrs. Berg, Chmielewski and Merriam voted in the negative.

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 75:** A bill for an act relating to real property; clarifying requirements relating to filing of notice of mechanics' liens; amending Minnesota Statutes 1994, section 514.08, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Robertson
Beckman	Hanson	Kroening	Neuville	Runbeck
Belanger	Hottinger	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Marty	Pariseau	Stevens
Chmielewski	Kelly	Merriam	Piper	Stumpf
Cohen	Kiscaden	Metzen	Price	Terwilliger
Dille	Kleis	Moe, R.D.	Ranum	Vickerman
Finn	Knutson	Mondale	Reichgott Junge	Wiener
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S.F. Nos. 77, 42, 33, 188 and H.F. No. 45, which the committee recommends to pass.

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

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Messrs. Kelly; Moe, R.D.; Beckman; Novak and Kroening introduced--**

**S.F. No. 302:** A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1994, section 177.24, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Finn, Ms. Reichgott Junge, Mr. Betzold and Ms. Ranum introduced--**

**S.F. No. 303:** A bill for an act relating to real property; providing for the form and record of certain assignments; revising the common interest ownership act; changing the application of the curative and validating law for mortgage foreclosures; amending Minnesota Statutes 1994,

sections 507.411; 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-104; 515B.2-105; 515B.2-109; 515B.2-110; 515B.3-112; 515B.3-115; 582.25; and 582.27.

Referred to the Committee on Judiciary.

**Mr. Marty, Ms. Anderson and Mr. Spear introduced--**

**S.F. No. 304:** A bill for an act relating to the state lottery; prohibiting advertising in connection with the lottery; amending Minnesota Statutes 1994, sections 349A.02, subdivisions 2 and 3; 349A.03, subdivision 2; 349A.06, subdivision 5; and 349A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 349A; repealing Minnesota Statutes 1994, sections 349A.02, subdivision 5; and 349A.09.

Referred to the Committee on Gaming Regulation.

**Messrs. Chandler, Solon, Janezich, Metzen and Belanger introduced--**

**S.F. No. 305:** A bill for an act relating to commerce; motor vehicle sales and distribution; regulating the establishment and relocation of dealerships; amending Minnesota Statutes 1994, section 80E.14.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Lesewski and Mr. Novak introduced--**

**S.F. No. 306:** A bill for an act relating to employment; establishing the governor's workforce development council to replace the governor's job training council; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, section 268.9755.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Sams, Samuelson, Mses. Berglin, Piper and Runbeck introduced--**

**S.F. No. 307:** A bill for an act relating to occupations and professions; establishing licensure for acupuncture practitioners by the board of medical practice; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 147.091; 147.111; 147.121; 147.131; 147.141, subdivision 2; and 147.151; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Health Care.

**Messrs. Marty, Spear and Ms. Ranum introduced--**

**S.F. No. 308:** A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; amending Minnesota Statutes 1994, section 168.042, subdivision 8.

Referred to the Committee on Crime Prevention.

**Ms. Berglin introduced--**

**S.F. No. 309:** A bill for an act relating to health; modifying provisions relating to access to patients and residents; amending Minnesota Statutes 1994, sections 144.651, subdivisions 21 and 26; and 253B.03, subdivisions 3 and 4.

Referred to the Committee on Health Care.

**Mr. Morse introduced--**

**S.F. No. 310:** A bill for an act relating to state trails; authorizing extension of the Blufflands Trail System in Winona county; amending Minnesota Statutes 1994, section 85.015, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

**Ms. Lesewski, Messrs. Johnson, D.J.; Frederickson; Kramer and Scheevel introduced--**

**S.F. No. 311:** A bill for an act relating to the county of Pipestone; authorizing the issuance of general obligation bonds for repair and renovation of the county courthouse and annex.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Janezich introduced--**

**S.F. No. 312:** A bill for an act relating to education; authorizing advertising on school buses; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

**Mr. Marty introduced--**

**S.F. No. 313:** A bill for an act relating to real property; uniform condominium act; providing for award of attorney fees; amending Minnesota Statutes 1994, section 515A.1-102.

Referred to the Committee on Judiciary.

**Messrs. Johnson, D.E.; Terwilliger; Frederickson; Berg and Moe, R.D. introduced--**

**S.F. No. 314:** A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States of America relating to balancing the budget of the United States.

Referred to the Committee on Finance.

**Messrs. Sams, Marty, Ms. Reichgott Junge, Messrs. Pogemiller and Day introduced--**

**S.F. No. 315:** A bill for an act relating to elections; changing and clarifying provisions of the Minnesota election law; amending Minnesota Statutes 1994, sections 201.071, subdivision 1; 203B.01, by adding a subdivision; 203B.11, subdivision 1; 204B.06, by adding a subdivision; 204B.09, by adding a subdivision; 204B.15; 204B.27, by adding a subdivision; 204B.31; 204B.32, subdivision 1; 204B.36, subdivision 2; 204B.45, subdivision 1; 204B.46; 204C.08, by adding a subdivision; 204C.31, subdivision 2; 206.62; 206.90, subdivisions 4 and 6; 207A.03, subdivision 2; and 211A.02, subdivision 2; repealing Minnesota Statutes 1994, sections 204D.15, subdivision 2; and 211B.11, subdivision 2.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Sams, Vickerman, Langseth, Day and Samuelson introduced--**

**S.F. No. 316:** A bill for an act relating to elections; authorizing towns to designate the time polling places will remain open in town elections; amending Minnesota Statutes 1994, section 205.175.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Betzold introduced--**

**S.F. No. 317:** A bill for an act relating to cities; permitting cities to close certain unlawful businesses; proposing coding for new law in Minnesota Statutes, chapter 415.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Lesewski, Messrs. Scheevel, Larson, Bertram and Vickerman introduced--**

**S.F. No. 318:** A bill for an act relating to insurance; changing the date on which crop hail insurance rates must be filed with the commissioner; amending Minnesota Statutes 1994, section 60A.32.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Johnston, Flynn, Olson, Mr. Cohen and Mrs. Pariseau introduced--**

**S.F. No. 319:** A bill for an act relating to counties; limiting salaries, other compensation and conditions of service of county commissioners; amending Minnesota Statutes 1994, section 375.055, subdivision 1.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Hottinger, Chandler and Finn introduced--**

**S.F. No. 320:** A bill for an act relating to criminal procedure; allowing probable cause arrests within school zones for certain offenses; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Crime Prevention.

**Mr. Pogemiller introduced--**

**S.F. No. 321:** A bill for an act relating to elections; fair campaign practices; prohibiting signs within 100 feet of a polling place regardless of when erected; amending Minnesota Statutes 1994, section 211B.11, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Hottinger, Metzen, Ms. Reichgott Junge, Mr. Moe, R.D. and Ms. Flynn introduced--**

**S.F. No. 322:** A bill for an act relating to state government; rulemaking; authorizing the governor to veto certain rules and terminate rule proceedings; proposing coding for new law in Minnesota Statutes, chapter 4.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Anderson; Johnson, J.B.; Runbeck; Mr. Finn and Ms. Hanson introduced--**

**S.F. No. 323:** A bill for an act relating to housing; clarifying provisions relating to retaliatory conduct and manufactured home parks; amending Minnesota Statutes 1994, section 327C.12.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Samuelson and Finn introduced--**

**S.F. No. 324:** A bill for an act relating to education; creating a minimum aid guarantee for school districts; amending Minnesota Statutes 1994, sections 124A.23, by adding subdivisions; and 124A.24.

Referred to the Committee on Education.

**Messrs. Laidig, Dille, Bertram, Terwilliger and Sams introduced--**

**S.F. No. 325:** A bill for an act relating to taxation; providing a sales tax exemption for sales of

certain nonprocessed feed and bedding for horses; amending Minnesota Statutes 1994, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Hottinger, Mses. Krentz, Hanson, Mrs. Pariseau and Ms. Olson introduced--**

**S.F. No. 326:** A bill for an act relating to taxation; income; changing the dependent care credit; amending Minnesota Statutes 1994, section 290.067, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Lessard, Price, Murphy, Stevens and Ms. Johnston introduced--**

**S.F. No. 327:** A bill for an act relating to local government; requiring drainage authorities rather than road authorities to be responsible to maintain town road bridges and culverts constructed on a drainage system; amending Minnesota Statutes 1994, sections 103E.525, subdivision 2; 103E.701, subdivision 4; 164.13, subdivision 1; 165.02; and 165.12, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Samuelson introduced--**

**S.F. No. 328:** A bill for an act relating to human services; increasing the maximum efficiency incentive for intermediate care facilities for the mentally retarded; amending Minnesota Statutes 1994, section 256B.501, subdivision 5a.

Referred to the Committee on Health Care.

**Ms. Ranum, Messrs. Betzold, Knutson and Finn introduced--**

**S.F. No. 329:** A bill for an act relating to public safety; establishing crime information systems office in department of public safety; amending Minnesota Statutes 1994, sections 299C.18; 299C.21; 299C.22, subdivision 2; and 299C.46, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299C; repealing Minnesota Statutes 1994, section 299C.36; and 299C.46, subdivision 5.

Referred to the Committee on Crime Prevention.

**Mses. Ranum, Reichgott Junge, Messrs. Knutson and Hottinger introduced--**

**S.F. No. 330:** A bill for an act relating to education; modifying compulsory education requirements for children under the age of seven; amending Minnesota Statutes 1994, section 120.101, subdivision 5.

Referred to the Committee on Education.

**Messrs. Lessard and Stumpf introduced--**

**S.F. No. 331:** A bill for an act relating to education; maximum effort school loan program; approving a capital loan for independent school district No. 362, Littlefork-Big Falls; appropriating money; authorizing the sale of bonds.

Referred to the Committee on Education.

**Mr. Lessard introduced--**

**S.F. No. 332:** A bill for an act relating to education; providing for an ITV grant for independent school district No. 698, Floodwood.



Referred to the Committee on Education.

**Mr. Vickerman, Ms. Pappas and Mr. Murphy introduced--**

**S.F. No. 333:** A bill for an act relating to motor carriers; clarifying who may conduct physical examinations for motor carrier drivers; amending Minnesota Statutes 1994, section 221.031, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Kelly; Moe, R.D.; Johnson, D.J.; Merriam and Frederickson introduced--**

**S.F. No. 334:** A bill for an act relating to housing; providing assistance to contract for deed home buyers in targeted neighborhoods; providing assistance to eligible organizations to acquire, repair, and sell homes to eligible home buyers in targeted neighborhoods; requiring a community impact statement before construction of new low-income rental housing in targeted neighborhoods; establishing a mortgage revenue bond guarantee fund for greater Minnesota; providing incentives for new affordable housing in greater Minnesota; requiring the housing finance agency to study the administration of federal Section 8 housing subsidies in the metropolitan area; establishing a rental tax equity pilot project; appropriating money; amending Minnesota Statutes 1994, sections 462A.05, by adding a subdivision; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Frederickson, Merriam, Knutson, Beckman and Ms. Lesewski introduced--**

**S.F. No. 335:** A bill for an act relating to the organization and operation of state government; providing supplemental appropriations for certain purposes.

Referred to the Committee on Finance.

**Mr. Solon introduced--**

**S.F. No. 336:** A bill for an act relating to employment; requiring private businesses with certain state financial assistance to pay a living wage; amending Minnesota Statutes 1994, section 116J.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Krentz, Mr. Samuelson, Ms. Kiscaden, Mr. Kelly and Ms. Wiener introduced--**

**S.F. No. 337:** A bill for an act relating to health; establishing MN ENABL, a program to postpone sexual involvement in an effort to reduce adolescent pregnancy; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Ms. Krentz introduced--**

**S.F. No. 338:** A bill for an act relating to retirement; changing provisions relating to employer payments on behalf of part-time teachers; amending Minnesota Statutes 1994, sections 354.66, subdivision 4; and 354A.094, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Marty; Moe, R.D. and Knutson introduced--**

**S.F. No. 339:** A bill for an act relating to ethics in government; extending the enforcement authority of the ethical practices board to cover gifts to local officials; making advisory opinions

public data; authorizing civil penalties; clarifying certain definitions; clarifying and authorizing exceptions to the ban on gifts; appropriating money; amending Minnesota Statutes 1994, sections 10A.02, subdivision 12; 10A.071, subdivisions 1 and 3; 10A.29; 10A.34; and 471.895, subdivisions 1 and 3.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Ourada and Murphy introduced--**

**S.F. No. 340:** A bill for an act relating to traffic regulations; clarifying conditions when covering motor vehicle head lamp, tail lamp, or reflector is unlawful; providing that only certain trailers required to have brakes are also required to have break-away brakes; requiring inspector of commercial motor vehicle to retain report for at least 14 months; prohibiting the covering of a license plate with any material or substance; amending Minnesota Statutes 1994, sections 169.64, by adding a subdivision; 169.67, subdivision 3; 169.781, subdivision 4; and 169.79.

Referred to the Committee on Transportation and Public Transit.

**Mr. Ourada, Ms. Lesewski and Mr. Murphy introduced--**

**S.F. No. 341:** A bill for an act relating to motor vehicles; limiting license plate impoundment provisions to self-propelled motor vehicles; amending Minnesota Statutes 1994, sections 168.041, subdivisions 1, 2, and 3; and 168.042, subdivisions 2, 3, 5, 13, and 14.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Spear, Cohen, Novak, Ms. Kiscaden and Mr. Merriam introduced--**

**S.F. No. 342:** A bill for an act relating to children; modifying liability provisions for child abuse investigations; providing for attorney fees in certain actions; providing for the establishment of protocols for investigations; prohibiting certain conflicts of interest; providing for access to data regarding determinations of maltreatment; amending Minnesota Statutes 1994, section 626.556, subdivisions 4, 10e, 11, and by adding subdivisions.

Referred to the Committee on Family Services.

**Ms. Olson, Mr. Stevens and Mrs. Pariseau introduced--**

**S.F. No. 343:** A bill for an act relating to game and fish; requiring financial security in connection with certain fishing contests; amending Minnesota Statutes 1994, section 97C.081, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

**Mr. Bertram introduced--**

**S.F. No. 344:** A bill for an act relating to retirement; teachers retirement association; authorizing purchase of service credit for a period of military service during the Vietnam war preceding the beginning of teaching service and membership in the association.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Stumpf; Moe, R.D.; Dille; Stevens and Ms. Johnson, J.B. introduced--**

**S.F. No. 345:** A bill for an act relating to water; wastewater treatment; expanding the wastewater infrastructure funding program to include basic grants to municipalities; amending Minnesota Statutes 1994, section 446A.071, subdivisions 1, 5, and by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Kelly, Price, Novak and Belanger introduced--**

**S.F. No. 346:** A bill for an act relating to taxation; property; reducing the class rates for noncommercial seasonal residential recreational property; amending Minnesota Statutes 1994, sections 273.13, subdivision 25; and 273.1398, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Mondale, Chmielewski, Metzen, Ms. Runbeck and Mr. Kelly introduced--**

**S.F. No. 347:** A bill for an act relating to court records; permitting tenant screening services to report court record information concerning unlawful detainer filings; amending Minnesota Statutes 1994, section 504.30, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Johnston, Messrs. Vickerman and Scheevel introduced--**

**S.F. No. 348:** A bill for an act relating to motor vehicles; clarifying power to appoint motor vehicle deputy registrars; amending Minnesota Statutes 1994, section 373.35, subdivision 1.

Referred to the Committee on Transportation and Public Transit.

**Ms. Lesewski and Mr. Novak introduced--**

**S.F. No. 349:** A bill for an act relating to state government; classifying certain data of the economic security department; amending Minnesota Statutes 1994, section 268.0122, by adding a subdivision.

Referred to the Committee on Judiciary.

**Ms. Anderson, Mr. Frederickson, Ms. Runbeck and Mr. Novak introduced--**

**S.F. No. 350:** A bill for an act relating to housing; modifying eligibility for transitional housing services; amending Minnesota Statutes 1994, section 268.38, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Chandler and Ms. Runbeck introduced--**

**S.F. No. 351:** A bill for an act relating to employment; repealing entertainment agency licensing requirements; repealing Minnesota Statutes 1994, sections 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; and 184A.20.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Anderson and Mr. Novak introduced--**

**S.F. No. 352:** A bill for an act relating to employment; modifying provisions relating to community action agencies; amending Minnesota Statutes 1994, sections 268.52, subdivisions 1 and 2; 268.53, subdivisions 1a and 2; and 268.54, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**MEMBERS EXCUSED**

Messrs. Day and Pogemiller were excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, February 9, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## FOURTEENTH DAY

St. Paul, Minnesota, Thursday, February 9, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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. Joseph Kivel.

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

Anderson	Frederickson	Kroening	Novak	Sams
Beckman	Hanson	Laidig	Oliver	Samuelson
Belanger	Hottinger	Langseth	Olson	Scheevel
Berg	Janezich	Larson	Ourada	Solon
Berglin	Johnson, D.E.	Lesewski	Pappas	Spear
Bertram	Johnson, D.J.	Lessard	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Chmielewski	Kelly	Metzen	Price	Vickerman
Cohen	Kiscaden	Moe, R.D.	Ranum	Wiener
Day	Kleis	Mondale	Reichgott Junge	
Dille	Knutson	Morse	Riveness	
Finn	Kramer	Murphy	Robertson	
Flynn	Krentz	Neuville	Runbeck	

The President declared a quorum present.

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 22 and 29.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 6, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 22:** A resolution calling for a Conference of the States to be promoted and convened by the Council of State Governments for the purpose of restoring balance in the federal system.

Referred to the Committee on Rules and Administration.

**H.F. No. 29:** A bill for an act relating to traffic regulations; repealing sunset provision concerning recreational vehicle combinations; amending Laws 1993, chapter 111, section 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 42, now on the Calendar.

### REPORTS OF COMMITTEES

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

#### **Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 57:** A bill for an act relating to human rights; prohibiting employers from asking employees to furnish information regarding unlawful discrimination complaints or charges they have made; lengthening the statute of limitations for certain human rights act violations; limiting the discovery and admission of certain evidence in sexual harassment cases; amending Minnesota Statutes 1994, sections 363.03, subdivision 1; 363.06, subdivision 3; and 363.116; proposing coding for new law in Minnesota Statutes, chapter 363.

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

Page 5, line 18, before "filed" insert "within two years after the occurrence of the practice. A claim must be"

Page 5, line 20, reinstate the stricken "one year" and delete "two"

Page 5, line 21, delete "years"

Page 5, line 22, delete "two-year" and insert "applicable"

Page 6, lines 2 and 3, delete "two years" and insert "a period of time equal to the applicable statute of limitations"

Page 6, delete section 3

Page 7, line 11, delete "Sections 2 and 3 are" and insert "Section 2 is" and delete "apply" and insert "applies"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "violations" insert "brought in court"

Page 1, line 9, after "1;" insert "and"

Page 1, line 10, delete "and 363.116;"

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. 102:** A bill for an act relating to the environment and natural resources; appropriating money for various purposes; expanding the allowable sources of contributions to the Minnesota critical habitat matching account; expanding the availability of money in the Minnesota environment and natural resources trust fund for certain purposes; amending Minnesota Statutes 1994, sections 84.943; and 116P.11.

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

Delete everything after the enacting clause and insert:

"Section 1. MINNESOTA RESOURCES

Subdivision 1. Total

Appropriation \$33,369,000

Summary by Fund

Minnesota Future  
Resources Fund \$15,640,000

Environment and  
Natural Resources  
Trust Fund 15,544,000

Of this appropriation \$3,144,000 is trust fund  
acceleration.

Oil Overcharge  
Money in the Special  
Revenue Fund 2,055,000

Great Lakes Protection  
Account 130,000

The amounts in this section are appropriated for  
the biennium ending June 30, 1997. Unless  
otherwise provided, the projects in this section  
must be completed and final products delivered  
by June 30, 1997.

Subd. 2. Definitions

(a) "Future resources fund" means the Minnesota  
future resources fund referred to in Minnesota  
Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota  
environment and natural resources trust fund  
referred to in Minnesota Statutes, section  
116P.02, subdivision 6.

(c) "Trust fund acceleration" means the money  
referred to in Minnesota Statutes, section  
116P.11, paragraph (b), clause (4).

(d) "Oil overcharge money" means the money  
referred to in Minnesota Statutes, section 4.071,  
subdivision 2.

(e) "Great lakes protection account" means the  
account referred to in Minnesota Statutes, section  
116Q.02.

Subd. 3. Legislative Commission  
on Minnesota Resources

757,000

\$363,000 of this appropriation is from the future  
resources fund and \$394,000 is from the trust  
fund, pursuant to Minnesota Statutes, section  
116P.09, subdivision 5.

Subd. 4. Parks and Trails

**(a) METROPOLITAN REGIONAL  
PARK SYSTEM**

4,550,000

This appropriation is from the trust fund for payment by the commissioner of natural resources to the metropolitan council for subgrants to rehabilitate, develop, acquire, and retrofit the metropolitan regional park system consistent with the metropolitan council regional recreation open space capital improvement program and subgrants for regional trails, consistent with an updated regional trail plan. \$1,666,000 of this appropriation is from the trust fund acceleration.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(b) STATE PARK AND RECREATION AREA  
ACQUISITION, DEVELOPMENT, BETTERMENT,  
AND REHABILITATION**

4,075,000

\$3,750,000 of this appropriation is from the trust fund and \$325,000 is from the future resources fund to the commissioner of natural resources as follows: (1) for state park and recreation area acquisition \$1,870,000, of which up to \$670,000 may be used for state trail acquisition of a critical nature; (2) for state park and recreation area development \$680,000; and (3) for betterment and rehabilitation of state parks and recreation areas \$1,525,000. The use of the Minnesota conservation corps is encouraged in the rehabilitation and development.

\$1,384,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTE A money in eligible categories and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(c) STATE TRAIL REHABILITATION  
AND ACQUISITION**

250,000

This appropriation is from the trust fund to the commissioner of natural resources for state trail plan priorities. \$94,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTE A money



and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(d) WATER ACCESS

600,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate public water access acquisition and development statewide. Access includes boating access, fishing piers, and shoreline access. Up to \$100,000 of this appropriation may be used for a cooperative project to acquire and develop land, local park facilities, an access trail, and a boat access at the LaRue pit otherwise consistent with the water access program.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) LOCAL GRANTS

2,088,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants, as follows: (1) \$600,000 to local units of government for local park and recreation areas; (2) \$600,000 to local units of government for natural and scenic areas pursuant to Minnesota Statutes, section 85.019; (3) \$400,000 to local units of government for trail linkages between communities, trails, and parks; and (4) \$488,000 for a conservation partners program, a statewide pilot to encourage private organizations and local governments to cost share enhancement of fish, wildlife, and native plant habitats; and research and surveys of fish and wildlife, and related education activities. Conservation partners grants may be up to \$10,000 each and must be equally matched. In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 60 days to pass without making a recommendation. The above appropriations are available half for the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and half for outside of the metropolitan area. For the purpose of this paragraph, match includes nonstate contributions either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(f) MINNEAPOLIS PARK AND TRAIL CONNECTIONS**

141,000

This appropriation is from the future resources fund to the commissioner of transportation for half of the nonfederal match of ISTEAs projects for the Minneapolis park and recreation board to develop park and trail connections including: Minnehaha park to Mendota bridge, Stone Arch bridge to bridge number 9 on West River Parkway, Boom island to St. Anthony Parkway, and West River Parkway to Shingle Creek Parkway. The Minneapolis park and recreation board must apply for and receive approval of the federal money in order to receive this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(g) LOCAL SHARE FOR ISTEAs FEDERAL PROJECTS**

300,000

This appropriation is from oil overcharge money to the commissioner of administration for half of the nonfederal match of ISTEAs projects for: (1) Chisago county, \$150,000 for a trail between North Branch and Forest Lake township; and (2) the St. Louis and Lake counties regional rail authority, \$150,000 for the development of approximately 40 miles of a multipurpose recreational trail system. Chisago county and the St. Louis and Lake counties regional rail authority must apply for and receive approval of the federal money in order to receive these appropriations.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(h) PINE POINT PARK REST STATION**

100,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Washington county to construct a rest station on the Gateway segment of the Willard Munger state trail in compliance with the Americans with Disabilities Act. This appropriation must be matched by at least \$30,000 of nonstate money.

**(i) INTERACTIVE MULTIMEDIA COMPUTER INFORMATION SYSTEM**

45,000

This appropriation is from the future resources fund to the commissioner of trade and economic development, office of tourism, for an agreement with Explore Lake County, Inc. to develop a pilot multimedia interactive computer

information system at the R. J. Houle visitor information center.

**Subd. 5. Management Approaches**

**(a) LOCAL RIVER PLANNING -  
CONTINUATION**

140,000

This appropriation is from the future resources fund to the commissioner of natural resources for the third biennium of a three-biennium project to assist counties statewide in developing comprehensive plans for the management and protection of rivers through grants for up to two-thirds of the cost that address locally identified issues while maintaining consistency with state floodplain and shoreland laws and local water plans. For the purpose of this paragraph, the nonstate portion includes contributions either cash or in-kind. The appropriation in Laws 1993, chapter 172, section 14, subdivision 11, paragraph (b), is available until June 30, 1997.

**(b) CANNON RIVER WATERSHED STRATEGIC  
PLAN: INTEGRATED MANAGEMENT**

325,000

This appropriation is from the future resources fund to the board of water and soil resources for an agreement with the Cannon River Watershed Partnership to implement activities in the Cannon River watershed through matching grants and technical assistance. This appropriation must be matched by at least \$81,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(c) TRI-COUNTY LEECH LAKE  
WATERSHED PROJECT**

300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Cass county in cooperation with the Tri-County Leech Lake Watershed project for integrated resource management in the watershed through baseline data, public information and education, and pilot projects.

**(d) BLUFFLANDS LANDSCAPE**

630,000

This appropriation is from the future resources fund to the commissioner of natural resources to assist communities in developing a management framework for the scenic and biological resources of the Mississippi valley blufflands landscape and to foster integrated decisions and citizen commitment to long-term resource protection. \$304,000 is for a cooperative agreement with Architectural Environments; at

least \$40,000 of this amount must be used for demonstration and implementation activities. \$236,000 is for a cooperative agreement with Historic Bluff Country. \$90,000 is for expenses within the department of natural resources. This appropriation must be matched by at least \$50,000 of nonstate money.

**(e) GLACIAL LAKE AGASSIZ BEACH RIDGES: MINING AND PROTECTION**

85,000

This appropriation is from the future resources fund to the commissioner of natural resources to coordinate a long-term plan for the beach ridges in Clay county that balances protection of native prairies with a sustainable aggregate industry.

**(f) ATMOSPHERIC MERCURY EMISSIONS, DEPOSITION, AND ENVIRONMENTAL COST EVALUATION**

575,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a mercury emission inventory and quantification of mercury atmospheric deposition. \$50,000 is for an evaluation of the external costs of mercury emissions from Minnesota sources.

**(g) MERCURY DEPOSITION AND LAKE QUALITY TRENDS**

250,000

\$120,000 of this appropriation is from the future resources fund and \$130,000 is from the Great Lakes protection account to the commissioner of the pollution control agency for an agreement with the University of Minnesota-Duluth to synthesize and interpret a five-year (1990-1994) mercury deposition database and evaluate water quality and fish contamination trends for 80 high-value lakes and compare it with historic data. This is to be done in cooperation with the pollution control agency. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) FEEDLOT AND MANURE MANAGEMENT PRACTICES ASSISTANCE**

400,000

This appropriation is from the future resources fund to the commissioner of agriculture to accelerate adoption of and changes in feedlot and manure management practices through research, economic analysis, and enhanced program design and delivery. \$100,000 of this appropriation is for an agreement with the University of Minnesota for evaluation of manure effluent treatments.

**(i) WATER QUALITY IMPACTS OF FEEDLOT POLLUTION CONTROL SYSTEMS**

300,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency to evaluate earthen manure storage basins and vegetated filter strips for effects on ground and surface water quality by monitoring seepage and runoff. This appropriation must be matched by at least \$267,000 of nonstate contributions, either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(j) SHORELAND SEPTIC INVENTORY  
AND EDUCATION**

145,000

This appropriation is from the future resources fund to the board of water and soil resources in cooperation with the pollution control agency for an agreement with Hubbard county to inventory the Mantrap watershed for failing septic systems and education and enforcement efforts to implement upgrading of the systems.

**(k) ALTERNATIVE INDIVIDUAL SEWAGE  
TREATMENT SYSTEMS DEVELOPMENT AND  
DEMONSTRATION**

425,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency to develop and demonstrate reliable, low cost alternative designs for septic systems in areas with seasonally high water tables, and designs for removal of nitrogen by septic systems.

**(l) PATHWAYS TO SUSTAINABLE  
DEVELOPMENT**

200,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning for the environmental quality board to evaluate government barriers to sustainable development in agriculture, energy, manufacturing, and settlement and to recommend strategies to address priority barriers to sustainable development.

**(m) UPPER MISSISSIPPI RIVER  
PROTECTION PROJECT**

200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Mississippi headwaters board in cooperation with the metropolitan council to protect the Mississippi river from water quality impairment. This appropriation must be matched by at least \$100,000 of nonstate contributions, either cash or in-kind.

**(n) FOREST MANAGEMENT TO MAINTAIN  
STRUCTURAL AND SPECIES DIVERSITY**

160,000

This appropriation is from the trust fund to the commissioner of natural resources to document forest management practices in a pilot area, assess the long-term effects of current and alternative timber harvest practices on structural aspects of biological diversity (especially old-growth forest characteristics), and prepare forest management guidelines to maintain these features in commercial forests.

**(o) ACCELERATED NATIVE GRASS AND FORBS ON ROAD RIGHTS-OF-WAY**

150,000

This appropriation is from the trust fund to the commissioner of natural resources in cooperation with the interagency roadside committee to accelerate native plant establishment and management in roadsides using integrated resource management techniques including educational materials about benefits of low maintenance and biologically diverse roadsides statewide.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(p) ACCELERATED LANDSCAPE MANAGEMENT ACTIVITIES IN WHITEWATER WATERSHED**

60,000

This appropriation is from the future resources fund to the commissioner of natural resources to expand activities in the Whitewater watershed through shared funding and staffing to assist and coordinate with the Whitewater watershed project on landscape management activities such as sustainable land use, watershed restoration, and improved water quality.

**(q) SUSTAINABLE GRASSLAND CONSERVATION AND UTILIZATION**

125,000

This appropriation is from the future resources fund to the commissioner of natural resources to develop integrated grassland projects in northwest Minnesota and to evaluate different management strategies.

**(r) DEVELOPING, EVALUATING, AND PROMOTING SUSTAINABLE FARMING SYSTEMS**

225,000

This appropriation is from the future resources fund to the commissioner of agriculture for an agreement with the Whitewater joint powers board to develop and evaluate farming systems for impacts on ecosystems, profitability, and quality of life through on-farm research, experiment station research, watershed demonstration farms, and education. This appropriation must be matched by at least \$50,000 of nonstate money.

(s) COOPERATIVES TO PROMOTE  
SUSTAINABLE AGRICULTURAL PRACTICES  
AND RESEARCH 100,000

This appropriation is from the future resources fund to the commissioner of agriculture for an agreement with the sustainable farming association of Minnesota to promote sustainable farming practices by strengthening farmer-based demonstration and education networks of the sustainable farming association and by forming a pilot cooperative of on-farm and southwest experiment station research. This appropriation must be matched by at least \$15,000 of nonstate money.

(t) RECYCLED BIOSOLIDS PRODUCT USED  
TO RECLAIM DISTURBED AREAS 200,000

This appropriation is from the oil overcharge money to the commissioner of administration for payment to the metropolitan council in cooperation with N-Viro, Minnesota to increase the market for biosolids by demonstrating the use of N-Viro soil for reclamation through a program of research and field and public demonstrations.

Subd. 6. Environmental Education

(a) LEOPOLD EDUCATION PROJECT  
CURRICULUM 100,000

This appropriation is from the trust fund to the office of environmental assistance for an agreement with Pheasants Forever, Inc. to provide teacher training in the use of the Leopold education project conservation ethics curriculum. This appropriation must be matched by at least \$50,000 of nonstate money.

(b) ENVIRONMENTAL EDUCATION  
TEACHER TRAINING 500,000

This appropriation is from the trust fund to the office of environmental assistance in cooperation with the environmental education advisory board to develop and deliver statewide environmental education training for preservice and inservice teachers.

(c) SHARING ENVIRONMENTAL  
EDUCATION KNOWLEDGE 200,000

This appropriation is from the trust fund to the office of environmental assistance in cooperation with the environmental education advisory board to plan and develop an information data exchange and service center that coordinates the collection, evaluation, dissemination, and promotion of environmental education resources and programs.

**(d) ENVIRONMENTAL VIDEO RESOURCE  
LIBRARY AND PUBLIC TELEVISION SERIES** 250,000

This appropriation is from the future resources fund to the office of environmental assistance in cooperation with the environmental education advisory board for an agreement with Twin Cities Public Television to create a resource information center for environmental video and to produce and broadcast an environmental television series about Minnesota environmental achievements.

**(e) DEVELOPMENT, ASSIMILATION, AND  
DISTRIBUTION OF WOLF EDUCATIONAL  
MATERIALS** 100,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the International Wolf Center to collect and develop written, electronic, and photographic audio-visual material about wolf ecology, recovery, and management for electronic distribution. This appropriation must be matched by at least \$30,000 of nonstate money.

**(f) ENVIRONMENTAL ACTION GRANTS  
FOR MINNESOTA SCHOOLS** 200,000

This appropriation is from the trust fund to the department of natural resources for an agreement with St. Olaf college for the school nature area project matching grants to schools for school area nature sites. This appropriation must be matched by at least \$50,000 of nonstate money.

**(g) ELECTRONIC ENVIRONMENTAL  
EDUCATION NETWORK** 250,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the University of Minnesota raptor center to develop a program for student participation in satellite-tracking research, data collection and dissemination using INTERNET, workshops, material development, and off-site classroom experience. This appropriation must be matched by at least \$38,000 of nonstate money.

**(h) THREE RIVERS INITIATIVE** 750,000

This appropriation is from the future resources fund to the Science Museum of Minnesota to develop exhibits and programs focusing on the Mississippi, Minnesota, and St. Croix rivers.

**(i) INTERACTIVE COMPUTER EXHIBIT ON  
MINNESOTA RENEWABLE ENERGY SOURCES** 150,000

This appropriation is from oil overcharge money



to the commissioner of administration for an agreement with the Izaak Walton League of America, midwest office in cooperation with the Science Museum of Minnesota to develop and disseminate an interactive multimedia computer exhibit on renewable energy resources.

**(j) TREES FOR TEENS: TRAINING, RESOURCES, EDUCATION, EMPLOYMENT, SERVICE**

75,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Twin Cities Tree Trust to develop a pilot program and curriculum materials for educating high school students about urban forestry and assisting them in carrying out peer education and community service projects. This project must be done in cooperation with the Minnesota releaf program.

**(k) REDWOOD FALLS SCHOOL DISTRICT NO. 637 ENVIRONMENTAL EDUCATION PROJECT**

250,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the Redwood Falls school district to accelerate development of an outdoor environmental learning center and to integrate environmental education into the K-12 curriculum. Project development will include prairie access improvements including a trail system, establishment of a wetland, and an arboretum.

**(l) TOGETHER OUTDOORS MINNESOTA**

575,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Wilderness Inquiry for diversity specialist training, training of outdoor service professionals to provide inclusive programming, and diversity networking, including the development of a directory of recreation facility accessibility. This appropriation must be matched by at least \$80,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(m) ENHANCED NATURAL RESOURCE OPPORTUNITIES FOR ASIAN-PACIFIC MINNESOTANS**

150,000

This appropriation is from the future resources fund to the commissioner of natural resources for the second biennium of funding for community outreach, cultural collaboration, training, and education to increase Asians' participation and

understanding of natural resources management. Supplemental funding must be requested and the results reported to the legislative commission on Minnesota resources.

(n) DELIVER ECOLOGICAL INFORMATION AND TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS 100,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide interpretation of ecological data collected by the county biological survey.

(o) NONPOINT SOURCE POLLUTION PUBLIC EDUCATION DEMONSTRATION PROJECT 100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for an agreement with the city of St. Paul for a joint project with the city of Minneapolis to conduct surveys and develop and implement nonpoint source pollution public education. This appropriation must be matched by at least \$12,000 of nonstate money.

(p) WHITETAIL DEER RESOURCE CENTER 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to develop a facility and operations plan. This appropriation must be matched by \$50,000 of nonstate money.

(q) GORDON GULLION CHAIR IN FOREST WILDLIFE RESEARCH AND EDUCATION 350,000

This appropriation is from the future resources fund to the University of Minnesota to establish an endowed chair in forest wildlife research and education to develop forest and wildlife sustainable management practices. This appropriation must be matched by at least \$350,000 of nonstate money. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

#### Subd. 7. Natural Resource Data

(a) ENVIRONMENTAL INDICATORS INITIATIVE 350,000

This appropriation is from the trust fund to the commissioner of natural resources to create the framework for an integrated, statewide network for selecting and monitoring environmental indicators to assess and communicate Minnesota's environmental health status and trends. The work program must be submitted to the environmental quality board for review before approval by the legislative commission on

Minnesota resources. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(b) ASSESSING WETLAND QUALITY WITH ECOLOGICAL INDICATORS**

275,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the University of Minnesota to develop plant and animal indicators of wetland quality, establish a system of reference natural wetlands for comparative monitoring, and develop guidelines for wetland assessment and monitoring to guide replacement wetland monitoring. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(c) COUNTY BIOLOGICAL SURVEY - CONTINUATION**

900,000

This appropriation is from the trust fund to the commissioner of natural resources for the fifth biennium of a proposed 12-biennium project to accelerate the county biological survey for the systematic collection, interpretation, and distribution of data on the distribution and ecology of rare plants, animals, and natural communities. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(d) FOREST BIRD DIVERSITY INITIATIVE - CONTINUATION**

400,000

This appropriation is from the trust fund to the commissioner of natural resources for the third biennium of a proposed six-biennium project for a comprehensive monitoring and research program that develops management tools to maintain diversity of forest birds and establishes benchmarks for using birds as ecological indicators of forest health. Data compatibility requirements in subdivision 14 apply to this appropriation. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(e) BASE MAPS FOR 1990s - FINAL PHASE CONTINUATION**

600,000

This appropriation is from the trust fund to the director of the office of strategic and long-range planning to provide the third biennium of a three-biennium state match for a federal program to complete statewide coverage of orthophoto maps and complete the update mapping for the state's most obsolete topographic maps. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(f) COMPLETION OF STATEWIDE LAND USE  
UPDATE - CONTINUATION** 380,000

This appropriation is from the future resources fund to the director of the office of strategic and long-range planning, in cooperation with the board of water and soil resources, for an agreement with the association of Minnesota counties for the third and final biennium to complete the update of the land use map for Minnesota, complete conversion of the data to computer format, and make the data available to users. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(g) FILLMORE COUNTY SOIL  
SURVEY UPDATE** 65,000

This appropriation is from the future resources fund to the board of water and soil resources to provide half of the nonfederal share to begin a three-biennium project to update the Fillmore county soil survey into a digitized and manuscript format. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) MINNESOTA RIVER TILE SYSTEM  
RESEARCH - CONTINUATION** 150,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for the second biennium of a two-biennium project to continue research on the impact of and best management practices for surface tile inlets.

**(i) SUGARLOAF SITE ASSESSMENT AND  
INTERPRETATION** 70,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Sugarloaf Interpretive Center Association for inventories, native habitat restoration, and the interpretation of the natural and cultural characteristics of Sugarloaf Cove. The data collection must be coordinated with the department of natural resources natural heritage program. Reasonable public use and access must be provided. This appropriation must be matched by \$30,000 of nonstate money.

**(j) MICROBIAL DETERIORATION OF ASPHALT  
MATERIALS AND ITS PREVENTION** 60,000

This appropriation is from the oil overcharge money to the commissioner of administration for a transfer to the commissioner of transportation to survey microbial deterioration of asphalt-bituminous materials in cooperation with Bemidji state university or other research institutions.

## Subd. 8. Urban Natural Resources

## (a) URBAN WILDLIFE HABITAT PROGRAM 150,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the St. Paul neighborhood energy consortium to provide workshops and native planting materials to households for landscaping for wildlife, demonstrating plant diversity, and alternative lawn care practices in the urban environment. This project must be done in cooperation with the department of natural resources nongame wildlife and releaf programs. This appropriation must be matched by at least \$35,000 of nonstate money.

## (b) GARDENING PROGRAM - STATEWIDE 300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the sustainable resources center for a joint project with the Minnesota horticultural society - Minnesota Green and Duluth Plant-A-Lot community garden program to provide technical assistance on community plantings, food gardens, trees, native plants, and environmentally sound horticultural and land use practices. This appropriation must be matched by at least \$3,000 in nonstate money.

## (c) RELEAF: PLANTING FOR ENERGY CONSERVATION IN COMMUNITIES 400,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the department of natural resources for the second biennium of a project to achieve the strategic planting of predominately native shade trees and community windbreaks for statewide energy conservation and carbon dioxide abatement through acceleration of the Minnesota releaf program by providing cost-share grants administered on a reimbursement basis so the overall match averages two local dollars per state dollar. For the purpose of this paragraph, up to 15 percent of the local match may be in-kind contribution.

## (d) MAPLEWOOD INNOVATIVE STORM WATER MANAGEMENT PROJECT 100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for an agreement with the city of Maplewood to design, construct, and monitor a demonstration stormwater management system. This appropriation must be matched by at least \$165,000 of nonstate money.

## (e) PHALEN WETLAND RESTORATION 115,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the city of St. Paul to restore a wetland at the south end of Lake Phalen. This appropriation must be matched by at least \$50,000 in nonstate money.

**(f) WETLAND RESTORATION AND  
ENHANCEMENT TO CREATE COMMUNITY AMENITY  
AND FORM 250,000**

This appropriation is from the trust fund to the director of the office of strategic and long-range planning for an agreement with the University of Minnesota to provide technical design assistance to help five communities create restored and enhanced wetlands that reinforce community form and emphasize habitat creation, water quality, and recreational amenities.

**(g) METROPOLITAN AREA GROUNDWATER  
MODEL TO PREDICT CONTAMINANT MOVEMENT 250,000**

This appropriation is from the trust fund to the commissioner of the pollution control agency to develop and apply a tool to improve prediction of contaminant movement in groundwater at contamination sites in the metropolitan area using a flexible regional groundwater flow model. Data compatibility requirements in subdivision 14 apply to this appropriation.

**(h) ARBORETUM BOUNDARY LAND  
ACQUISITION 680,000**

This appropriation is from the future resources fund to the University of Minnesota for a grant to the University of Minnesota landscape arboretum foundation to expand the boundary of the Minnesota Landscape Arboretum and, if money is available after the intended acquisition, to develop a wetland restoration demonstration. This appropriation must be matched by at least \$400,000 nonstate money.

**Subd. 9. Fisheries**

**(a) STATEWIDE EXPERIMENTAL  
FISHING REGULATIONS 650,000**

This appropriation is from the future resources fund to the commissioner of natural resources for baseline data collection to evaluate experimental fishing regulations.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(b) RIM - ACCELERATE FISHERIES  
ACQUISITION FOR ANGLER ACCESS 300,000**

This appropriation is from the trust fund to the

commissioner of natural resources to provide increased angler access by accelerating easement and fee title acquisition of land adjacent to streams and lakes, including access for non-boat owners and urban users.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(c) RIM - ACCELERATE STATEWIDE  
FISHERIES HABITAT DEVELOPMENT,  
HATCHERY REHABILITATION, AND  
STREAM FLOW PROTECTION**

1,000,000

This appropriation is from the future resources fund to the commissioner of natural resources to implement projects for the acquisition, restoration, improvement, and development of fisheries habitat and hatchery rehabilitation. Up to \$215,000 is available to continue the stream flow protection program for the second biennium of a proposed eight-biennium effort to establish a watershed level stream habitat database and develop the tools to set protected flows for ecosystem diversity. Data compatibility requirements in subdivision 14 apply to this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**Subd. 10. Wildlife**

**(a) RIM - ACCELERATE WILDLIFE  
LAND ACQUISITION**

650,000

\$450,000 of this appropriation is from the trust fund and \$200,000 is from the future resources fund to the commissioner of natural resources to accelerate acquisition activities in the reinvest in Minnesota program by acquiring land identified in North American waterfowl management plan project areas. This appropriation must first be used for projects qualifying for a match, which may include costs for acquisition, enhancements, and wetland restoration.

**(b) RIM - ACCELERATE CRITICAL  
HABITAT MATCH PROGRAM**

250,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program to acquire and improve critical habitat for game and nongame fish, wildlife, and native plants under Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas.

**(c) RIM - ACCELERATE WILDLIFE  
HABITAT STEWARDSHIP**

450,000

This appropriation is from the future resources fund to the commissioner of natural resources for improvement of wildlife habitat and natural plant communities statewide, both urban and rural public lands, to protect and enhance wildlife, native plant species, and ecological diversity.

**(d) BIOMASS PRODUCTION, MANAGEMENT AND RESTORATION OF BRUSHLAND HABITATS** 200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the University of Minnesota-Duluth in cooperation with the natural resources research institute and the Minnesota Sharptailed Grouse Society to assess brushland harvesting, brushland as wildlife habitat, and habitat management strategies.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

**(e) TURN IN POACHERS YOUTH ACTIVITY BOOK** 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with TIP, Inc. to print and disseminate an activity book to inform and educate children about poaching and its impact on natural resources, and to promote ethical hunting and fishing. This appropriation must be matched by at least \$12,500 of nonstate money.

**Subd. 11. Energy**

**(a) INTER-CITY ELECTRIC VEHICLE TRANSPORTATION DEMONSTRATION** 150,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Minnesota Power and Light Company to develop and evaluate an electric vehicle infrastructure with charging stations for use between Duluth and St. Paul, including installation of a charging station at the state of Minnesota central motor pool location. This appropriation must be matched by at least \$30,000 of nonstate money.

**(b) SUSTAINABLE DEVELOPMENT OF WIND ENERGY ON FAMILY FARMS** 200,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the sustainable resources center to provide technical assistance and technology transfer for the development of wind energy harvesting.

**(c) ONE-MEGAWATT HYBRID ELECTRICAL GENERATION SIMULATION PROJECT** 50,000



This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Dan Mar & Associates in cooperation with the agriculture utilization research institute for a simulation project using biofuel electrical generation to firm up wind power to provide electrical energy on demand.

(d) AVIAN POPULATION ANALYSIS FOR WIND POWER GENERATION REGIONS

75,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with American Wind Energy Association to identify and assess significant avian activity areas within identified wind farm corridors in Minnesota. This appropriation must be matched by at least \$75,000 of nonstate money.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) ENERGY IMPROVEMENTS IN PUBLIC ICE ARENAS

470,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the Center for Energy and Environment to assess, install, and evaluate energy and indoor air quality improvements in at least 25 publicly owned ice arenas located throughout Minnesota. Projects receiving funding from this appropriation must be in compliance with the indoor ice facilities prime ice time and gender preference requirements in Minnesota Statutes, section 15.98. This appropriation is for up to 50 percent of the cost of retrofit activities.

Subd. 12. Historic

(a) RESTORE HISTORIC MISSISSIPPI RIVER MILL SITE

120,000

This appropriation is from the future resources fund to the Minnesota historical society for a subgrant to the Minneapolis park and recreation board to implement an agreement with Crown Hydro Company to restore gatehouse foundations, construct catwalks and lighting through the tailrace tunnels, and restore and display the historic turbine of the historic Crown roller mill. This activity must be done in cooperation with the St. Anthony falls heritage board. Reasonable public use and access must be provided. This appropriation must be matched by at least \$120,000 of nonstate money. This appropriation is contingent on the receipt of all

applicable hydropower and other public agency approvals.

**(b) POND-DAKOTA MISSION RESTORATION**

270,000

This appropriation is from the future resources fund to the Minnesota historical society for an agreement with the city of Bloomington to continue the restoration of the Pond house and Dakota Indian mission site. This appropriation must be matched by \$80,000 of nonstate money.

**(c) JOSEPH R. BROWN INTERPRETIVE CENTER RESTORATION PROJECT**

75,000

This appropriation is from the future resources fund to the Minnesota historical society for an agreement with the Sibley county historical society for building restoration and renovation activities on the 1879 Sibley county courthouse, to be used as the Joseph R. Brown interpretive center. This appropriation must be matched by at least \$5,000 of nonstate money.

**(d) HERITAGE TRAILS**

200,000

This appropriation is from the future resources fund to the Minnesota historical society to plan and construct trails for at least three historic sites and for trail interpretive material and equipment.

**(e) RESTORATION OF HISTORIC ELBA FIRE TOWER**

73,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Elba booster club, in consultation with the Minnesota historical society, for restoration and the development of interpretive materials and to provide access to the Elba fire tower for safe recreational and educational use. This project must be available for reasonable public use and access.

**(f) MANAGING MINNESOTA SHIPWRECKS**

100,000

This appropriation is from the future resources fund to the Minnesota historical society to survey historic north shore shipping facilities and shipwrecks, survey shipwrecks in Minnesota inland lakes and rivers, organize a conference on underwater cultural resources, and revise the management plan. Supplemental funding must be requested and the results reported to the legislative commission on Minnesota resources.

**Subd. 13. Biological Control**

**(a) BIOLOGICAL CONTROL OF EURASIAN WATER MILFOIL AND PURPLE LOOSESTRIFE - CONTINUATION**

300,000

\$250,000 of this appropriation is from the trust fund and \$50,000 is from the future resources fund to the commissioner of natural resources for the second biennium of a five-biennium project to develop biological controls for Eurasian water milfoil and purple loosestrife.

**(b) BIOLOGICAL CONTROL OF OVERLAND SPREAD OF OAK WILT**

90,000

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the University of Minnesota to improve application methods for enhancing natural biological control of the overland spread of oak wilt.

**(c) BENEFICIAL FUNGAL INOCULUM FOR PRAIRIE AND WETLAND RECLAMATION**

100,000

This appropriation is from the trust fund to the commissioner of transportation for an agreement with the University of Minnesota for the characterization and development of inoculum production methods for soil fungi associated with the roots of native and naturalized Minnesota plants in prairies and wetlands to assist in restoration projects.

**Subd. 14. Data Compatibility Requirements**

During the biennium ending June 30, 1997, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic databases with the integration costs borne by the activity receiving funding under this section.

**Subd. 15. Project Requirements**

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must comply with Minnesota Statutes, chapter 116P.

**Subd 16. Match Requirements**

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1996, must be canceled. Unless specifically authorized, in-kind contributions may not be counted as match.

#### Subd. 17. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis. Payment must be made upon receiving documentation that reimbursable amounts have been expended, except that reasonable amounts may be advanced to projects in order to accommodate cash flow needs. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

#### Subd. 18. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.123, requiring the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

#### Subd. 19. Carryforward

(a) Except as provided in paragraph (b), the availability of the appropriations for the following projects is extended to December 31, 1995; on that date the appropriations cancel and no further payment is authorized: Laws 1993, chapter 172, section 14, subdivisions 3, paragraphs (a) and (i); 6, paragraph (b); 9; 10, paragraphs (a), (c), (g), (p), (q), and (r); and 12, paragraphs (a), (c), (h), (j), and (l).

(b) The availability of the appropriations for the following projects is extended to December 31, 1996; on that date the appropriations cancel and no further payment is authorized: (1) Laws 1993, chapter 172, section 14, subdivisions 4, paragraph (e); 10, paragraphs (d), (f), and (o); 12, paragraphs (f) and (g); and, in subdivision 10, paragraph (c), Cedar Lake trail development, the Dakota North regional trail in South St. Paul, and the Bloomington East and West Bush Lake picnic areas; and (2) Laws 1994, chapter 632, article 2, section 6, local recreation grants and Silver Bay harbor.

#### Subd. 20. Energy Conservation

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards

contained in law, including Minnesota Statutes, sections 216C.19 to 216C.21, and rules adopted thereunder. The recipient may use the energy planning and intervention and energy technologies units of the department of public service to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

## Sec. 2. ADDITIONAL APPROPRIATIONS

The following amounts are appropriated from the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6. The appropriations are available until December 31, 1995, and are subject to the provisions of Laws 1993, chapter 172, section 14, subdivisions 14 to 18.

### (a) STATE PARK AND RECREATION AREA ACQUISITION

650,000

This appropriation is to the commissioner of natural resources for acquisition of land within the statutory boundaries of state parks and recreation areas.

### (b) METROPOLITAN REGIONAL PARKS AND TRAILS ACQUISITION

650,000

This appropriation is to the commissioner of natural resources for payment to the metropolitan council for subgrants to acquire parks and trails consistent with the metropolitan council regional recreation open space capital improvement plan.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

(c) The projects in this section must be completed and final products delivered by December 31, 1995, and the appropriations are available until that date.

Sec. 3. Minnesota Statutes 1994, section 116P.11, is amended to read:

### 116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the earnings generated from the trust fund. Earnings generated from the trust fund shall equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities shall be apportioned as follows:

(1) if the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b), it shall be added to the principal of the fund; and

(2) if the sale of securities results in a net loss during a fiscal year, the net loss shall be

recovered from the gains in paragraph (a) apportioned to that fiscal year. If such gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

(b) For funding projects until fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1990 and 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1992 and up to 15 percent of the revenue deposited in the fund in fiscal year 1993;

(3) for the 1993-1995 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1994 and 1995, to be expended only for capital investments in parks and trails; and

(4) for the 1995-1997 biennium, up to ~~ten~~ 25 percent of the revenue deposited in the fund in fiscal year 1996, to be expended only for capital investments in parks and trails.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

#### Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "expanding"

Page 1, delete line 4

Page 1, line 5, delete everything before "expanding"

Page 1, line 8, delete "sections 84.943; and" and insert "section"

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 Governmental Operations and Veterans, to which was referred**

**H.F. No. 98:** A bill for an act relating to gambling; providing for an alternate member of the advisory council on gambling; amending Laws 1994, chapter 633, article 8, section 5, subdivision 2.

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

### SECOND READING OF SENATE BILLS

S.F. No. 57 was read the second time.

### SECOND READING OF HOUSE BILLS

H.F. No. 98 was read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Sams moved that the name of Ms. Krentz be added as a co-author to S.F. No. 141. The motion prevailed.

Mr. Neuville moved that the names of Mr. Knutson and Ms. Robertson be added as co-authors to S.F. No. 288. The motion prevailed.

Mr. Marty moved that the names of Ms. Piper and Mr. Merriam be added as co-authors to S.F. No. 304. The motion prevailed.

Ms. Lesewski moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 306. The motion prevailed.

Mr. Morse moved that the names of Ms. Piper and Mr. Scheevel be added as co-authors to S.F. No. 310. The motion prevailed.

Mr. Janezich moved that the name of Ms. Robertson be added as a co-author to S.F. No. 312. The motion prevailed.

Mr. Solon moved that the name of Mr. Finn be added as a co-author to S.F. No. 336. The motion prevailed.

Ms. Olson moved that the name of Mr. Lessard be added as a co-author to S.F. No. 343. The motion prevailed.

Mr. Kelly moved that the name of Mr. Mondale be added as a co-author to S.F. No. 346. The motion prevailed.

## CALENDAR

**H.F. No. 45:** A bill for an act relating to taxation; making technical corrections and clarifications; making administrative changes; amending Minnesota Statutes 1994, sections 270.0604, subdivision 4; 273.11, subdivision 16; 273.121; 290.067, subdivision 1; and 297B.01, subdivision 8; and Laws 1994, chapter 587, article 11, section 9, subdivision 5.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Neuville	Robertson
Beckman	Hanson	Kroening	Novak	Runbeck
Belanger	Hottinger	Laidig	Oliver	Sams
Berg	Janezich	Langseth	Olson	Samuelson
Bertram	Johnson, D.E.	Lesewski	Ourada	Scheevel
Betzold	Johnson, D.J.	Lessard	Pappas	Solon
Chandler	Johnson, J.B.	Marty	Pariseau	Spear
Cohen	Johnston	Merriam	Piper	Stevens
Day	Kiscaden	Metzen	Pogemiller	Terwilliger
Dille	Kleis	Moe, R.D.	Price	Vickerman
Finn	Knutson	Morse	Ranum	Wiener
Flynn	Kramer	Murphy	Reichgott Junge	

So the bill passed and its title was agreed to.

**S.F. No. 77:** A bill for an act relating to civil actions; new motor vehicle warranties; clarifying the limitation on actions after informal dispute settlement mechanism decisions; amending Minnesota Statutes 1994, section 325F.665, subdivisions 7 and 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Reichgott Junge
Beckman	Hanson	Kroening	Neuville	Robertson
Belanger	Hottinger	Laidig	Novak	Runbeck
Berg	Janezich	Langseth	Oliver	Sams
Bertram	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Marty	Pappas	Solon
Cohen	Johnston	Merriam	Pariseau	Spear
Day	Kiscaden	Metzen	Piper	Stevens
Dille	Kleis	Moe, R.D.	Pogemiller	Terwilliger
Finn	Knutson	Mondale	Price	Vickerman
Flynn	Kramer	Morse	Ranum	Wiener

So the bill passed and its title was agreed to.

**S.F. No. 33:** A bill for an act relating to drivers' licenses; permitting certain licensees to wear headwear in driver's license and Minnesota identification card photographs; amending Minnesota Statutes 1994, section 171.071.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Reichgott Junge
Beckman	Hanson	Kroening	Neuville	Robertson
Belanger	Hottinger	Laidig	Novak	Runbeck
Berg	Janezich	Langseth	Oliver	Sams
Bertram	Johnson, D.E.	Lesewski	Olson	Samuelson
Betzold	Johnson, D.J.	Lessard	Ourada	Scheevel
Chandler	Johnson, J.B.	Marty	Pappas	Solon
Cohen	Johnston	Merriam	Pariseau	Spear
Day	Kiscaden	Metzen	Piper	Stevens
Dille	Kleis	Moe, R.D.	Pogemiller	Terwilliger
Finn	Knutson	Mondale	Price	Vickerman
Flynn	Kramer	Morse	Ranum	Wiener

So the bill passed and its title was agreed to.

**S.F. No. 188:** A bill for an act relating to appropriations; permitting use of appropriation to relocate athletic fields and facilities at Brainerd Technical College; authorizing additional design and construction of space at certain community college campuses; requiring plans to provide for joint use of space with certain technical colleges and state universities; authorizing additional construction using nonstate resources; amending Laws 1992, chapter 558, section 2, subdivision 3; and Laws 1994, chapter 643, section 11, subdivisions 6, 8, 10, and 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Novak	Sams
Beckman	Hottinger	Langseth	Oliver	Samuelson
Belanger	Janezich	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Marty	Pariseau	Stevens
Chandler	Johnston	Merriam	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Day	Kleis	Moe, R.D.	Price	Wiener
Dille	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Reichgott Junge	
Flynn	Krentz	Murphy	Robertson	
Frederickson	Kroening	Neuville	Runbeck	



So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 182:** A bill for an act relating to towns; clarifying the procedure to fill a vacancy in the office of town supervisor; amending Minnesota Statutes 1994, section 367.03, 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:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Marty	Pariseau	Stevens
Chandler	Johnston	Merriam	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Day	Kleis	Moe, R.D.	Price	Wiener
Dille	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Reichgott Junge	
Flynn	Krentz	Murphy	Robertson	

So the bill passed and its title was agreed to.

**S.F. No. 44:** A bill for an act relating to energy; extending the deadline for the initial report of the legislative electric energy task force; amending Minnesota Statutes 1994, section 216C.051, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Reichgott Junge
Beckman	Hanson	Kroening	Neuville	Robertson
Belanger	Hottinger	Laidig	Novak	Runbeck
Berg	Janezich	Langseth	Oliver	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Bertram	Johnson, D.J.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Lessard	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Day	Kiscaden	Metzen	Piper	Stevens
Dille	Kleis	Moe, R.D.	Pogemiller	Terwilliger
Finn	Knutson	Mondale	Price	Vickerman
Flynn	Kramer	Morse	Ranum	Wiener

Messrs. Cohen and Merriam voted in the negative.

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Ms. Pappas in the chair.

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

S.F. No. 35, which the committee recommends to pass with the following amendment offered by Ms. Kiscaden:

Page 9, line 20, after the period, insert "Only a person who is a relative of or has a previous relationship with an eligible voter may solicit the voter to become the voter's agent for delivering a ballot."

The motion prevailed. So the amendment was adopted.

S.F. No. 36, which the committee recommends to pass, subject to the following motions:

Mr. Marty moved to amend S.F. No. 36 as follows:

Page 34, line 26, delete the new language

Page 34, line 27, before the period, insert ", except that the candidate may count contributions received during the eight months immediately preceding the special election, other than contributions the candidate has previously included on an affidavit of match for another election, and the amount of match required is one-quarter of the amount stated in section 10A.323"

Page 36, line 36, strike the second "by"

Page 37, line 1, strike "September 1 of the general election year" and insert "no later than one week before the primary election"

The motion prevailed. So the amendment was adopted.

Mr. Sams moved to amend S.F. No. 36 as follows:

Pages 19 and 20, delete section 27

Pages 23 and 24, delete section 36

Page 42, line 33, after the semicolon, insert "10A.20, subdivision 6b;"

Page 42, line 34, after the first semicolon, insert "10A.25, subdivision 13;"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Kiscaden moved to amend S.F. No. 36 as follows:

Page 39, after line 21, insert:

"Sec. 58. Minnesota Statutes 1994, section 211B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, "corporation" means:

- (1) a corporation organized for profit that does business in this state;
- (2) a nonprofit corporation that carries out activities in this state; or
- (3) a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in this state; or
- (4) a labor organization as defined in section 179.01, subdivision 6."

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 41, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Kramer	Oliver	Runbeck
Berg	Johnston	Laidig	Olson	Scheevel
Day	Kiscaden	Larson	Ourada	Stevens
Dille	Kleis	Lesewski	Pariseau	Terwilliger
Frederickson	Knutson	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Flynn	Lessard	Pappas	Solon
Beckman	Hanson	Marty	Piper	Spear
Berglin	Hottinger	Merriam	Pogemiller	Stumpf
Bertram	Janezich	Metzen	Price	Vickerman
Betzold	Johnson, D.J.	Moe, R.D.	Ranum	Wiener
Chandler	Johnson, J.B.	Mondale	Reichgott Junge	
Chmielewski	Krentz	Morse	Riveness	
Cohen	Kroening	Murphy	Sams	
Finn	Langseth	Novak	Samuelson	

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

Mr. Marty moved to amend S.F. No. 36 as follows:

Page 13, line 36, after the period, insert "For a candidate for governor or lieutenant governor, the prohibition in this subdivision extends to the 14 days immediately following adjournment of the legislature in either year of a biennium."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Robertson
Beckman	Hanson	Laidig	Novak	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berglin	Janezich	Larson	Olson	Samuelson
Bertram	Johnson, D.E.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Lessard	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Chmielewski	Kelly	Merriam	Piper	Stevens
Cohen	Kiscaden	Metzen	Pogemiller	Stumpf
Day	Kleis	Moe, R.D.	Price	Terwilliger
Dille	Knutson	Mondale	Ranum	Vickerman
Finn	Kramer	Morse	Reichgott Junge	Wiener
Flynn	Krentz	Murphy	Riveness	

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 36 as follows:

Page 22, line 1, strike "a year in which" and strike "is held for an"

Page 22, line 2, strike "office sought by a candidate" and insert "cycle"

Page 22, delete section 33

Page 42, line 34, after the first semicolon, insert "10A.25, subdivision 6;"

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 27 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Laidig	Olson	Scheevel
Berg	Johnston	Larson	Ourada	Stevens
Chmielewski	Kiscaden	Lesewski	Pariseau	Terwilliger
Day	Kleis	Merriam	Robertson	
Dille	Knutson	Neuville	Runbeck	
Frederickson	Kramer	Oliver	Samuelson	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Murphy	Riveness
Beckman	Hanson	Langseth	Novak	Sams
Berglin	Hottinger	Lessard	Pappas	Solon
Bertram	Janezich	Marty	Piper	Spear
Betzold	Johnson, D.J.	Metzen	Pogemiller	Stumpf
Chandler	Johnson, J.B.	Moe, R.D.	Price	Vickerman
Cohen	Kelly	Mondale	Ranum	Wiener
Finn	Krentz	Morse	Reichgott Junge	

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

Mr. Neuville moved to amend S.F. No. 36 as follows:

Pages 22 and 23, delete section 34

Page 42, line 34, after the first semicolon, insert "10A.25, subdivision 10;"

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 44, as follows:

Those who voted in the affirmative were:

Belanger	Kleis	Lesewski	Pariseau	Terwilliger
Frederickson	Knutson	Neuville	Robertson	
Johnson, D.E.	Kramer	Oliver	Runbeck	
Johnston	Laidig	Olson	Scheevel	
Kiscaden	Larson	Ourada	Stevens	

Those who voted in the negative were:

Anderson	Day	Krentz	Morse	Riveness
Beckman	Dille	Kroening	Murphy	Sams
Berg	Finn	Langseth	Novak	Samuelson
Berglin	Flynn	Lessard	Pappas	Solon
Bertram	Hottinger	Marty	Piper	Spear
Betzold	Janezich	Merriam	Pogemiller	Stumpf
Chandler	Johnson, D.J.	Metzen	Price	Vickerman
Chmielewski	Johnson, J.B.	Moe, R.D.	Ranum	Wiener
Cohen	Kelly	Mondale	Reichgott Junge	

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

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

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Mr. Bertram introduced--**

**S.F. No. 353:** A bill for an act relating to intoxicating liquor; removing prohibition against the keeping of dice on licensed premises; authorizing the keeping and use of dice on licensed premises under certain circumstances; amending Minnesota Statutes 1994, section 340A.410, subdivision 5.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Bertram introduced--**

**S.F. No. 354:** A bill for an act relating to retirement; providing a temporary early retirement option for members of the teachers retirement association and teachers retirement associations in cities of the first class; amending Minnesota Statutes 1994, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Berglin, Messrs. Sams and Samuelson introduced--**

**S.F. No. 355:** A bill for an act relating to human services; modifying efficiency incentives for nursing facilities; amending Minnesota Statutes 1994, section 256B.431, subdivisions 3c and 24.

Referred to the Committee on Health Care.

**Mses. Piper, Berglin and Mr. Samuelson introduced--**

**S.F. No. 356:** A bill for an act relating to human services; defining uncertified boarding care home; changing rate paid for uncertified boarding care homes; amending Minnesota Statutes 1994, sections 256I.03, by adding a subdivision; and 256I.05, subdivision 1c.

Referred to the Committee on Health Care.

**Mr. Moe, R.D. introduced--**

**S.F. No. 357:** A bill for an act relating to family services; expanding state support for programs for senior citizens; appropriating money.

Referred to the Committee on Family Services.

**Ms. Johnston and Mr. Knutson introduced--**

**S.F. No. 358:** A bill for an act relating to motor vehicles; consumer protection; applying odometer disclosure laws to motor vehicles, regardless of age; making technical changes; amending Minnesota Statutes 1994, section 325E.15; repealing Minnesota Rules 1993, part 7402.0500, item (c).

Referred to the Committee on Transportation and Public Transit.

**Messrs. Metzen and Solon introduced--**

**S.F. No. 359:** A bill for an act relating to public safety; providing for state reimbursement for bomb squads in certain cases; clarifying tort claim and workers' compensation provisions for member of bomb squad or hazardous materials response team; appropriating money; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 176.192; and 299A.51, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Metzen and Solon introduced--**

**S.F. No. 360:** A bill for an act relating to taxation; property tax; reducing the apartment class rate over a two-year period; amending Minnesota Statutes 1994, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Metzen introduced--**

**S.F. No. 361:** A bill for an act relating to retirement; prohibiting the payment of survivor benefits to a survivor who has feloniously caused the death of a member of a public pension plan; amending Minnesota Statutes 1994, sections 3A.04, by adding a subdivision; 352.12, by adding a subdivision; 352B.11, by adding a subdivision; 352C.04, by adding a subdivision; 352D.075, by adding a subdivision; 353.657, by adding a subdivision; 353D.07, by adding a subdivision; 354A.35, by adding a subdivision; 356.303, by adding a subdivision; 422A.23, by adding a subdivision; and 490.124, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 353; 353C; and 354.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Lesewski, Messrs. Neuville, Larson, Hottinger and Betzold introduced--**

**S.F. No. 362:** A bill for an act relating to higher education; limiting student disciplinary sanctions related to speech; providing a civil action for a student so sanctioned; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 363:** A bill for an act relating to retirement; Duluth fire and police joint consolidation account in the public employees police and fire fund; authorizing certain benefit recomputations and additional postretirement adjustments for certain eligible retirees.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Anderson, Runbeck and Mr. Novak introduced--**

**S.F. No. 364:** A bill for an act relating to employment; establishing an obligation by certain employees to communicate certain threats; amending Minnesota Statutes 1994, section 268A.05, subdivision 1, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Laidig, Frederickson, Langseth, Johnson, D.E. and Larson introduced--**

**S.F. No. 365:** A bill for an act relating to public administration; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; requiring payment for debt service; and appropriating money with certain conditions.

Referred to the Committee on Finance.

**Messrs. Vickerman, Bertram, Murphy, Dille and Stevens introduced--**

**S.F. No. 366:** A bill for an act relating to the city of Windom; exempting a tax increment financing district from certain restrictions.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Flynn, Krentz, Berglin, Messrs. Johnson, D.J. and Belanger introduced--**

**S.F. No. 367:** A bill for an act relating to taxation; income; changing the dependent care credit; amending Minnesota Statutes 1994, section 290.067, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Lesewski, Runbeck, Messrs. Metzen, Kelly and Dille introduced--**

**S.F. No. 368:** A bill for an act relating to agriculture; clarifying the employment status of certain farm crisis assistance personnel; amending Minnesota Statutes 1994, section 17.03, subdivision 9.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Stevens, Chmielewski and Samuelson introduced--**

**S.F. No. 369:** A bill for an act relating to taxation; property tax; establishing a property tax aid for local governments for property exempted as a result of action taken by the United States Secretary of the Interior Bureau of Indian Affairs; appropriating money; amending Minnesota Statutes 1994, section 273.1392; proposing coding for new law in Minnesota Statutes, chapter 477A.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Sams; Johnson, D.J. and Lessard introduced--**

**S.F. No. 370:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Todd county.

Referred to the Committee on Environment and Natural Resources.

**Ms. Olson, Messrs. Johnson, D.E.; Mondale; Ms. Robertson and Mr. Chmielewski introduced--**

**S.F. No. 371:** A bill for an act relating to transportation; abolishing certain restrictions relating to highway construction; amending Minnesota Statutes 1994, sections 161.1231, subdivision 1; and 473.391; repealing Minnesota Statutes 1994, sections 161.123; and 161.124.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Knutson, Betzold, Hottinger, Ms. Kiscaden and Mr. Merriam introduced--**

**S.F. No. 372:** A bill for an act relating to state government; secretary of state; authorizing access to social security numbers of individuals in certain circumstances; amending Minnesota Statutes 1994, sections 336.9-407; and 336.9-411.

Referred to the Committee on Judiciary.

**Ms. Berglin introduced--**

**S.F. No. 373:** A bill for an act relating to health; requiring efforts to seek certain waivers; defining subacute care; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Mr. Lessard introduced--**

**S.F. No. 374:** A bill for an act relating to the legislature; prohibiting the conduct of legislative business at certain times related to the opening of the season for taking walleye; amending Minnesota Statutes 1994, section 3.011.

Referred to the Committee on Rules and Administration.

**Messrs. Lessard; Murphy; Johnson, D.J.; Novak and Mrs. Pariseau introduced--**

**S.F. No. 375:** A bill for an act relating to energy; adding pumped hydropower to the list of preferred alternative energy sources; providing for incentive payments to pumped hydropower facilities; amending Minnesota Statutes 1994, sections 216C.051, subdivision 7; and 216C.41, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Sams, Ms. Berglin, Messrs. Stevens and Samuelson introduced--**

**S.F. No. 376:** A bill for an act relating to human services; adjusting the maximum efficiency incentive per diem payment for nursing facility reimbursement; amending Minnesota Statutes 1994, section 256B.74, subdivision 3; repealing Minnesota Statutes 1994, section 256B.431, subdivision 24.

Referred to the Committee on Health Care.

**Mr. Chmielewski introduced--**

**S.F. No. 377:** A bill for an act relating to education; providing for a district's maximum debt service levy to remain at the rate used at the time of a district consolidation or combination; providing for the discharge of a capital loan to independent school district No. 588, Askov, if not repaid after 30 years; amending Minnesota Statutes 1994, section 124.431, subdivision 14.

Referred to the Committee on Education.

**Messrs. Samuelson, Vickerman, Bertram, Metzen and Kramer introduced--**

**S.F. No. 378:** A bill for an act relating to highways; designating the Veterans Memorial Highway; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Samuelson and Ms. Berglin introduced--**

**S.F. No. 379:** A bill for an act relating to health; modifying provisions relating to payment for long-term care; amending Minnesota Statutes 1994, sections 144.6501, subdivision 6; and 256B.431, subdivision 2r, and by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Betzold, Metzen, Bertram, Murphy and Solon introduced--**

**S.F. No. 380:** A bill for an act relating to the military; clarifying certain powers and duties of the governor; defining certain terms; clarifying language designating the rank of the adjutant general; clarifying language on acceptance of money by the adjutant general on behalf of the state; clarifying authority of the adjutant general to lease certain land; eliminating certain obsolete and duplicative language; amending Minnesota Statutes 1994, sections 190.02; 190.05, by adding subdivisions; 190.07; 190.16, subdivision 2; 190.25, subdivision 1; 191.05; repealing Minnesota Statutes 1994, sections 190.10; 190.13; and 190.29.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Betzold, Murphy, Metzen, Bertram and Solon introduced--**

**S.F. No. 381:** A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory



building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Betzold introduced--**

**S.F. No. 382:** A bill for an act relating to the military; authorizing the adjutant general to assign certain retired officers to temporary active duty; expanding the authority of the adjutant general to recommend members of the national guard for brevet rank; changing eligibility for the state service medal; changing certain penalties for wrongful disposition of military property; changing the agency to be notified in the case of temporary emergency relief payments; providing for appointment of a United States property and fiscal officer; eliminating obsolete language concerning retention of uniforms; national guard discipline, training, rifle practice, encampments, and drills; clarifying provisions related to pay for officers and enlisted persons; imposing a penalty; amending Minnesota Statutes 1994, sections 192.19; 192.20; 192.23; 192.37; 192.38, subdivision 1; 192.40; and 192.49; repealing Minnesota Statutes 1994, sections 192.36; 192.435; 192.44; 192.45; 192.46; 192.47; and 192.51, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Reichgott Junge, Messrs. Metzen, Riveness, Mses. Wiener and Runbeck introduced--**

**S.F. No. 383:** A bill for an act relating to economic development; providing for electronic filing and information retrieval pertaining to business licenses; appropriating money; amending Minnesota Statutes 1994, sections 116J.78, by adding a subdivision; and 116J.81, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Langseth introduced--**

**S.F. No. 384:** A bill for an act relating to transportation; apportioning five percent of the highway user tax distribution fund; amending Minnesota Statutes 1994, section 161.081, subdivision 1.

Referred to the Committee on Transportation and Public Transit.

**Mr. Langseth introduced--**

**S.F. No. 385:** A bill for an act relating to alcoholic beverages; authorizing the Clay county board to issue one on-sale intoxicating liquor license.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Berglin and Mr. Samuelson introduced--**

**S.F. No. 386:** A bill for an act relating to health; modifying provisions relating to nursing home moratorium exceptions; amending Minnesota Statutes 1994, sections 144A.071, subdivisions 1 and 1a; and 144A.073, subdivisions 1, 2, 3, 4, 8, and by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Berg introduced--**

**S.F. No. 387:** A bill for an act relating to counties; Swift; authorizing the county to establish a rural development finance authority.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Chmielewski and Berg introduced--**

**S.F. No. 388:** A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States of America relating to balancing the budget of the United States.

Referred to the Committee on Finance.

**Mr. Metzen and Ms. Piper introduced--**

**S.F. No. 389:** A bill for an act relating to insurance; clarifying that insurance coverage for special dietary treatment for phenylketonuria includes protein modified food products; amending Minnesota Statutes 1994, section 62A.26, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Cohen introduced--**

**S.F. No. 390:** A bill for an act relating to driving while intoxicated; extending vehicle forfeiture penalties to include failure to appear at trial for designated driving while intoxicated offenses; amending Minnesota Statutes 1994, section 169.1217, subdivisions 7, 8, and 9.

Referred to the Committee on Crime Prevention.

**Ms. Olson, Messrs. Larson, Knutson, Ms. Robertson and Mr. Scheevel introduced--**

**S.F. No. 391:** A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community programs; facilities; education organization and cooperation; commitment to excellence; other education programs; miscellaneous provisions; libraries; education agency services; appropriating money; amending Minnesota Statutes 1994, sections 120.064, subdivisions 3, 4, 8, and 15; 121.904, subdivisions 4a and 4c; 121.912, subdivisions 1 and 1b; 123.71, by adding a subdivision; 124.17, subdivisions 1, 1d, 2f, and by adding subdivisions; 124.195, subdivision 10; 124.214, subdivisions 2 and 3; 124.223, subdivision 7; 124.225, subdivisions 1, 3a, 7b, 7d, 7e, and 8a; 124.226, subdivisions 1, 3, 4, and 5; 124.243, subdivisions 2, 3, and by adding a subdivision; 124.244, subdivisions 1, 2, 4, and by adding a subdivision; 124.2445; 124.248, subdivision 4, and by adding subdivisions; 124.261, subdivision 1; 124.2713, subdivisions 3 and 6; 124.2725, subdivisions 1 and 15; 124.2726, subdivision 2; 124.2727, subdivision 6a; 124.2728, subdivision 1; 124.273, by adding subdivisions; 124.311, subdivision 5; 124.32, subdivision 10; 124.321, subdivisions 1 and 2; 124.322; 124.323, subdivision 1; 124.573, subdivision 3; 124.574, subdivision 9, and by adding subdivisions; 124.918, subdivisions 1 and 2; 124.95, subdivision 6; 124.961; 124A.02, subdivision 16, and by adding a subdivision; 124A.03, subdivisions 1g, 1h, and 2; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 8a, 9, and by adding a subdivision; 124A.23, subdivisions 1, 4, and 5; 124A.24; 125.05, subdivision 1a; 179A.04, subdivision 3; 179A.16, subdivision 7, and by adding a subdivision; 179A.17, subdivision 1; 275.065, subdivisions 1 and 3; 276.04, subdivision 2; 354.07, subdivision 1; and 354.42, subdivisions 2, 3, 5, and by adding a subdivision; Laws 1993, chapter 224, article 8, section 21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 124; and 124A; repealing Minnesota Statutes 1994, sections 124.17, subdivision 1b; 124.226, subdivisions 2 and 9; 124.243, subdivisions 2a and 9; 124.26; 124.2713, subdivisions 1, 5, and 9; 124.2714; 124.2716; 124.2727, subdivision 6a; 124.273, subdivisions 1b and 2c; 124.276; 124.278; 124.311; 124.32, subdivisions 1b, 1c, 1d, 1f, 2, and 3a; 124.573, subdivisions 1, 2, 2b, 2e, 2f, 3a, and 5a; 124.574, subdivisions 2b, 3, 4, and 4a; 124.91, subdivision 5; 124.912, subdivisions 7 and 8; 124.914, subdivisions 2, 3, and 4; 124.916, subdivision 2; 124.962; 124A.04, subdivision 1; 124A.22, subdivision 2a; 124A.225; 124A.27; 124A.28; 124A.29; 124A.291; and 124A.292.

Referred to the Committee on Education.

**Mr. Johnson, D.E. introduced--**

**S.F. No. 392:** A bill for an act relating to taxation; property; reducing the time period required for certain recreational property occupied by a relative to qualify as homestead; amending Minnesota Statutes 1994, section 273.124, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Spear, Ms. Kiscaden, Messrs. Finn, Metzen and Ms. Reichgott Junge introduced--**

**S.F. No. 393:** A bill for an act relating to child support; eliminating publication of names of delinquent child support obligors; amending Minnesota Statutes 1994, section 13.46, subdivision 2; repealing Minnesota Statutes 1994, section 518.575.

Referred to the Committee on Family Services.

**Messrs. Chandler, Price and Marty introduced--**

**S.F. No. 394:** A bill for an act relating to highways; requiring the commissioner of transportation to construct a pedestrian-bicycle overpass on marked trunk highway No. 36 in North St. Paul.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Spear and Neuville introduced--**

**S.F. No. 395:** A bill for an act relating to crime prevention; expanding endangerment by firearm access; reducing the penalty for access to firearms; amending Minnesota Statutes 1994, sections 609.378, subdivision 1; and 609.666, subdivision 2.

Referred to the Committee on Crime Prevention.

**Messrs. Sams and Vickerman introduced--**

**S.F. No. 396:** A bill for an act relating to health; modifying provisions relating to emergency services workers; amending Minnesota Statutes 1994, section 144.804, subdivision 1.

Referred to the Committee on Health Care.

**Messrs. Sams and Vickerman introduced--**

**S.F. No. 397:** A bill for an act relating to health; defining first responder; amending Minnesota Statutes 1994, section 144.801, by adding a subdivision.

Referred to the Committee on Health Care.

**Ms. Johnson, J.B.; Mr. Morse, Mses. Krentz, Hanson and Mr. Knutson introduced--**

**S.F. No. 398:** A bill for an act relating to education; modifying the use of capital expenditure facilities revenue; amending Minnesota Statutes 1994, section 124.243, subdivision 8.

Referred to the Committee on Education.

**Messrs. Knutson, Spear, Larson, Marty and Neuville introduced--**

**S.F. No. 399:** A bill for an act relating to recreational vehicles; driving while intoxicated; providing for forfeiture of snowmobiles, all-terrain vehicles, and motorboats for designated, DWI-related offenses; extending vehicle forfeiture law by expanding the definition of prior conviction to include other types of vehicles; amending Minnesota Statutes 1994, sections 84.83,

subdivision 2; and 169.1217, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; and 86B.

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

**Messrs. Hottinger, Chandler and Betzold introduced--**

**S.F. No. 400:** A bill for an act relating to statutes of limitations; enacting the uniform conflict of laws-limitations act; proposing coding for new law in Minnesota Statutes, chapter 541.

Referred to the Committee on Judiciary.

**Mr. Larson, Mses. Johnston, Robertson, Mr. Neuville and Ms. Runbeck introduced--**

**S.F. No. 401:** A bill for an act relating to education; modifying procedure for teacher contracts; amending Minnesota Statutes 1994, sections 179A.16, by adding a subdivision; and 179A.17, subdivision 1; repealing Minnesota Statutes 1994, section 124A.22, subdivision 2a.

Referred to the Committee on Education.

**Messrs. Berg, Bertram and Janezich introduced--**

**S.F. No. 402:** A bill for an act relating to the lottery; authorizing the state lottery to establish a pilot program in certain counties to operate video lottery terminals.

Referred to the Committee on Gaming Regulation.

**Mr. Berg introduced--**

**S.F. No. 403:** A bill for an act relating to the city of Morris; providing for the enlargement of a tax increment financing district.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Berg and Bertram introduced--**

**S.F. No. 404:** A bill for an act relating to tax increment financing; increasing the maximum increment for ethanol projects exempt from the state aid reductions; amending Minnesota Statutes 1994, section 273.1399, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Johnston, Lesewski, Messrs. Kramer, Day and Langseth introduced--**

**S.F. No. 405:** A bill for an act relating to the organization and operation of state government; appropriating money to departments of transportation and public safety and other agencies, with certain conditions; providing for transfer of certain money in the state treasury; prescribing fees; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 171.20, subdivision 4; 176.192; and 299A.51, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Price, Morse, Murphy and Ms. Krentz introduced--**

**S.F. No. 406:** A bill for an act relating to water; appropriating money to the department of natural resources for exploration of groundwater supplies.

Referred to the Committee on Environment and Natural Resources.

**Mr. Price introduced--**

**S.F. No. 407:** A bill for an act relating to the environment; providing penalties for misrepresentations regarding environmental matters; amending Minnesota Statutes 1994, section 115.075.

Referred to the Committee on Environment and Natural Resources.

**Ms. Kiscaden, Mr. Samuelson, Ms. Robertson, Messrs. Vickerman and Kramer introduced--**

**S.F. No. 408:** A bill for an act relating to health and human services; assistance programs; program integrity; child support enforcement; mental health administration; home health care; group residential housing; health care administration; long-term care; children's services; social services programs; mental health services; long-term care facilities; appropriating money; amending Minnesota Statutes 1994, sections 16B.08, subdivision 5; 62A.045; 62A.046; 62A.048; 62A.27; 62J.04, subdivision 1a; 62J.09, subdivision 1a; 62J.152, subdivision 5; 62J.48; 62J.65; 62Q.01, subdivisions 3 and 4; 62Q.41; 144.0721, by adding a subdivision; 144.122; 144.226, subdivision 1; 157.03; 171.07, by adding a subdivision; 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 245.4882, subdivision 5; 245.4886, by adding subdivisions; 245A.14, subdivision 7; 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 246.56, by adding a subdivision; 252.27, subdivision 1a; 252.275, subdivisions 3, 4, and 8; 252.292, subdivision 4; 252.46, subdivisions 1, 3, 6, and 17; 254B.02, subdivision 1; 254B.05, subdivisions 1 and 4; 256.014, subdivision 1; 256.015, subdivisions 2 and 7; 256.025, subdivisions 1 and 2; 256.026; 256.034, subdivision 1; 256.73, subdivisions 2 and 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1, and by adding a subdivision; 256.9365; 256.969, subdivisions 1, 16, and 24; 256.978, subdivision 1; 256.98, subdivisions 1 and 8; 256.983, subdivision 4, and by adding a subdivision; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivisions 1, 3, and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.06, subdivision 4; 256B.0625, subdivision 13, and by adding a subdivision; 256B.0627, subdivisions 1, 4, and 5; 256B.0628, subdivision 2, and by adding a subdivision; 256B.0641, subdivision 1; 256B.0911, subdivisions 2 and 4; 256B.0913, subdivisions 4, 5, 8, 12, 14, and by adding a subdivision; 256B.0915, subdivisions 3, 5, and by adding a subdivision; 256B.092, by adding a subdivision; 256B.093, subdivisions 1, 2, and 3; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.431, subdivisions 2j, 15, 22, 24, and by adding subdivisions; 256B.432, subdivisions 1, 2, 3, 5, and 6; 256B.501, subdivisions 1, 3, 3c, 3g, and by adding subdivisions; 256B.69, by adding a subdivision; 256D.03, subdivisions 3b and 4; 256D.05, subdivision 7; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1, and by adding a subdivision; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.46, subdivisions 1 and 2; 256D.48, subdivision 1; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; 256H.18; 256H.20, subdivision 3a; 256I.03, subdivision 5, and by adding a subdivision; 256I.04; 256I.05, subdivisions 1, 1a, and 5; 256I.06, subdivisions 2 and 6; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 393.07, subdivision 10; 518.171, subdivisions 1, 2a, 3, 4, 5, 7, and 8; 518.575; 518.611, subdivisions 1, 2, 4, and 8a; 518.613, subdivisions 1, 2, and 7; 518.614, subdivision 1; 518.615, subdivision 3; 518C.310; 524.6-207; 548.15; 550.37, subdivision 14; and 609.375, subdivision 1; Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 252; 256; 256B; and 518; repealing Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 62J.152, subdivision 6; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 252.275, subdivisions 4a and 10; 256.851; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; 256D.44, subdivision 7; 256H.03, subdivisions 2 and 5; and 518.561.

Referred to the Committee on Family Services.

**Ms. Berglin, Messrs. Laidig, Belanger, Vickerman and Ms. Kiscaden introduced--**

**S.F. No. 409:** A bill for an act relating to traffic regulations; authorizing peace officers to stop drivers and issue citations for seat belt violations without first observing a moving violation; amending Minnesota Statutes 1994, section 169.686, subdivision 1.

Referred to the Committee on Transportation and Public Transit.

**Mr. Marty, Ms. Berglin, Messrs. Samuelson; Moe, R.D. and Finn introduced--**

**S.F. No. 410:** A bill for an act relating to health; giving the commissioner of administration authority to negotiate contract prices for all prescription drugs sold in Minnesota; allowing correction orders to be issued; establishing a statewide drug formulary; requiring a pharmacy to post a sign on generic substitution; amending Minnesota Statutes 1994, sections 151.21, subdivisions 2, 3, and by adding a subdivision; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; and 256.

Referred to the Committee on Health Care.

**Messrs. Neuville, Knutson, Belanger and Laidig introduced--**

**S.F. No. 411:** A bill for an act relating to the organization and operation of state government; appropriating money for public defense, criminal justice, corrections, and general judicial expenses of state government; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1994, section 626.861, subdivision 4.

Referred to the Committee on Crime Prevention.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 412:** A bill for an act relating to education; increasing the general education formula allowance; increasing training and experience revenue; lowering the referendum allowance limit; equalizing referendum revenue; creating a discretionary aid and levy program; limiting total general education revenue; repealing supplemental revenue; amending Minnesota Statutes 1994, sections 124A.03, subdivisions 1c and 1f; 124A.22, subdivisions 1, 2, and 4; 124A.24; and 273.1398, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1994, sections 122.531, subdivision 5a; and 124A.22, subdivisions 8, 8a, 8b, and 9.

Referred to the Committee on Education.

**Ms. Johnson, J.B. and Mr. Beckman introduced--**

**S.F. No. 413:** A bill for an act relating to traffic regulations; driving while intoxicated; establishing pilot program to test effectiveness of electronic alcohol monitoring of DWI offenders; appropriating money.

Referred to the Committee on Crime Prevention.

**Messrs. Laidig, Frederickson, Morse, Ms. Olson and Mrs. Pariseau introduced--**

**S.F. No. 414:** A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; food licensing fees; administration of federal reimbursements; furnishing equipment for natural disaster relief; costs of administering certain school lands; hazardous substance recovery proceeds; costs of assistance in cases of petroleum tank releases; amending Minnesota Statutes 1994, sections 86.72, subdivision 1; 88.065; 92.46, subdivision 1; 115B.20, subdivision 1; and 115C.03, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 28A.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Merriam and Mondale introduced--**

**S.F. No. 415:** A bill for an act relating to metropolitan mosquito control; abolishing the metropolitan mosquito control district and commission; providing for conflicts of interests and ethical practices of members or permanent employees of any joint powers mosquito abatement board formed in the metropolitan area; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 3.9741, subdivision 1; 16B.122, subdivisions 1 and 3; 270.12, subdivision 3; 275.065, subdivision 3; 275.066; 352.01, subdivision 2a; 473.143, subdivision 1; and 473.8011; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.701; 473.702; 473.703; 473.704; 473.705; 473.706; 473.711; 473.712; 473.714; 473.715; and 473.716.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Merriam introduced--**

**S.F. No. 416:** A bill for an act relating to railroads; authorizing cities to regulate the sounding of audible warning signals by locomotives; amending Minnesota Statutes 1994, section 219.567.

Referred to the Committee on Transportation and Public Transit.

**Mses. Berglin, Piper, Mr. Sams and Ms. Kiscaden introduced--**

**S.F. No. 417:** A bill for an act relating to human services; development of a long-term care payment and services delivery system; appropriating money.

Referred to the Committee on Health Care.

**Messrs. Kelly, Merriam, Neuville, Ms. Reichgott Junge and Mr. Spear introduced--**

**S.F. No. 418:** A bill for an act relating to education; authorizing special projects and programs to combat truancy; denying driving privileges for certain truant students; imposing parental liability for truant behavior and for failure to exercise reasonable control; requiring the attorney general to report on the effectiveness of school safety programs; increasing school levy authority for crime prevention activities; requiring school districts to adopt gun-free policies; providing a fee exception for school uniforms; requiring criminal history background checks for teachers; clarifying authority to deny teacher licenses; modifying reporting requirements; modifying offender rehabilitation exceptions; providing for school security; clarifying access to data; limiting school liability for certain security measures; establishing grants for school safety programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 120.101, subdivision 1; 120.14; 120.73, by adding a subdivision; 124.912, subdivision 6; 125.05, by adding a subdivision; 125.09, subdivision 1; 127.20; 171.04, subdivision 1; 260.131, by adding a subdivision; 260.132, subdivisions 1 and 4; 260.161, subdivision 3; 260.191, subdivision 1; 260.315; 299A.33, subdivision 3; 364.09; 466.03, by adding a subdivision; and 609.605, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 8; 123; and 127; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, section 126.25; and Laws 1994, chapter 576, section 1.

Referred to the Committee on Education.

**Messrs. Bertram and Berg introduced--**

**S.F. No. 419:** A bill for an act relating to taxation; providing a sales tax exemption for building materials used in certain agricultural processing facilities; exempting a tax increment financing district in the city of Brooten from the LGA/HACA offset; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes and Tax Laws.

**MEMBERS EXCUSED**

Ms. Berglin, Messrs. Mondale and Riveness were excused from the Session of today from 9:00 to 9:15 a.m. Messrs. Chmielewski and Stumpf were excused from the Session of today from 9:00 to 9:30 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, February 13, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## FIFTEENTH DAY

St. Paul, Minnesota, Monday, February 13, 1995

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Michael V. Tegeder.

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:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Novak	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Johnson, D.E.	Larson	Olson	Samuelson
Berglin	Johnson, D.J.	Lesewski	Ourada	Scheevel
Bertram	Johnson, J.B.	Lessard	Pappas	Solon
Betzold	Johnston	Limmer	Pariseau	Spear
Chandler	Kelly	Marty	Piper	Stevens
Chmielewski	Kiscaden	Merriam	Pogemiller	Stumpf
Cohen	Kleis	Metzen	Price	Terwilliger
Dille	Knutson	Moe, R.D.	Ranum	Vickerman
Finn	Kramer	Mondale	Reichgott Junge	Wiener
Flynn	Krentz	Morse	Riveness	

The President declared a quorum present.

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

### OATH OF OFFICE

The newly elected Senator, Mr. Warren Limmer from the Thirty-third District, presented his certificate of election and subscribed to the oath of office as administered by the Honorable Kathleen Blatz, District Court Judge.

### REPORTS OF COMMITTEES

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred S.F. No. 257:** A bill for an act relating to soil and water conservation district boards; providing

that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, subdivision 1.

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. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 315:** A bill for an act relating to elections; changing and clarifying provisions of the Minnesota election law; amending Minnesota Statutes 1994, sections 201.071, subdivision 1; 203B.01, by adding a subdivision; 203B.11, subdivision 1; 204B.06, by adding a subdivision; 204B.09, by adding a subdivision; 204B.15; 204B.27, by adding a subdivision; 204B.31; 204B.32, subdivision 1; 204B.36, subdivision 2; 204B.45, subdivision 1; 204B.46; 204C.08, by adding a subdivision; 204C.31, subdivision 2; 206.62; 206.90, subdivisions 4 and 6; 207A.03, subdivision 2; and 211A.02, subdivision 2; repealing Minnesota Statutes 1994, sections 204D.15, subdivision 2; and 211B.11, subdivision 2.

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

Page 5, line 14, before "nonprofit" insert "charitable" and after "organization" insert "that is governed by section 501(c)(3) of the Internal Revenue Code of 1986"

Page 10, line 29, delete "sections" and insert "section" and delete the semicolon and insert a comma

Page 10, delete line 30 and insert "is repealed."

Amend the title as follows:

Page 1, line 13, delete "sections" and insert "section"

Page 1, line 14, delete "; and 211B.11, subdivision 2"

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

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 301:** A bill for an act relating to human services; families; social services programs; child care; federal waivers; appropriating money; amending Minnesota Statutes 1994, section 256.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Delete everything after the enacting clause and insert:

"Section 1. [EMPOWERMENT ZONES; ADMINISTRATIVE SIMPLIFICATION OF WELFARE LAWS.]

(a) The commissioner of human services shall make recommendations to effectuate the changes in federal laws and regulations, state laws and rules, and the state plan to improve the administrative efficiency of the aid to families with dependent children, general assistance, work readiness, family general assistance, medical assistance, general assistance medical care, and food stamp programs. At a minimum, the following administrative standards and procedures must be changed.

The commissioner shall:

(1) require income or eligibility reviews no more frequently than annually for cases in which income is normally invariant, as in aid to families with dependent children cases where the only source of household income is Supplemental Social Security Income or Retirement and Survivors Disability Insurance;

(2) permit households to report income annually when the source of income is excluded, such as a minor's earnings;

(3) require income or eligibility reviews no more frequently than annually for extended medical assistance cases;

(4) require income or eligibility reviews no more frequently than annually for a medical assistance postpartum client, where the client previously had eligibility under a different basis prior to pregnancy or if other household members have eligibility with the same income/basis that applies to the client;

(5) permit all income or eligibility reviews to use the short application form for foster care medical assistance cases;

(6) make dependent care expenses declaratory for medical assistance; and

(7) permit households to only report gifts worth \$100 or more per month.

(b) The county's administrative savings resulting from these changes may be allocated to fund the empowerment zones initiative or be used for any other lawful purpose.

(c) The recommendations must be provided in a report to the chairs of the appropriate legislative committees by August 1, 1995. The recommendations must include a list of the administrative standards and procedures that require approval by the federal government before implementation, and also which administrative simplification standards and procedures may be implemented by a county prior to receiving a federal waiver.

(d) The commissioner shall seek the necessary waivers from the federal government as soon as possible to implement the administrative simplification standards and procedures.

## Sec. 2. [EMPOWERMENT ZONES.]

The commissioner of human services, and certain county agencies shall develop, by December 1, 1995, a plan to improve the employment opportunities available to economic assistance recipients. The employment activities shall be focused on improving public infrastructure, enhancing the local tax base, improving the quality of available housing, reducing crime, designing strategies for job skill enhancement, strengthening communities, and maintaining and improving natural systems. The county is authorized to retain 75 percent of the increased valuation of the property included in the empowerment zone for five years. This money must be placed into a pool and used for funding of empowerment zones. The plan shall include input and support from city council, county board, park board, and school board. The plan shall coordinate existing funding streams and target them to mutually agreed upon projects. Organized labor shall be consulted in the development of the plan and implementation of any work activities. Participating jurisdictions shall report back to the legislature by August 1, 1995, with a plan for the projects to be located in pockets of poverty, as identified by the city council, county board, park board, and school board.

## Sec. 3. [EMPOWERMENT ZONE APPROPRIATION.]

\$..... is appropriated for fiscal year ending June 30, 1996, from the general fund to the commissioner of human services for the county agencies to develop and implement the public works program. Future state funding for these projects shall be kept revenue neutral by accessing nontraditional funding streams within the existing state budget."

Delete the title and insert:

"A bill for an act relating to self-sufficiency; streamlining and simplifying county administrative procedures to fund the empowerment zone initiative; creating employment opportunities and improving the community through empowerment zones."

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 Crime Prevention, to which was referred**

**S.F. No. 64:** A bill for an act relating to corrections; requiring that the commissioner of corrections notify affected local governments before licensing foster care facilities for delinquent children; amending Minnesota Statutes 1994, section 241.021, subdivision 2, and by adding a subdivision.

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

Page 2, line 5, after "which" insert "it"

Page 2, line 15, after "subdivision" insert "unless the facility has a licensed capacity of six or fewer persons and is occupied by either the licensee or the group foster home parents"

Amend the title as follows:

Page 1, line 4, after "licensing" insert "certain"

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 163:** A bill for an act relating to crimes; extending expiration date of crime victim and witness advisory council; amending Minnesota Statutes 1994, section 611A.71, subdivision 7.

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

Page 1, line 9, strike "The council expires on June 30,"

Page 1, line 10, delete "1997" and insert "This council is not subject to the expiration provisions contained in section 15.059"

Amend the title as follows:

Page 1, line 2, delete "extending expiration date of" and insert "exempting the"

Page 1, line 3, after "council" insert "from expiration"

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

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

**H.F. No. 29** for comparison with companion Senate File, reports the following House File was found 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.

29

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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. 315 and 64 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. No. 29 was read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Krentz moved that her name be stricken as a co-author to S.F. No. 23. The motion prevailed.

Mr. Johnson, D.E. moved that the name of Mr. Terwilliger be added as a co-author to S.F. No. 240. The motion prevailed.

Ms. Kiscaden moved that her name be stricken as a co-author to S.F. No. 301. The motion prevailed.

Mr. Stevens moved that his name be stricken as a co-author to S.F. No. 301. The motion prevailed.

Mr. Janezich moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 312. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Finn be added as a co-author to S.F. No. 357. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Finn and Mondale be added as co-authors to S.F. No. 374. The motion prevailed.

Mr. Sams moved that the name of Mr. Finn be added as a co-author to S.F. No. 376. The motion prevailed.

Mr. Betzold moved that the names of Mrs. Pariseau and Ms. Lesewski be added as co-authors to S.F. No. 382. The motion prevailed.

Mr. Sams moved that the name of Mr. Finn be added as a co-author to S.F. No. 396. The motion prevailed.

Mr. Sams moved that the name of Mr. Finn be added as a co-author to S.F. No. 397. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Finn be added as a co-author to S.F. No. 400. The motion prevailed.

Mr. Berg moved that the name of Mr. Samuelson be added as a co-author to S.F. No. 404. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Ms. Ranum be added as a co-author to S.F. No. 412. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Ms. Anderson be added as a co-author to S.F. No. 413. The motion prevailed.

Mr. Merriam moved that the names of Ms. Olson and Mr. Oliver be added as co-authors to S.F. No. 415. The motion prevailed.

**Messrs. Moe, R.D.; Johnson, D.E. and Terwilliger introduced--**

**Senate Resolution No. 24:** A Senate resolution honoring Ralph C. Graham.

WHEREAS, Ralph C. Graham was born July 6, 1925; and

WHEREAS, he was raised in a family with a long tradition of service to the state of Minnesota and especially to the Senate, his father having served under seven governors; and

WHEREAS, he attended John Marshall High School, went to business college, graduated from radiologic technology school, and worked for the Minneapolis Veterans Hospital from 1946 to 1980; and

WHEREAS, Ralph began working in the Senate as a Sergeant in 1965, was first elected to the position of Assistant Sergeant at Arms in 1981, has been elected to that position every two years since then, and has now served the Senate for 30 years; and

WHEREAS, he was recently honored with an award by the Council on Black Minnesotans at the Council's Celebration of African American Lobby Day; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it honors Ralph C. Graham for this continuing dedication to the Senate and expresses its gratitude for his many years of service.

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 transmit it to Ralph C. Graham.

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 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Langseth	Oliver	Sams
Beckman	Hottinger	Larson	Olson	Samuelson
Belanger	Johnson, D.E.	Lesewski	Ourada	Scheevel
Berg	Johnson, J.B.	Lessard	Pappas	Solon
Berglin	Johnston	Limmer	Pariseau	Spear
Bertram	Kelly	Marty	Piper	Stevens
Betzold	Kiscaden	Merriam	Pogemiller	Stumpf
Chandler	Kleis	Metzen	Price	Terwilliger
Chmielewski	Knutson	Moe, R.D.	Ranum	Vickerman
Cohen	Kramer	Mondale	Reichgott Junge	Wiener
Finn	Krentz	Morse	Riveness	
Flynn	Kroening	Murphy	Robertson	
Frederickson	Laidig	Novak	Runbeck	

The motion prevailed. So the resolution was adopted.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**Senate Resolution No. 25:** 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. 20 relating to mileage, Senate Daily Journal page 46, be amended as follows:

Page 1, line 27, delete "50" and insert "56"

Page 1, after line 45, insert:

LIMMER, Warren . . . . . 52

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

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**Senate Resolution No. 26:** 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 79th session, Senate Daily Journal pages 10-12, as amended by Senate Resolution No. 15, Daily Journal pages 34-35, be amended as follows:

COMMERCE AND CONSUMER PROTECTION - 15

Delete: Johnston

Add: Limmer

CRIME PREVENTION - ~~42~~ 13

Add: Limmer

ENVIRONMENT AND NATURAL RESOURCES - ~~48~~ 19

Add: Lesewski

JOBS, ENERGY AND COMMUNITY DEVELOPMENT - ~~43~~ 14

Add: Limmer

METROPOLITAN AND LOCAL GOVERNMENT - ~~45~~ 16

Add: Johnston

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

### CALENDAR

**S.F. No. 35:** A bill for an act relating to elections; changing certain requirements and procedures for voter registration and absentee voting; imposing a penalty; amending Minnesota Statutes 1994, sections 201.061, subdivision 1; 201.071, subdivision 1; 201.081; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivisions 1 and 2; 201.171; 203B.02, subdivision 1; 203B.03, subdivision 1; 203B.04, subdivision 1; 203B.06, subdivision 3; 203B.07, subdivision 2; 203B.08, subdivision 1; 203B.11, by adding a subdivision; 203B.12, subdivision 2, and by adding a subdivision; 203B.13, subdivisions 1 and 2; 203B.16, by adding a subdivision; and 203B.19; proposing coding for new law in Minnesota Statutes, chapter 203B; repealing Minnesota Statutes 1994, section 203B.02, 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 42 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Novak	Samuelson
Beckman	Flynn	Langseth	Pappas	Solon
Berglin	Hanson	Marty	Piper	Spear
Bertram	Hottinger	Merriam	Pogemiller	Stumpf
Betzold	Johnson, D.J.	Metzen	Price	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Ranum	Wiener
Chmielewski	Kelly	Mondale	Reichgott Junge	
Cohen	Kiscaden	Morse	Riveness	
Dille	Krentz	Murphy	Sams	

Those who voted in the negative were:

Belanger	Kleis	Lesewski	Ourada	Stevens
Berg	Knutson	Lessard	Pariseau	Terwilliger
Frederickson	Kramer	Limmer	Robertson	
Johnson, D.E.	Laidig	Oliver	Runbeck	
Johnston	Larson	Olson	Scheevel	

So the bill passed and its title was agreed to.

**S.F. No. 36:** A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; clarifying campaign finance requirements; requiring return of public subsidies under certain conditions; providing penalties; repealing provisions for state financing of congressional campaigns; amending Minnesota Statutes 1994, sections 10A.01, subdivisions 10c, 11, 25, 28, and by adding a subdivision; 10A.02, subdivisions 1, 11, and 12; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 3, 4, 5, 6, and 7; 10A.05; 10A.065, subdivision 1, and by adding a subdivision; 10A.08; 10A.09, subdivisions 3 and 7; 10A.14, subdivision 4; 10A.15, subdivisions 3a and 5; 10A.20, subdivisions 3, 5, and 12, and by adding a subdivision; 10A.21, subdivision 3; 10A.23; 10A.25, subdivisions 2, 6, 10, and 11; 10A.27, subdivisions 9, 10, and 12; 10A.275, subdivision 1; 10A.28, subdivision 1; 10A.31, subdivisions 3, 4, 5, 6, 7, 10, 11, and 12; 10A.315; 10A.322, subdivisions 1 and 4; 10A.323; 10A.324, subdivision 1; 10A.335; 10A.34; 211A.12; 211B.15, subdivisions 2, 15, and 16; and 290.06, subdivision 23; repealing Minnesota Statutes 1994, sections 6.76; 10A.20, subdivision 6b; 10A.21, subdivisions 1 and 2; 10A.25, subdivision 13; 10A.324, subdivisions 2 and 4; 10A.40; 10A.41; 10A.42; 10A.43; 10A.44; 10A.45; 10A.46; 10A.47; 10A.48; 10A.49; 10A.50; and 10A.51.

Was read the third time 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:

Anderson	Frederickson	Kroening	Murphy	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Johnson, D.E.	Larson	Olson	Scheevel
Berglin	Johnson, D.J.	Lesewski	Ourada	Solon
Bertram	Johnson, J.B.	Lessard	Pappas	Spear
Betzold	Johnston	Limmer	Pariseau	Stevens
Chandler	Kelly	Marty	Piper	Stumpf
Chmielewski	Kiscaden	Merriam	Pogemiller	Terwilliger
Cohen	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Ranum	Wiener
Finn	Kramer	Mondale	Reichgott Junge	
Flynn	Krentz	Morse	Riveness	

Ms. Robertson voted in the negative.

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**H.F. No. 98:** A bill for an act relating to gambling; providing for an alternate member of the advisory council on gambling; amending Laws 1994, chapter 633, article 8, section 5, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Dille	Hottinger	Kelly
Beckman	Betzold	Finn	Johnson, D.E.	Kiscaden
Belanger	Chandler	Flynn	Johnson, D.J.	Kleis
Berg	Chmielewski	Frederickson	Johnson, J.B.	Knutson
Berglin	Cohen	Hanson	Johnston	Kramer



Krentz	Marty	Olson	Reichgott Junge	Spear
Kroening	Metzen	Ourada	Riveness	Stevens
Laidig	Moe, R.D.	Pappas	Robertson	Stumpf
Langseth	Mondale	Pariseau	Runbeck	Terwilliger
Larson	Morse	Piper	Sams	Vickerman
Lesewski	Murphy	Pogemiller	Samuelson	Wiener
Lessard	Novak	Price	Scheevel	
Limmer	Oliver	Ranum	Solon	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mrs. Pariseau in the chair.

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

S.F. Nos. 50 and 181, which the committee recommends to pass.

H.F. No. 47, which the committee recommends to pass with the following amendment offered by Mr. Marty:

Amend H.F. No. 47, as amended pursuant to Rule 49, adopted by the Senate February 2, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 94.)

Page 1, line 20, after "include" insert "(i)"

Page 1, line 23, delete "and it also does not include" and insert "(ii)"

Page 1, line 24, after "Minnesota" insert ", or (iii) recycling residuals generated by a nonprofit organization that has as its primary function accepting materials from households for reuse or recycling"

The motion prevailed. So the amendment was adopted.

S.F. No. 213, which the committee recommends to pass, after the following motion:

Mr. Morse moved to amend S.F. No. 213 as follows:

Page 1, line 11, before the period, insert ", and section 3 is repealed July 1, 2000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, J.B.	Marty	Pogemiller	Scheevel
Berglin	Johnston	Merriam	Price	Spear
Betzold	Krentz	Mondale	Ranum	Wiener
Flynn	Kroening	Morse	Reichgott Junge	
Hottinger	Limmer	Piper	Riveness	

Those who voted in the negative were:

Beckman	Frederickson	Kramer	Novak	Samuelson
Belanger	Hanson	Laidig	Oliver	Solon
Berg	Johnson, D.E.	Langseth	Olson	Stevens
Bertram	Johnson, D.J.	Larson	Ourada	Stumpf
Chandler	Kelly	Lesewski	Pariseau	Terwilliger
Cohen	Kiscaden	Lessard	Robertson	Vickerman
Dille	Kleis	Metzen	Runbeck	
Finn	Knutson	Murphy	Sams	

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

On motion of Ms. Reichgott Junge, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Mr. Bertram introduced--**

**S.F. No. 420:** A bill for an act relating to the Paynesville area hospital district; authorizing the district to annex Eden Lake township to the district.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Metzen introduced--**

**S.F. No. 421:** A bill for an act relating to health; creating an exception to the nursing home moratorium; establishing rates for total replacements; amending Minnesota Statutes 1994, sections 144A.071, subdivision 4a; and 256B.431, subdivision 17.

Referred to the Committee on Health Care.

**Mr. Metzen introduced--**

**S.F. No. 422:** A bill for an act relating to retirement; authorizing participation in a retirement incentive by a certain retired member of the public employees retirement association.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Price and Ms. Wiener introduced--**

**S.F. No. 423:** A bill for an act relating to real estate; requiring the commissioner of commerce to design a required disclosure short form to be used in all residential real estate transactions.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Samuelson, Mses. Robertson, Berglin, Mr. Sams and Ms. Piper introduced--**

**S.F. No. 424:** A bill for an act relating to health; establishing an osteoporosis prevention and treatment program; requiring an osteoporosis assessment; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Mr. Betzold and Ms. Berglin introduced--**

**S.F. No. 425:** A bill for an act relating to health; providing rulemaking authority; modifying enforcement and fee provisions; providing penalties; amending Minnesota Statutes 1994, sections 144.414, subdivision 3; 144.417, subdivision 1; 144.99, subdivisions 1, 4, and 6; 144.991, subdivision 5; 326.75, subdivision 3a; and 326.78, subdivisions 2 and 9; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, section 144.8781, subdivision 4; Laws 1989, chapter 282, article 3, section 28; and Laws 1993, chapter 286, section 11.

Referred to the Committee on Health Care.

**Messrs. Janezich; Solon; Johnson, D.J.; Chmielewski and Ms. Lesewski introduced--**

**S.F. No. 426:** A bill for an act relating to motor vehicles; changing definition of fleet for vehicle registration purposes; amending Minnesota Statutes 1994, section 168.011, subdivision 34.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Solon; Johnson, D.J. and Chmielewski introduced--**

**S.F. No. 427:** A bill for an act relating to Western Lake Superior Sanitary District; providing for compliance with certain requirements of the Internal Revenue Code; proposing coding for new law in Minnesota Statutes, chapter 458D.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Morse, Price, Ms. Olson, Messrs. Laidig and Merriam introduced--**

**S.F. No. 428:** A bill for an act relating to natural resources; authorizing grants to units of government and school districts for parks, recreation areas, and natural and scenic areas; authorizing rules for administration; proposing coding for new law in Minnesota Statutes, chapter 85; repealing Minnesota Statutes 1994, section 85.019.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse, Bertram, Vickerman, Sams and Ms. Hanson introduced--**

**S.F. No. 429:** A bill for an act relating to agriculture; eliminating the sunset date for the farmer-lender mediation act; repealing Laws 1986, chapter 398, article 1, section 18, as amended.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Metzen introduced--**

**S.F. No. 430:** A bill for an act relating to highways; requiring construction of a noise barrier on legislative route No. 115 in Inver Grove Heights.

Referred to the Committee on Transportation and Public Transit.

**Ms. Reichgott Junge, Messrs. Betzold and Knutson introduced--**

**S.F. No. 431:** A bill for an act relating to eminent domain proceedings; amending Minnesota Statutes 1994, sections 117.065; 117.115, subdivision 2; and 117.145.

Referred to the Committee on Judiciary.

**Ms. Johnston, Mrs. Pariseau, Ms. Hanson and Mr. Day introduced--**

**S.F. No. 432:** A bill for an act relating to metropolitan government; establishing four-year community-based transit service initiative demonstration program; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Transportation and Public Transit.

**Mses. Pappas, Flynn, Robertson, Mr. Oliver and Ms. Wiener introduced--**

**S.F. No. 433:** A bill for an act relating to local government; abolishing town government and providing for the dissolution of organized towns; providing for the governance of territory of dissolved towns; specifying certain powers and duties of counties and cities in relation to dissolution of towns; proposing coding for new law as Minnesota Statutes, chapter 365; repealing

Minnesota Statutes 1994, sections 365.01; 365.02; 365.025; 365.04; 365.05; 365.07; 365.08; 365.09; 365.10; 365.11; 365.125; 365.13; 365.14; 365.15; 365.16; 365.17; 365.18; 365.181; 365.19; 365.20; 365.21; 365.22; 365.23; 365.24; 365.37; 365.38; 365.39; 365.40; 365.41; 365.42; 365.43; 365.431; 365.44; 365.50; 365.51; 365.52; 365.53; 365.54; 365.55; 365.56; 365.57; 365.58; 365.59; 365A.01; 365A.02; 365A.03; 365A.04; 365A.05; 365A.06; 365A.07; 365A.08; 365A.09; 365A.10; 366.01; 366.012; 366.015; 366.03; 366.04; 366.05; 366.07; 366.08; 366.09; 366.095; 366.10; 366.11; 366.12; 366.13; 366.14; 366.15; 366.151; 366.16; 366.17; 366.18; 366.181; 366.19; 366.20; 366.21; 366.22; 366.27; 367.01; 367.02; 367.03; 367.033; 367.05; 367.10; 367.11; 367.12; 367.13; 367.14; 367.15; 367.16; 367.161; 367.17; 367.18; 367.19; 367.22; 367.23; 367.24; 367.25; 367.30; 367.31; 367.32; 367.33; 367.34; 367.35; 367.36; 367.40; 367.401; 367.411; 367.42; 367.43; 368.01; 368.015; 368.47; 368.48; 368.49; and 368.85.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Kelly, Merriam, Cohen, Ms. Piper and Mr. Riveness introduced--**

**S.F. No. 434:** A bill for an act relating to crime prevention; clarifying the scope of the witness and victim protection fund; appropriating money; amending Minnesota Statutes 1994, section 299C.065, subdivision 1a.

Referred to the Committee on Crime Prevention.

**Messrs. Kelly, Cohen, Merriam, Ms. Piper and Mr. Riveness introduced--**

**S.F. No. 435:** A bill for an act relating to crime prevention; classifying name changes of protected witnesses as private data; expanding the crime of witness tampering; amending Minnesota Statutes 1994, sections 259.10; and 609.498, subdivision 1.

Referred to the Committee on Crime Prevention.

**Mr. Kelly, Ms. Piper and Mr. Riveness introduced--**

**S.F. No. 436:** A bill for an act relating to crime prevention; creating a fund to be used by local law enforcement agencies for the purpose of meeting certain emergency needs of crime victims; providing for administration of the fund by the crime victims reparations board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Crime Prevention.

**Messrs. Betzold, Vickerman, Terwilliger and Ms. Piper introduced--**

**S.F. No. 437:** A bill for an act relating to human services; authorizing projects to demonstrate the effectiveness of case management alternatives for persons with developmental disabilities; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health Care.

**Ms. Piper, Mr. Marty, Ms. Johnston, Mr. Morse and Mrs. Pariseau introduced--**

**S.F. No. 438:** A bill for an act relating to education; providing for disclosure of past buyout arrangements by superintendents to be; amending Minnesota Statutes 1994, section 123.34, by adding a subdivision.

Referred to the Committee on Education.

**Messrs. Sams, Vickerman, Terwilliger and Ms. Piper introduced--**

**S.F. No. 439:** A bill for an act relating to human services; authorizing projects which provide residential services in homes owned by persons with developmental disabilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health Care.

**Messrs. Hottinger, Solon, Belanger, Metzen and Larson introduced--**

**S.F. No. 440:** A bill for an act relating to insurance; regulating coverages, notice provisions, enforcement provisions, fees, licensees; making technical changes; amending Minnesota Statutes 1994, sections 60A.06, subdivision 3; 60A.085; 60A.111, subdivision 2; 60A.124; 60A.23, subdivision 8; 60A.26; 60A.951, subdivision 2; 60K.03, subdivision 7; 60K.14, subdivision 1; 61A.03, subdivision 1; 61A.071; 61A.092, subdivisions 3 and 6; 61B.28, subdivisions 8 and 9; 62A.042; 62A.135; 62A.136; 62A.141; 62A.146; 62A.148; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.31, subdivisions 1h and 1i; 62A.46, subdivision 2, and by adding a subdivision; 62A.48, subdivisions 1 and 2; 62A.50, subdivision 3; 62C.14, subdivision 14; 62C.142, subdivision 2a; 62D.101, subdivision 2a; 62E.02, subdivision 7; 62F.02, subdivision 2; 62I.09, subdivision 2; 62L.02, subdivision 16; 62L.03, subdivision 5; 65A.01, by adding a subdivision; 65B.06, subdivision 3; 65B.08, subdivision 1; 65B.09, subdivision 1; 65B.10, subdivision 3; 65B.61, subdivision 1; 72A.20, by adding a subdivision; 72B.05; 79.251, subdivision 5, and by adding a subdivision; 79A.01, by adding a subdivision; 79A.02, subdivision 4; 79A.03, by adding a subdivision; 176.181, subdivision 2; 299F.053, subdivision 2; and 515A.3-112; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1994, section 65B.07, subdivision 5.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Frederickson, Cohen, Terwilliger, Ms. Johnston and Mr. Neuville introduced--**

**S.F. No. 441:** A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; transferring certain duties and functions; amending Minnesota Statutes 1994, sections 240.155, subdivision 1; 240.24, subdivision 3; 297A.25, subdivision 11; 352.91, subdivision 4; 353.65, subdivisions 2 and 3; 354.07, subdivision 1; 354.42, subdivisions 2, 3, 5, and by adding a subdivision; and 356.865, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 1994, section 353.65, subdivision 3a.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Frederickson and Vickerman introduced--**

**S.F. No. 442:** A bill for an act relating to education; authorizing eligibility for debt service aid to independent school district No. 85, Springfield.

Referred to the Committee on Education.

**Messrs. Frederickson, Vickerman, Bertram, Berg and Scheevel introduced--**

**S.F. No. 443:** A bill for an act relating to tax increment financing; exempting districts established for purpose of constructing or expanding an agricultural processing facility from certain aid reductions; amending Minnesota Statutes 1994, section 273.1399, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Lesewski, Messrs. Vickerman, Morse, Frederickson and Lessard introduced--**

**S.F. No. 444:** A bill for an act relating to state parks; adding territory to Split Rock Creek state park.

Referred to the Committee on Environment and Natural Resources.

**Ms. Lesewski, Messrs. Vickerman, Stevens, Lessard and Bertram introduced--**

**S.F. No. 445:** A bill for an act relating to the environment; requiring the pollution control agency to permit the operation of certain waste combustors.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Solon; Janezich; Johnson, D.J. and Chmielewski introduced--**

**S.F. No. 446:** A bill for an act relating to commerce; restraint of trade; repealing price markup provisions in the sales discrimination law; amending Minnesota Statutes 1994, section 325D.06; and repealing Minnesota Statutes 1994, section 325D.08.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Cohen and Ms. Wiener introduced--**

**S.F. No. 447:** A bill for an act relating to commerce; relating to the administrative duties of the commissioner; regulating service of orders and other papers; modifying enforcement powers; regulating notaries public; amending Minnesota Statutes 1994, sections 45.027, subdivision 7, and by adding a subdivision; 214.101, by adding a subdivision; 359.01; 359.02; and 332.34; proposing coding for new law in Minnesota Statutes, chapters 45; and 359.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Solon, Samuelson, Mses. Johnston and Wiener introduced--**

**S.F. No. 448:** A bill for an act relating to occupations and professions; requiring that concrete and masonry contractors be licensed as residential contractors; amending Minnesota Statutes 1994, sections 326.83, subdivisions 7, 19, and by adding a subdivision; 326.842; and 326.94, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Hottinger, Betzold, Ms. Ranum, Messrs. Chandler and Knutson introduced--**

**S.F. No. 449:** 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. Hottinger and Frederickson introduced--**

**S.F. No. 450:** A bill for an act relating to education; providing for a levy adjustment for independent school district No. 2397, Le Sueur-Henderson.

Referred to the Committee on Education.

**Messrs. Neuville and Stevens introduced--**

**S.F. No. 451:** A bill for an act relating to health; modifying MinnesotaCare; prohibiting the collection of individual-level data; allowing for-profit integrated networks; modifying eligibility and premiums for the MinnesotaCare program; repealing the regulated all-payer option, growth limits, certain insurance provisions and other initiatives; authorizing and regulating medical care savings accounts; requiring malpractice reform; amending Minnesota Statutes 1994, sections 62A.65, subdivisions 3 and 7; 62J.04, subdivision 3; 62J.045, subdivision 3; 62J.06; 62J.09, subdivision 1a; 62J.17, subdivision 1; 62J.22; 62J.30, subdivisions 1, 3, 6, 7, 10, 11, and by adding a subdivision; 62J.31, subdivision 1; 62J.35, subdivision 1; 62J.45, subdivisions 1, 2, 4, 5, and 10;

62J.48; 62J.65; 62L.08, subdivision 8; 62N.05, subdivision 2; 62N.06, subdivision 1; 62N.25, subdivisions 5 and 7; 62N.381, subdivision 2; 62Q.01, subdivisions 3 and 4; 62Q.165; 62Q.18, subdivision 7; 62Q.30; 62Q.41; 256.9352, subdivision 3, and by adding a subdivision; 256.9354, subdivision 5; 256.9358, by adding a subdivision; 290.01, subdivisions 19a, 19b, and 19d; 549.01; 595.02, subdivision 5; 604.02, by adding a subdivision; 604.11, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62Q; and 548; proposing coding for new law as Minnesota Statutes, chapter 62S; repealing Minnesota Statutes 1994, sections 13.99, subdivision 19a; 62A.021; 62J.017; 62J.04, subdivisions 1, 1a, 7, and 9; 62J.15; 62J.152; 62J.156; 62J.32, subdivision 4; 62J.34; 62J.54, subdivision 4; 62J.55; 62L.08, subdivision 11; 62P.01; 62P.02; 62P.03; 62P.04; 62P.05; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.09; 62Q.18, subdivisions 2, 3, 4, 6, 8, and 9; and 144.1481; Laws 1992, chapter 549, article 3, section 19; Laws 1994, chapter 625, article 5, section 7.

Referred to the Committee on Health Care.

**Mses. Runbeck, Lesewski, Messrs. Frederickson, Metzen and Kroening introduced--**

**S.F. No. 452:** A bill for an act relating to the organization and operation of state government; appropriating money for economic development, to certain departments and agencies, with certain conditions; providing for regulation and administration of certain activities, practices, and accounts; amending Minnesota Statutes 1994, sections 116J.873, subdivision 4; 124.85, by adding a subdivision; 175.171; 176.1351, subdivision 1; 237.701, subdivision 1; 386.65, subdivision 1; 386.66; 386.67; 386.68; 386.69; and 462A.21, subdivisions 8 and 8b; Laws 1993, chapter 369, section 9, subdivisions 2 and 3.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Janezich, Ms. Hanson, Mr. Chmielewski, Mrs. Pariseau and Mr. Johnson, D.E. introduced--**

**S.F. No. 453:** A bill for an act relating to towns; providing for damage award to affected property owner when town board adopts a recorded town road map; amending Minnesota Statutes 1994, section 164.35, subdivision 4.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Cohen, Ms. Robertson, Mr. Pogemiller and Ms. Pappas introduced--**

**S.F. No. 454:** A bill for an act relating to the Minnesota Children's Museum; appropriating money.

Referred to the Committee on Finance.

**Ms. Runbeck, Messrs. Metzen, Larson and Day introduced--**

**S.F. No. 455:** A bill for an act relating to motor vehicles; allowing license plates for collector vehicles to be transferred and reissued; imposing fees; amending Minnesota Statutes 1994, section 168.10, subdivisions 1a, 1b, 1c, 1d, 1h, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Johnson, D.E. introduced--**

**S.F. No. 456:** A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1994, section 144A.071, subdivision 3.

Referred to the Committee on Health Care.

**Messrs. Chandler, Solon, Metzen, Knutson and Hottinger introduced--**

**S.F. No. 457:** A bill for an act relating to insurance; no-fault auto; regulating priorities of coverage for taxis; amending Minnesota Statutes 1994, section 65B.47, subdivision 1a.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Krentz, Mr. Janezich, Ms. Ranum, Messrs. Morse and Bertram introduced--**

**S.F. No. 458:** A bill for an act relating to education; repealing the appropriation limits for education programs for fiscal years 1996 and 1997; repealing Laws 1993, chapter 224, article 15, section 3, as amended.

Referred to the Committee on Education.

**Messrs. Novak; Moe, R.D. and Johnson, D.E. introduced--**

**S.F. No. 459:** A resolution memorializing the Congress of the United States to give due consideration to the readiness of the Republic of China on Taiwan for membership in the United Nations.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Metzen introduced--**

**S.F. No. 460:** A bill for an act relating to retirement; making the surviving spouses of certain police officers eligible for survivor benefits from the public employees retirement association police and fire fund.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Kelly, Belanger, Spear and Cohen introduced--**

**S.F. No. 461:** A bill for an act relating to marriage dissolution; providing that interference with or denial of visitation is grounds for modification of a custody order; amending Minnesota Statutes 1994, section 518.18.

Referred to the Committee on Judiciary.

**Ms. Johnson, J.B.; Mr. Mondale, Ms. Wiener, Messrs. Chandler and Stevens introduced--**

**S.F. No. 462:** A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2; 115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.47, by adding a subdivision; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.965, subdivision 1; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivision 4j; 116.072; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848; Laws 1994, chapter 628, article 3, section 209; proposing coding for new law in



Minnesota Statutes, chapter 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Lessard; Moe, R.D.; Dille; Chandler and Johnson, D.E. introduced--**

**S.F. No. 463:** A bill for an act relating to water; wastewater treatment; limiting National Pollution Discharge Elimination System permit fees; amending Minnesota Statutes 1994, section 115.03, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Mr. Scheevel, Ms. Olson, Messrs. Stumpf and Pogemiller introduced--**

**S.F. No. 464:** A bill for an act relating to education; providing a debt equalization determination for independent school district No. 233, Preston-Fountain, and independent school district No. 228, Harmony.

Referred to the Committee on Education.

**Mr. Kroening introduced--**

**S.F. No. 465:** A bill for an act relating to local government; requiring two-year terms of office for members of the governing body of certain cities; proposing coding for new law in Minnesota Statutes, chapter 410.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Kroening introduced--**

**S.F. No. 466:** A bill for an act relating to drivers' licenses; prescribing fee for Minnesota identification card; amending Minnesota Statutes 1994, section 171.06, subdivision 2.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Mondale; Merriam; Moe, R.D.; Johnson, D.E. and Vickerman introduced--**

**S.F. No. 467:** A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Ranum, Mr. Knutson, Mses. Robertson, Piper and Kiscaden introduced--**

**S.F. No. 468:** A bill for an act relating to children's services; establishing the department of children and education services; making related changes; appropriating money; amending Minnesota Statutes 1994, sections 126B.02, subdivision 1, and by adding a subdivision; 126B.03, subdivision 1; 126B.04; and 126B.05; proposing coding for new law in Minnesota Statutes, chapter 126B; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; 121.04, subdivision 2; and 126B.02, subdivisions 2, 3, and 4.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Solon and Ms. Wiener introduced--**

**S.F. No. 469:** A bill for an act relating to commerce; real estate; regulating certain licensees and registrants; amending Minnesota Statutes 1994, sections 82.18; 82.195, subdivision 1; 82.20, subdivision 13; 82A.11, subdivision 3; 83.28, subdivision 5; 386.65, subdivision 1; 386.66; 386.67; 386.68; and 386.69.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Laidig, Merriam, Neuville and Spear introduced--**

**S.F. No. 470:** A bill for an act relating to crime; requiring certain modifications to the sentencing guidelines to ensure sentence proportionality and to preserve available prison resources for the most violent offenders.

Referred to the Committee on Crime Prevention.

**Mrs. Pariseau introduced--**

**S.F. No. 471:** A bill for an act relating to the environment and natural resources; expanding the availability of money in the Minnesota environmental trust fund and future resources fund for certain purposes; substituting the advisory committee for the legislative commission on Minnesota resources in the administration of the environmental trust fund and the future resources fund; appropriating money; amending Minnesota Statutes 1994, sections 103B.321, subdivision 1; 116P.02, subdivision 2; 116P.03; 116P.04, subdivision 5; 116P.06; 116P.07; 116P.08, subdivisions 1, 3, 4, and 5; 116P.09, subdivisions 1 and 6; and 116P.11; repealing Minnesota Statutes 1994, sections 4.071, subdivision 2; 116P.02, subdivisions 4 and 5; 116P.05; 116P.08, subdivisions 6 and 7; 116P.09, subdivisions 2, 3, 4, 5, and 7; 116P.12; 116P.13, subdivision 3; and 116Q.02, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Mr. Berg introduced--**

**S.F. No. 472:** A bill for an act relating to game and fish; modifying size limits for walleye and northern pike; amending Minnesota Statutes 1994, section 97C.401, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 473:** A bill for an act relating to human services; requiring the department of human services to request a waiver from the federal government to allow the expansion of the Minnesota family investment program.

Referred to the Committee on Family Services.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 474:** A bill for an act relating to insurance; accident and sickness; regulating grace periods for Medicare supplement policies; amending Minnesota Statutes 1994, section 62A.04, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Finn; Moe, R.D.; Stumpf; Johnson, D.E. and Mrs. Pariseau introduced--**

**S.F. No. 475:** A bill for an act relating to property rights; requiring the attorney general to review proposed rules for potential to result in "takings" of private property; establishing a cause

of action for reduction in value of private property as a result of governmental regulation; proposing coding for new law in Minnesota Statutes, chapters 14; and 557.

Referred to the Committee on Judiciary.

**Messrs. Price and Laidig introduced--**

**S.F. No. 476:** A bill for an act relating to public employment; modifying penalties for noncompliance with the local government pay equity law; amending Minnesota Statutes 1994, section 471.9981, subdivision 6.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Price, Stumpf, Ms. Wiener and Mr. Solon introduced--**

**S.F. No. 477:** A bill for an act relating to education; consolidating and restructuring certain higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 136E.01, subdivision 1; 136E.02, subdivisions 1 and 3; 136E.021, subdivision 2; 136E.03; 136E.04, subdivisions 1, 3, and 7; 136E.05; 136E.31; 136E.395; 136E.525, subdivisions 1 and 2; and 136E.692, subdivisions 1, 3, and 4; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 136.01; 136.015; 136.016; 136.017; 136.02; 136.03; 136.031; 136.034; 136.035; 136.036; 136.045; 136.06; 136.063; 136.065; 136.07; 136.08; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.148; 136.15; 136.16; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.26; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.508; 136.55; 136.56; 136.57; 136.58; 136.60; 136.601; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.64; 136.65; 136.651; 136.653; 136.66; 136.67; 136.70; 136.71; 136.72; 136.80; 136.81; 136.82; 136.821; 136.83; 136.84; 136.85; 136.86; 136.87; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26; 136C.27; 136C.28; 136C.29; 136C.31; 136C.32; 136C.33; 136C.34; 136C.35; 136C.36; 136C.37; 136C.38; 136C.41; 136C.411; 136C.42; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; and 136E.04, subdivisions 2, 4, 5, and 6; Laws 1994, chapter 532, article 6, section 12, paragraph (a).

Referred to the Committee on Education.

**Mr. Johnson, D.E. and Ms. Lesewski introduced--**

**S.F. No. 478:** A bill for an act relating to education; authorizing independent school district No. 2190, Granite Falls-Clarkfield-Echo, to levy for costs of operating a swimming pool.

Referred to the Committee on Education.

**Ms. Runbeck, Messrs. Kleis and Johnson, D.E. introduced--**

**S.F. No. 479:** A bill for an act relating to lawful gambling; regulating lawful purpose expenditures by or to certain organizations exempt from federal income taxes; amending Minnesota Statutes 1994, sections 349.12, subdivision 25, and by adding a subdivision.

Referred to the Committee on Gaming Regulation.

**Messrs. Larson and Ourada introduced--**

**S.F. No. 480:** A bill for an act relating to workers' compensation; modifying provisions relating

to procedures and benefits; providing penalties; amending Minnesota Statutes 1994, sections 79.211, subdivision 1; 175.16; 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.105, subdivision 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, and 20; 176.178; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; 176.82; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1994, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Pappas, Anderson and Flynn introduced--**

**S.F. No. 481:** A bill for an act relating to human services; ending poverty; minimum wage; AFDC grant; undocumented persons eligible for GA and GAMC; STRIDE; Minnesota working family credit; sales tax on replacement capital equipment and special tooling; sliding fee child care program; appropriating money; amending Minnesota Statutes 1994, sections 177.24, subdivision 1; 256.01, by adding a subdivision; 256.031, subdivision 3; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, and 16; 256.737, subdivision 4; 256.74, subdivision 1, and by adding a subdivision; 256D.03, subdivision 3; 290.0671, subdivision 1; 297A.01, subdivision 16; 297A.02, subdivision 2; and 297A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 256D.05, subdivision 8; 297A.02, subdivision 5; and 297A.25, subdivision 53.

Referred to the Committee on Family Services.

**Mr. Stumpf introduced--**

**S.F. No. 482:** A bill for an act relating to education; authorizing independent school district No. 595, East Grand Forks, to use capital expenditure facilities revenue to acquire and construct buildings.

Referred to the Committee on Education.

**Messrs. Stumpf; Moe, R.D.; Ms. Hanson, Mr. Johnson, D.E. and Mrs. Pariseau introduced--**

**S.F. No. 483:** A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**MEMBERS EXCUSED**

Messrs. Day, Janezich and Neuville were excused from the Session of today. Ms. Pappas was excused from the Session of today at 12:00 noon.

**ADJOURNMENT**

Ms. Reichgott Junge moved that the Senate do now adjourn until 9:00 a.m., Thursday, February 16, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SIXTEENTH DAY**

St. Paul, Minnesota, Thursday, February 16, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Dr. Dale Peterson.

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

Anderson	Flynn	Krentz	Novak	Samuelson
Beckman	Frederickson	Laidig	Oliver	Scheevel
Belanger	Hanson	Langseth	Ourada	Solon
Berg	Hottinger	Larson	Pappas	Spear
Berglin	Janezich	Lessard	Piper	Stevens
Bertram	Johnson, D.J.	Limmer	Pogemiller	Stumpf
Betzold	Johnson, J.B.	Marty	Price	Terwilliger
Chandler	Johnston	Merriam	Ranum	Vickerman
Chmielewski	Kelly	Metzen	Reichgott Junge	Wiener
Cohen	Kiscaden	Moe, R.D.	Riveness	
Day	Kleis	Morse	Robertson	
Dille	Knutson	Murphy	Runbeck	
Finn	Kramer	Neuville	Sams	

The President declared a quorum present.

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

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

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

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF AGRICULTURE**

Elton Redalen, Box 110, Fountain, Fillmore County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

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

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF COMMERCE**

James E. Ulland, 1600 W. 22nd St., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Commerce and Consumer Protection.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF CORRECTIONS**

Frank W. Wood, 2164 - 15th Ave. E., North St. Paul, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Crime Prevention.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF EMPLOYEE RELATIONS**

Bruce Johnson, 2125 E. 3rd St., Duluth, St. Louis County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Governmental Operations and Veterans.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF FINANCE**

Laura M. King, 5911 Girard Ave. S., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Finance.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES**

Rodney W. Sando, Rt. 1, Box 771, Chisago City, Chisago County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

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

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF PUBLIC SERVICE**

Krista L. Sanda, 2952 W. River Pkwy., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF TRANSPORTATION**

James N. Denn, 8617 Riverview Ln., Brooklyn Park, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Transportation and Public Transit.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF VETERANS AFFAIRS**

Bernard R. Melter, 107 Village Ave., Cannon Falls, Goodhue County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Governmental Operations and Veterans.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

COMMISSIONER, MINNESOTA HOUSING FINANCE AGENCY

Katherine G. Hadley, 2083 James Ave., St. Paul, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

COMMISSIONER, MINNESOTA POLLUTION CONTROL AGENCY

Charles W. Williams, 5988 Bayberry Dr., White Bear Lake, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

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

January 20, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

CHAIR, METROPOLITAN COUNCIL

Curtis Johnson, 1802 Eagle Ridge Dr., Mendota Heights, Dakota County, effective January 27, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Metropolitan and Local Government.)

Warmest regards,  
Arne H. Carlson, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

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

**House Concurrent Resolution No. 5:** A House concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 13, 1995

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 February 16, 1995, the Senate may set its next day of meeting more than three days after the day of adjournment.

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



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

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 32, 49, 137, 35, 150 and 164.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 13, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 32:** A bill for an act relating to marriage; authorizing retired court administrators to solemnize marriages; amending Minnesota Statutes 1994, section 517.04.

Referred to the Committee on Judiciary.

**H.F. No. 49:** A bill for an act relating to intoxicating liquor; authorizing the Stearns county board to issue an intoxicating liquor license.

Referred to the Committee on Commerce and Consumer Protection.

**H.F. No. 137:** A bill for an act relating to utilities; abolishing sunset provision related to competitive rates for electric utilities; making technical changes; amending Laws 1990, chapter 370, section 7; repealing Minnesota Statutes 1994, section 216B.162, subdivision 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 213, now on the Calendar.

**H.F. No. 35:** A bill for an act relating to traffic regulations; restricting the issuance of limited licenses for the operation of commercial motor vehicles for certain offenses committed with a private vehicle; amending Minnesota Statutes 1994, section 171.30, subdivision 3.

Referred to the Committee on Transportation and Public Transit.

**H.F. No. 150:** A bill for an act relating to liquor; term of temporary on-sale licenses; amending Minnesota Statutes 1994, sections 340A.404, subdivision 10; and 340A.410, subdivision 10.

Referred to the Committee on Commerce and Consumer Protection.

**H.F. No. 164:** A bill for an act relating to utilities; abolishing sunset provision related to area development rate plans; allowing electric public utilities to offer area development rates under certain conditions; amending Minnesota Statutes 1994, section 216B.161; and Laws 1990, chapter 370, section 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 65, 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. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 201:** A bill for an act relating to agriculture; appropriating money for wheat and barley scab research.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 322:** A bill for an act relating to state government; rulemaking; authorizing the governor to veto certain rules and terminate rule proceedings; proposing coding for new law in Minnesota Statutes, chapter 4.

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

Page 1, line 11, after the period, insert "This authority applies only to the extent that the agency itself would have authority to take such action."

Page 1, line 18, delete "VETO" and insert "SUSPENSION" and delete "veto" and insert "suspend"

Page 1, line 19, before "rule" insert "previously adopted"

Page 1, line 21, delete "veto" and insert "suspension" and after the period, insert "The notice must include the reason for the suspension. The suspension is effective upon publication of the notice."

Page 1, line 23, delete "veto" and insert "suspends"

Page 2, line 1, delete "vetoed" and insert "suspended"

Page 2, line 2, delete the comma and insert ":(1)"

Page 2, line 4, before the period, insert "; and (2) the same governor may not suspend the same rule or the same portion of the rule again"

Amend the title as follows:

Page 1, line 3, delete "veto" and insert "suspend"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 5:** A bill for an act relating to state government; extending the coverage of certain requirements and prohibitions to cover the legislative branch; amending Minnesota Statutes 1994, sections 15.054; 15.0597, subdivision 1; and 16B.01, subdivision 2.

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

Page 1, after line 7, insert:

"Section 1. [3.1965] [PURCHASING PRACTICES.]

The legislature and legislative committees, commissions, and task forces shall follow the procedures and policies governing purchases, leases, rentals, and contracts for services that are set out in sections 16A.124, 16B.07 to 16B.103, and 16B.19 to 16B.22, except that the legislature is not subject to the authority of, nor to rules adopted by, the commissioners of finance and administration and need not submit the report required by section 16A.124, subdivision 7."

Page 1, line 13, after "legislative" insert "or judicial"

Page 3, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the first semicolon, insert "and" and delete "and 16B.01,"

Page 1, line 6, delete everything before the period and insert "proposing coding for new law in Minnesota Statutes, chapter 3"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 194:** A bill for an act relating to highways; designating bridge as Bridge of Hope; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

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

Page 1, line 13, after the period, insert "The people of the community, having resolved to support and financially back the marking of this bridge, shall reimburse the department for costs incurred in marking and memorializing this bridge."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 132:** A bill for an act relating to highways; prohibiting headwalls in highway rights-of-way; imposing a penalty; amending Minnesota Statutes 1994, section 160.27, subdivision 5.

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

Page 1, line 20, delete "maintain" and insert "reconstruct" and delete "a highway" and insert "the"

Page 1, line 21, after "right-of-way" insert "of a highway or road"

Page 1, line 22, delete "is" and insert "are"

Page 1, line 24, after "highway" insert "or road"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 190:** A bill for an act relating to traffic regulations; extending the length limitations and easing the weight restrictions for trucks hauling milk; amending Minnesota Statutes 1994, sections 169.81, subdivision 2; and 169.87, subdivision 3.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 145:** A bill for an act relating to motor vehicles; providing time limit for refunding motor vehicle registration tax overpayment; amending Minnesota Statutes 1994, section 168.16.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 144:** A bill for an act relating to traffic regulations; allowing certain holders of disabled parking certificates to make their address or name and address private; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; and 169.345, by adding a subdivision.

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

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1994, section 169.345, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF PRIVILEGE.] A vehicle that prominently displays the certificate authorized by this section or that bears license plates issued under section 168.021, may be parked by or for a physically disabled person:

- (1) in a designated parking space for disabled persons, as provided in section 169.346; and
- (2) in a metered parking space without obligation to pay the meter fee and without time restrictions unless time restrictions are separately posted on official signs.

For purposes of this subdivision, a certificate is prominently displayed if it is displayed so that it may be viewed from the front and rear of the vehicle by hanging it from the rearview mirror attached to the front windshield of the vehicle. If there is no rearview mirror or if the certificate holder's disability precludes placing the certificate on the mirror, the placard must be displayed on the dashboard on the driver's side of the vehicle. No part of the certificate may be obscured.

Notwithstanding clauses (1) and (2), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to accommodate heavy traffic during morning and afternoon rush hours and these ordinances also apply to physically disabled persons.

Sec. 3. Minnesota Statutes 1994, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue (1) immediately, a temporary permit valid for 30 days, if the person is eligible for the certificate issued under this paragraph, and (2) a special identifying certificate for a motor vehicle when a physically disabled applicant submits proof of physical disability under subdivision 2a. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for six years, if the disability is specified in the physician's or chiropractor's statement as permanent, and is valid for a period not to exceed six months, if the disability is specified as temporary.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically disabled persons, the division may issue without charge (1) immediately, a temporary permit valid for 30 days, if the operator is eligible for the certificate issued under this paragraph, and (2) a special identifying certificate for the vehicle. The operator of a vehicle displaying the certificate or temporary permit has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically disabled persons. The certificate issued to a person transporting physically disabled persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically disabled persons.

(c) A certificate must be made of plastic or similar durable material and must bear its expiration date prominently on both sides. A certificate issued prior to January 1, 1994, must bear its expiration date prominently on its face and will remain valid until that date or December 31, 2000, whichever shall come first. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each applicant must be provided a summary of the parking privileges and restrictions that apply to each vehicle for which the certificate is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate or temporary permit, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate or temporary permit. The commissioner shall not charge a fee for issuing a certificate to a person who has paid a fee for issuance of a temporary permit.

Sec. 4. Minnesota Statutes 1994, section 169.345, subdivision 4, is amended to read:

Subd. 4. [UNAUTHORIZED USE; REVOCATION; PENALTY.] If a peace officer or authorized agent of the citizen enforcement program finds that the certificate or temporary permit is being improperly used, the officer or agent shall report the violation to the division of driver and vehicle services in the department of public safety and the commissioner of public safety may revoke the certificate or temporary permit. A person who uses the certificate or temporary permit in violation of this section is guilty of a misdemeanor and is subject to a fine of \$500. The commissioner of public safety, pursuant to the administrative procedures act, may adopt and enforce rules to implement and provide effective administration of the provisions of section 168.021, this section, and section 169.346.

Sec. 5. Minnesota Statutes 1994, section 169.345, is amended by adding a subdivision to read:

Subd. 5. [INFORMATION.] The commissioner may not furnish information concerning holders of disability certificates to any person except the personnel of law enforcement agencies and federal, state, and local government units. The commissioner may release information collected in this section in the form of summary data, as defined in section 13.02, to persons who use the information in conducting statistical analysis.

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the comma, insert "subdivisions 1, 3, 4, and" and delete "a subdivision" and insert "subdivisions"

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 Care, to which was referred**

**S.F. No. 258:** A bill for an act relating to occupations and professions; board of medical practice; providing for the registration of physician assistants by the board of medical practice; providing for rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 116J.70, subdivision 2a; 136A.1356, subdivision 1; 144.335, subdivision 1; 148B.60, subdivision 3; 151.01, subdivision 23; 151.37, subdivision 2a; 214.23, subdivision 1; and 604A.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 147A; repealing Minnesota Statutes 1994, sections 147.34; 147.35; and 147.36; Minnesota Rules, parts 5600.2600; 5600.2605; 5600.2610; 5600.2615; 5600.2620; 5600.2625; 5600.2630; 5600.2635; 5600.2640; 5600.2645; 5600.2650; 5600.2655; 5600.2660; 5600.2665; and 5600.2670.

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

Page 3, line 29, after the first "practice" insert "as a physician assistant"

Page 4, delete line 24

Page 4, line 26, before the period, insert "; and

(6) is recorded a statement of the type, amount, and frequency of supervision"

Page 11, delete section 12

Page 15, line 17, after the semicolon, insert "or"

Page 15, line 22, delete from "; or" through page 15, line 31, to "findings"

Page 27, line 28, delete "section 147.34,"

Page 28, line 19, delete "section" and insert "chapter"

Page 30, line 4, after the period, insert "The application shall include a practice setting description."

Page 30, line 34, after "renewal" insert "or"

Page 32, line 13, delete "27" and insert "26"

Page 32, line 14, delete "13" and insert "12"

Page 32, line 15, delete "22" and insert "21"

Renumber the sections in sequence

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 95:** A bill for an act relating to occupations and professions; board of medical practice; changing licensing requirements for foreign applicants; changing certain disciplinary procedures; amending Minnesota Statutes 1994, sections 147.037, subdivision 1; 147.091, subdivisions 1, 2, and 6; 147.121, subdivision 2; 148.70; and 148.72, subdivision 1; 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 2, line 20, after "applicant" insert "holding a valid license to practice medicine in another country and"

Page 2, line 24, strike everything after "Labor"

Page 2, strike line 25 and insert a semicolon

Page 2, line 26, delete the new language

Page 9, delete lines 9 to 18 and insert:

"Upon notice to the board of a judgment of, or a plea of guilty to, a felony reasonably related to the practice of patient care, the credentials of the regulated person shall be automatically suspended by the board. The credentials shall remain suspended until, upon petition by the regulated person and after a hearing, the suspension is terminated by the board.

The board shall indefinitely suspend or revoke the credentials of the regulated person, if after a hearing, the board finds that the felonious conduct would cause a serious risk of harm to the public.

The regulated person may be reinstated to practice, either with or without restrictions, by demonstrating clear and convincing evidence of rehabilitation, as provided in section 364.03. If the regulated person's conviction is subsequently overturned by court decision, the board shall conduct a hearing to review the suspension within 30 days after receipt of the court decision. The regulated person is not required to prove rehabilitation if the subsequent court decision overturns previous court findings of public risk."

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

**Ms. Berglin from the Committee on Health Care, to which was re-referred**

**S.F. No. 91:** A bill for an act relating to gambling; providing eligibility for participation as a provider in the state compulsive gambling program; amending Minnesota Statutes 1994, section 245.98, subdivision 2.

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

Page 1, line 11, strike "a nonprofit" and insert "an"

Page 2, delete section 2

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 299:** A bill for an act relating to employment; changing references to visually handicapped people; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1994, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.10; 248.11; 268A.02, subdivision 2; 268A.03; and 268A.11, subdivisions 1 and 3; repealing Minnesota Statutes 1994, section 268A.12.

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 350:** A bill for an act relating to housing; modifying eligibility for transitional housing services; amending Minnesota Statutes 1994, section 268.38, subdivision 2.

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

Page 1, line 15, delete "and to" and insert "which may include"

Page 1, line 16, delete "provide"

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 306:** A bill for an act relating to employment; establishing the governor's workforce development council to replace the governor's job training council; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, section 268.9755.

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

Page 2, line 8, before the period, insert ", selected from individuals nominated by recognized state and local labor federations"

Page 2, line 36, after "representatives" insert "selected by the speaker and minority leader"

Page 3, line 1, after "senate" insert "selected by the majority leader and minority leader"

Page 4, line 8, delete "268.011" and insert "268.0111"

Page 4, line 35, delete "that" and insert "to"

Page 5, line 18, delete "governors" and insert "governor's"

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 352:** A bill for an act relating to employment; modifying provisions relating to community action agencies; amending Minnesota Statutes 1994, sections 268.52, subdivisions 1 and 2; 268.53, subdivisions 1a and 2; and 268.54, subdivision 2.

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

Page 1, line 12, after "migrant" insert "and"

Page 1, line 26, after "migrant" insert "and"

Page 2, line 13, after "migrant" insert "and"

Page 3, line 15, after "migrant" insert "and"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 322, 5, 194, 132, 190, 145, 258, 95, 91, 350 and 352 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Bertram moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 158. The motion prevailed.

Mr. Stevens moved that the name of Ms. Johnston be added as a co-author to S.F. No. 369. The motion prevailed.

Mr. Langseth moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 384. The motion prevailed.

Mr. Kelly moved that the name of Mr. Finn be added as a co-author to S.F. No. 436. The motion prevailed.

Mr. Sams moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 439. The motion prevailed.

Mr. Kelly moved that the name of Mr. Lessard be added as a co-author to S.F. No. 461. The motion prevailed.

Mr. Berg moved that the name of Mr. Bertram be added as a co-author to S.F. No. 472. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Ms. Berglin be added as a co-author to S.F. No. 473. The motion prevailed.

Mrs. Pariseau moved that her name be stricken as a co-author to S.F. No. 483. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Dille be added as a co-author to S.F. No. 483. The motion prevailed.

Mr. Berg moved that S.F. No. 404 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Frederickson moved that S.F. No. 443 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Price moved that S.F. No. 477 be withdrawn from the Committee on Education and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

**Mr. Johnson, D.E. introduced--**

**Senate Resolution No. 27:** A Senate resolution commending Jon C. Cieslak as he retires. Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that S.F. No. 5, on General Orders, be stricken and re-referred to the Committee on Rules and Administration. The motion prevailed.



## CALENDAR

**H.F. No. 29:** A bill for an act relating to traffic regulations; repealing sunset provision concerning recreational vehicle combinations; amending Laws 1993, chapter 111, section 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Knutson	Murphy	Robertson
Beckman	Flynn	Kramer	Neuville	Runbeck
Belanger	Frederickson	Krentz	Novak	Sams
Berg	Hanson	Laidig	Oliver	Samuelson
Berglin	Hottinger	Langseth	Ourada	Scheevel
Bertram	Janezich	Larson	Pappas	Solon
Betzold	Johnson, D.J.	Lessard	Piper	Spear
Chandler	Johnson, J.B.	Limmer	Pogemiller	Stevens
Chmielewski	Johnston	Marty	Price	Stumpf
Cohen	Kelly	Metzen	Ranum	Terwilliger
Day	Kiscaden	Moe, R.D.	Reichgott Junge	Vickerman
Dille	Kleis	Morse	Riveness	Wiener

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

**H.F. No. 47:** A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Knutson	Neuville	Sams
Beckman	Flynn	Kramer	Novak	Samuelson
Belanger	Frederickson	Krentz	Ourada	Scheevel
Berg	Hanson	Laidig	Pappas	Solon
Berglin	Hottinger	Lessard	Piper	Spear
Bertram	Janezich	Limmer	Pogemiller	Stevens
Betzold	Johnson, D.J.	Marty	Price	Stumpf
Chandler	Johnson, J.B.	Merriam	Ranum	Terwilliger
Chmielewski	Johnston	Metzen	Reichgott Junge	Vickerman
Cohen	Kelly	Moe, R.D.	Riveness	Wiener
Day	Kiscaden	Morse	Robertson	
Dille	Kleis	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 50:** A bill for an act relating to highways; designating a bridge as the Betty Adkins Bridge; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Berg	Hottinger	Langseth	Oliver	Samuelson
Berglin	Janezich	Larson	Ourada	Scheevel
Bertram	Johnson, D.J.	Lessard	Pappas	Solon
Betzold	Johnson, J.B.	Limmer	Piper	Spear
Chandler	Johnston	Marty	Pogemiller	Stevens
Chmielewski	Kelly	Merriam	Price	Stumpf
Cohen	Kiscaden	Metzen	Ranum	Terwilliger
Day	Kleis	Moe, R.D.	Reichgott Junge	Vickerman
Dille	Knutson	Morse	Riveness	Wiener
Finn	Kramer	Murphy	Robertson	

So the bill passed and its title was agreed to.

**S.F. No. 181:** A bill for an act relating to elections; allowing time off to vote in elections to fill a vacancy in the legislature; amending Minnesota Statutes 1994, section 204C.04, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kramer	Murphy	Sams
Beckman	Flynn	Krentz	Neuville	Samuelson
Berg	Hanson	Laidig	Novak	Scheevel
Berglin	Hottinger	Langseth	Ourada	Solon
Bertram	Janezich	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Limmer	Piper	Stevens
Chandler	Johnson, J.B.	Marty	Pogemiller	Stumpf
Chmielewski	Kelly	Merriam	Price	Terwilliger
Cohen	Kiscaden	Metzen	Ranum	Vickerman
Day	Kleis	Moe, R.D.	Reichgott Junge	Wiener
Dille	Knutson	Morse	Riveness	

Those who voted in the negative were:

Belanger	Johnston	Oliver	Robertson	Runbeck
Frederickson	Larson			

So the bill passed and its title was agreed to.

## GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Ms. Flynn in the chair.

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

S.F. No. 168, which the committee recommends to pass with the following amendment offered by Ms. Runbeck:

Amend S.F. No. 168 as follows:

Page 2, after line 5, insert:

"Sec. 2. [PROHIBITION OF ADDITIONAL FUNDING OR COMPLEMENT.]

No additional appropriation and no additional complement shall be provided to the office of the secretary of state for the purposes of administering the program created under section 1."

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.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

#### **Mses. Pappas, Flynn, Anderson, Mr. Morse and Ms. Reichgott Junge introduced--**

**S.F. No. 484:** A bill for an act relating to health; giving the commissioner of administration authority to negotiate contract prices for all prescription drugs sold in Minnesota; allowing correction orders to be issued; establishing a statewide drug formulary; requiring a pharmacy to post a sign on generic substitution; amending Minnesota Statutes 1994, sections 151.21, subdivisions 2, 3, and by adding a subdivision; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; and 256.

Referred to the Committee on Health Care.

#### **Messrs. Hottinger, Vickerman, Betzold, Ms. Piper and Mr. Sams introduced--**

**S.F. No. 485:** A bill for an act relating to health; giving the commissioner of administration authority to negotiate contract prices for all prescription drugs sold in Minnesota; allowing correction orders to be issued; establishing a statewide drug formulary; requiring a pharmacy to post a sign on generic substitution; amending Minnesota Statutes 1994, sections 151.21, subdivisions 2, 3, and by adding a subdivision; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; and 256.

Referred to the Committee on Health Care.

#### **Messrs. Hottinger, Samuelson, Mses. Berglin and Kiscaden introduced--**

**S.F. No. 486:** A bill for an act relating to human services; allowing for an adjustment in a nursing facility's rental per diem; amending Minnesota Statutes 1994, section 256B.431, subdivision 17.

Referred to the Committee on Health Care.

#### **Messrs. Sams, Betzold and Samuelson introduced--**

**S.F. No. 487:** A bill for an act relating to human services; adjusting plant and maintenance costs for nursing facilities; amending Minnesota Statutes 1994, section 256B.431, subdivision 3c.

Referred to the Committee on Health Care.

#### **Mr. Betzold, Ms. Krentz, Mr. Knutson and Ms. Kiscaden introduced--**

**S.F. No. 488:** A bill for an act relating to civil actions; establishing a state-of-the-art defense to certain product claims; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

#### **Mr. Betzold, Ms. Krentz, Mr. Knutson and Ms. Kiscaden introduced--**

**S.F. No. 489:** A bill for an act relating to civil actions; regulating punitive damages; amending Minnesota Statutes 1994, section 549.20, subdivisions 3, 4, 5, and by adding subdivisions.

Referred to the Committee on Judiciary.

**Mr. Solon introduced--**

**S.F. No. 490:** A bill for an act relating to game and fish; allowing the baiting of deer under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

**Mr. Hottinger introduced--**

**S.F. No. 491:** A bill for an act relating to the city of Mankato; authorizing the city to establish economic development tax increment financing districts; exempting certain tax increment financing districts from certain aid offsets.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Hottinger introduced--**

**S.F. No. 492:** A bill for an act relating to peace officers; authorizing deadly force policies that prohibit deadly force justified under state law; amending Minnesota Statutes 1994, section 626.8452, subdivision 1.

Referred to the Committee on Crime Prevention.

**Mr. Hottinger introduced--**

**S.F. No. 493:** A bill for an act relating to public employees; providing a leave of absence for public employees who are candidates for elective office; proposing coding for new law in Minnesota Statutes, chapter 179A.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Morse introduced--**

**S.F. No. 494:** A bill for an act relating to Winona county; authorizing Winona county to negotiate and enter into a contract for deed with Winona county developmental achievement center.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Riveness, Mses. Runbeck, Wiener, Messrs. Metzen and Terwilliger introduced--**

**S.F. No. 495:** A bill for an act relating to state government; department of employee relations; establishing a program to promote responsiveness, innovation, productivity, and employee involvement within executive agencies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Price, Ms. Krentz, Messrs. Murphy, Morse and Dille introduced--**

**S.F. No. 496:** A bill for an act relating to water; requiring analysis of water quality and quantity data; requiring evaluation of the effectiveness of best management practices; authorizing increased well sealing cost-share grants; appropriating money; amending Minnesota Statutes 1994, sections 103A.43; 103H.151, by adding a subdivision; and 103I.331, subdivisions 4 and 6.

Referred to the Committee on Environment and Natural Resources.

**Mses. Hanson, Piper, Mr. Marty, Ms. Ranum and Mr. Langseth introduced--**

**S.F. No. 497:** A bill for an act relating to transportation; establishing special license plates for child protection; dedicating fees collected; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation and Public Transit.

**Ms. Piper, Mr. Johnson, D.J.; Ms. Flynn, Messrs. Beckman and Marty introduced--**

**S.F. No. 498:** A bill for an act relating to tax increment financing; providing for the establishment of tax increment financing districts in the cities of Glenville and Albert Lea; exempting certain districts in the city of Albert Lea from certain aid reductions.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Hottinger, Mondale, Metzen, Terwilliger and Frederickson introduced--**

**S.F. No. 499:** A bill for an act relating to state government; setting salaries of administrative law judges; amending Minnesota Statutes 1994, sections 15A.081, subdivision 1; 15A.083, subdivisions 6a, 7, and by adding a subdivision; and 43A.18, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Pappas, Messrs. Kelly, Chandler, Ms. Anderson and Mr. Cohen introduced--**

**S.F. No. 500:** A bill for an act relating to capital improvements; appropriating money for the removal and replacement of the Wabasha Street bridge in St. Paul; authorizing the issuance of state bonds.

Referred to the Committee on Transportation and Public Transit.

**Mses. Pappas, Anderson, Mr. Belanger, Ms. Robertson and Mr. Oliver introduced--**

**S.F. No. 501:** A bill for an act relating to metropolitan area housing; authorizing the metropolitan council to operate a federal section 8 housing program within the metropolitan area pursuant to joint exercise of powers agreements; amending Minnesota Statutes 1994, section 473.195, subdivision 1.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Morse, Mses. Johnson, J.B.; Olson; Mr. Stumpf and Ms. Robertson introduced--**

**S.F. No. 502:** A bill for an act relating to education; modifying the referendum and supplemental revenue reduction; amending Minnesota Statutes 1994, sections 124A.03, subdivision 3b; and 124A.22, subdivision 9.

Referred to the Committee on Education.

**Messrs. Riveness, Cohen, Merriam, Terwilliger and Knutson introduced--**

**S.F. No. 503:** A bill for an act relating to state government; providing for the Minnesota collection enterprise; imposing duties and providing powers; providing for the disclosure of certain data; imposing a collection penalty; appropriating money; amending Minnesota Statutes 1994, sections 16D.02, subdivision 6, and by adding a subdivision; 16D.04, subdivisions 1 and 3; 16D.06, subdivision 2; and 16D.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16D.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Sams, Bertram, Larson, Scheevel and Johnson, D.J. introduced--**

**S.F. No. 504:** A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Cohen introduced--**

**S.F. No. 505:** A bill for an act relating to human rights; providing for access to data in case files by the charging party; amending Minnesota Statutes 1994, section 363.061, subdivision 4.

Referred to the Committee on Judiciary.

**Messrs. Novak, Metzen and Kelly introduced--**

**S.F. No. 506:** A bill for an act relating to taxation; providing a rental tax equity pilot project in the metropolitan area; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Novak, Vickerman, Sams, Frederickson and Dille introduced--**

**S.F. No. 507:** A bill for an act relating to petroleum tank release cleanup fund; providing for payment for a site assessment prior to tank removal; amending Minnesota Statutes 1994, sections 115C.09, subdivision 2; and 115C.13; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Langseth, Chmielewski, Lessard, Frederickson and Stevens introduced--**

**S.F. No. 508:** A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Ms. Johnston, Mr. Belanger, Ms. Robertson, Messrs. Larson and Betzold introduced--**

**S.F. No. 509:** A bill for an act relating to transportation; taxation; changing depreciation schedules for passenger automobile registrations; increasing tax on gasoline and special fuel to 22 cents per gallon; amending Minnesota Statutes 1994, sections 168.013, subdivision 1a; and 296.02, subdivision 1b.

Referred to the Committee on Transportation and Public Transit.

**Ms. Ranum, Mr. Betzold, Ms. Berglin and Mr. Knutson introduced--**

**S.F. No. 510:** A bill for an act relating to privacy; limiting the release of copies of videotapes of child abuse victims; authorizing the requirement of a stipulation and order in certain cases; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.04, subdivision 3, and by adding a subdivision; 13.82, subdivision 6; and 144.335, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Crime Prevention.

**Mr. Solon introduced--**

**S.F. No. 511:** 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 1994, sections 145A.14, by adding a subdivision; 349A.04; 349A.10, subdivision 5; and 349A.13; proposing coding for new law in Minnesota Statutes, chapters 16A; 256; and 268.

Referred to the Committee on Gaming Regulation.

**Mr. Spear, Ms. Piper, Mr. Laidig, Mses. Berglin and Kiscaden introduced--**

**S.F. No. 512:** A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; amending Minnesota Statutes 1994, sections 13.82, subdivision 10, and by adding subdivisions; 245A.04, subdivision 3; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 268.09, subdivision 1; 595.02, subdivision 3; 609.205; 609.224, subdivision 2; 609.72, by adding a subdivision; and 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; 626.556, subdivision 2; and 626.557, subdivisions 10a, 11, 11a, 12, 13, 15, and 19.

Referred to the Committee on Crime Prevention.

**Messrs. Hottinger; Johnson, D.J.; Ms. Pappas, Messrs. Price and Belanger introduced--**

**S.F. No. 513:** A bill for an act relating to taxation; making tax policy, collection, and administrative changes; imposing penalties; amending Minnesota Statutes 1994, sections 60A.15, subdivision 12; 60A.199, subdivisions 8 and 10; 116.07, subdivision 10; 168.012, subdivision 9; 270.06; 270.72, subdivisions 1, 2, and 3; 270B.02, subdivision 3; 270B.14, subdivision 1; 273.121; 273.124, subdivisions 3, 6, and 13; 274.14; 279.03, subdivision 1a; 289A.18, subdivision 2; 289A.20, subdivision 2; 289A.25, by adding a subdivision; 289A.26, subdivision 2a; 289A.38, subdivision 7; 289A.40, subdivision 1; 289A.43; 289A.55, subdivision 7; 289A.60, subdivisions 2, 12, and by adding a subdivision; 290.01, subdivision 7b; 290.015, subdivision 1; 290.191, subdivisions 1, 5, and 6; 290.92, subdivisions 1, 23, and by adding a subdivision; 290.9201, subdivision 3; 290A.03, subdivisions 6 and 13; 290A.04, subdivision 3; 290A.07, subdivision 2a; 294.09, subdivisions 1 and 4; 296.12, subdivisions 3, 4, and 11; 296.141, subdivisions 1, 2, and 6; 296.17, subdivisions 1, 3, 5, and 11; 296.18, subdivisions 1, 2, and 5; 297.08, subdivisions 1 and 3; 297.35, subdivision 1; 297.43, subdivision 2; 297A.25, subdivision 11; 297C.02, subdivision 2; 297C.07; 297C.09; 297C.13, subdivision 1; 297C.14, subdivision 2; 297E.11, subdivision 4; 297E.12, subdivision 2; 299F.26, subdivisions 1 and 4; and 477A.015; proposing coding for new law in Minnesota Statutes, chapters 270; 270B; 296; and 340A; repealing Minnesota Statutes 1994, sections 270.70, subdivisions 8, 9, and 10; 297A.212; and 297A.38; Laws 1994, chapter 510, article 6, section 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Price; Johnson, D.J.; Hottinger; Ms. Pappas and Mr. Belanger introduced--**

**S.F. No. 514:** A bill for an act relating to taxation; making technical and administrative changes, corrections, and clarifications; amending Minnesota Statutes 1994, sections 151.48; 270.47; 270.48; 270.485; 270.494; 270.50; 270.52; 270.53; 270.69, subdivision 10; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivision 11; 272.121, subdivision 2; 273.11, subdivision 16; 273.1398, by adding a subdivision; 273.1399, subdivision 3; 273.17, subdivision 2; 275.065, subdivision 6; 276.04, subdivision 2; 284.28, subdivision 2; 289A.18, subdivision 4; 289A.50, subdivision 1; 290.032, subdivisions 1 and 2; 290.0671, subdivision 2; 290A.04, subdivisions 2h and 6; 295.50, subdivisions 1, 4, 7, and 13; 295.53, subdivisions 1, 2, and 5; 295.54, subdivision 1; 295.55, by adding a subdivision; 295.57; 296.01, subdivision 34; 296.025, subdivision 1; 296.12, subdivisions 3 and 4; 297A.01, subdivision 3; 297E.02, subdivisions 1, 6, and 11; 297E.031, subdivision 1; 297E.13, subdivision 5; 298.75, subdivision 2; 325D.33, subdivision 4; 349.163, subdivision 5; 428A.01, subdivision 5; 428A.03, by adding a subdivision;

428A.05; 469.177, subdivision 9; 473.446, subdivision 1; 473.711, subdivision 2; and 473F.02, subdivision 8; Laws 1994, chapter 587, article 1, section 27; repealing Minnesota Statutes 1994, sections 60A.15, subdivision 7; 270.49; and 270.493; Laws 1988, chapter 698, section 5; and Laws 1989, First Special Session chapter 1, article 7, section 9.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Hottinger, Sams, Terwilliger, Ms. Kiscaden and Mr. Samuelson introduced--**

**S.F. No. 515:** A bill for an act relating to human services; permitting certain providers to request a state agency hearing; modifying the conduct of state agency hearings; modifying certain requirements for prior authorization of services under medical assistance; creating an advisory task force on prior authorization for certain services; amending Minnesota Statutes 1994, sections 256.045, subdivisions 3, 4, and 5; and 256B.0625, subdivisions 8, 8a, 25, 31, and by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Kramer, Beckman, Merriam, Ms. Anderson and Mr. Limmer introduced--**

**S.F. No. 516:** A bill for an act relating to public safety; requiring biennial reporting on undercover buy fund and witness and victim protection fund; amending Minnesota Statutes 1994, section 299C.065, subdivisions 3 and 3a.

Referred to the Committee on Crime Prevention.

**Mrs. Pariseau, Messrs. Lessard, Neuville and Vickerman introduced--**

**S.F. No. 517:** A bill for an act relating to public safety; regulating law enforcement reports filed with commissioner of public safety; amending Minnesota Statutes 1994, sections 626.553, subdivision 2; and 626.5531.

Referred to the Committee on Crime Prevention.

**Messrs. Hottinger, Solon, Ms. Wiener, Messrs. Oliver and Day introduced--**

**S.F. No. 518:** A bill for an act relating to occupations and professions; changing education requirements for certification and licensure as a certified public accountant; amending Minnesota Statutes 1994, section 326.19.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Sams, Ms. Berglin, Messrs. Samuelson, Metzen and Solon introduced--**

**S.F. No. 519:** A bill for an act relating to health; creating an emergency medical services regulatory board; providing for its membership; transferring certain duties relating to emergency medical services from the commissioner of health to the board; amending Minnesota Statutes 1994, sections 62N.381, subdivisions 2, 3, and 4; 144.801, subdivisions 3 and 5; 144.802; 144.803; 144.804; 144.806; 144.807; 144.808; 144.809; 144.8091; 144.8093; 144.8095; 144C.01, subdivision 2; 144C.05, subdivision 1; 144C.07; 144C.08; 144C.09, subdivision 2; and 144C.10; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, section 144.8097.

Referred to the Committee on Health Care.

**Mses. Krentz and Reichgott Junge introduced--**

**S.F. No. 520:** A bill for an act relating to courts; requiring the state court administrator to prepare a guide to informal probate; appropriating money.



Referred to the Committee on Judiciary.

**Ms. Berglin introduced--**

**S.F. No. 521:** A bill for an act relating to adoption; requiring the listing of all children freed for adoption on the state adoption exchange within 20 days; amending Minnesota Statutes 1994, section 259.75, subdivision 2, and by adding a subdivision.

Referred to the Committee on Judiciary.

**Messrs. Stumpf, Langseth and Ms. Johnston introduced--**

**S.F. No. 522:** A bill for an act relating to traffic regulations; allowing school authorities to appoint nonpupil adults to school safety patrols; amending Minnesota Statutes 1994, section 126.15, subdivision 2.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Day, Lessard and Solon introduced--**

**S.F. No. 523:** A bill for an act relating to marriage dissolution; providing that both parents are child support obligors; establishing formulas for determining child support; amending Minnesota Statutes 1994, section 518.551, subdivision 5.

Referred to the Committee on Judiciary.

**Messrs. Day, Lessard and Solon introduced--**

**S.F. No. 524:** A bill for an act relating to marriage dissolution; providing for cooperative parenting and mandatory mediation; amending Minnesota Statutes 1994, sections 518.17, subdivision 2; and 518.619, by adding a subdivision.

Referred to the Committee on Judiciary.

**Messrs. Lessard, Sams, Day and Ms. Olson introduced--**

**S.F. No. 525:** A bill for an act relating to taxation; eliminating the requirement for accelerated payment of certain cigarette taxes; extending the time for offsetting overages on cigarette tax returns; amending Minnesota Statutes 1994, sections 297.07, subdivisions 1 and 5; and 297.23, subdivision 4; repealing Minnesota Statutes 1994, section 297.07, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Lessard introduced--**

**S.F. No. 526:** A bill for an act relating to local government; modifying the local approval requirements for the Nashwauk area ambulance district law; amending Laws 1994, chapter 587, article 9, section 10, subdivision 6.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Metzen, Solon, Samuelson, Terwilliger and Larson introduced--**

**S.F. No. 527:** A bill for an act relating to commerce; transferring the regulation of certain health carriers and health care functions from the department of health to the department of commerce; amending Minnesota Statutes 1994, sections 62A.011, by adding a subdivision; 62D.02, subdivisions 3 and 8; 62D.12, subdivision 1; 62D.24; 62E.11, subdivision 12; 62E.14, subdivision 6; 62L.02, subdivision 8; 62L.08, subdivisions 10 and 11; 62L.10, subdivision 4; 62L.11, subdivision 2; 62M.11; 62M.16; 62N.02, subdivision 4; 62P.02; 62P.04, subdivisions 4 and 7; 62Q.01, subdivision 2; 62Q.03, subdivisions 4, 8, and 10; 62Q.07, subdivision 1; 62Q.075,

subdivision 4; 62Q.09, subdivision 3; 62Q.11, subdivisions 1 and 2; and 62R.04, subdivision 5; repealing Minnesota Statutes 1994, sections 62P.04, subdivision 6; 62P.09, subdivision 2; 62Q.03, subdivision 5; and 62Q.21, subdivision 4.

Referred to the Committee on Health Care.

**Ms. Johnston, Messrs. Murphy, Vickerman and Limmer introduced--**

**S.F. No. 528:** A bill for an act relating to traffic regulations; requiring adult motorcycle rider to wear eye protection device; amending Minnesota Statutes 1994, section 169.974, subdivision 4.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Kroening; Metzen; Johnson, D.E.; Terwilliger and Moe, R.D. introduced--**

**S.F. No. 529:** A bill for an act relating to public safety; requiring installation of automatic sprinkler systems in certain existing high-rise buildings; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Metzen, Murphy, Chandler, Kleis and Bertram introduced--**

**S.F. No. 530:** A bill for an act relating to veterans; proposing an amendment to the Minnesota Constitution, article XIII, section 8, permitting the payment of a monetary bonus to veterans of the Persian Gulf War.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Johnson, D.J. and Solon introduced--**

**S.F. No. 531:** A bill for an act relating to local government; authorizing home rule charter cities to issue tax anticipation certificates; proposing coding for new law in Minnesota Statutes, chapter 410.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Kiscaden, Robertson, Piper, Messrs. Betzold and Kramer introduced--**

**S.F. No. 532:** A bill for an act relating to child care; requiring child care for school-age children not operated by a school to be licensed; amending Minnesota Statutes 1994, sections 245A.02, by adding a subdivision; 245A.03, subdivision 2; and 245A.14, subdivision 6.

Referred to the Committee on Family Services.

**Mr. Murphy introduced--**

**S.F. No. 533:** A bill for an act relating to traffic regulations; imposing speed limit on legislative route No. 316 in the city of Hastings.

Referred to the Committee on Transportation and Public Transit.

**Mr. Murphy, Ms. Hanson, Messrs. Scheevel, Day and Vickerman introduced--**

**S.F. No. 534:** A bill for an act relating to towns; clarifying authority of town board to alter or vacate town roads dedicated by plat; clarifying procedures; amending Minnesota Statutes 1994, sections 164.06, subdivision 1; and 164.07, subdivision 1.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Murphy introduced--**

**S.F. No. 535:** A bill for an act relating to human services; mandating certain actions relating to competitive bidding and delivery of services; requiring disclosure of certain information; establishing an advisory committee.

Referred to the Committee on Health Care.

**Messrs. Murphy, Metzen, Bertram, Samuelson and Vickerman introduced--**

**S.F. No. 536:** A bill for an act relating to veterans; proposing an amendment to the Minnesota Constitution, article XIII, section 8, permitting the payment of a monetary bonus to veterans of the Persian Gulf War; establishing the bonus program; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Murphy; Moe, R.D.; Langseth; Metzen and Johnson, D.E. introduced--**

**S.F. No. 537:** A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; amending Minnesota Statutes 1994, section 171.06, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Murphy; Moe, R.D.; Johnson, D.E.; Ms. Reichgott Junge and Mr. Metzen introduced--**

**S.F. No. 538:** A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Murphy, Solon, Ms. Kiscaden, Mr. Sams and Ms. Piper introduced--**

**S.F. No. 539:** A bill for an act relating to human services; requiring licensure for day care services to preschool and school age children; amending Minnesota Statutes 1994, section 245A.03, subdivision 1.

Referred to the Committee on Family Services.

**Messrs. Price and Laidig introduced--**

**S.F. No. 540:** A bill for an act relating to the city of Oakdale; exempting certain tax increment financing districts from certain restrictions.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Dille introduced--**

**S.F. No. 541:** A bill for an act relating to education; authorizing school districts to lease a building or land for administrative purposes, and to levy for the lease payments, if approved by the commissioner; amending Minnesota Statutes 1994, section 124.91, subdivision 1.

Referred to the Committee on Education.

**Mr. Dille introduced--**

**S.F. No. 542:** A bill for an act relating to human services; modifying nursing home geographic groups; amending Minnesota Statutes 1994, section 256B.431, by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Sams, Ms. Berglin, Messrs. Samuelson, Terwilliger and Solon introduced--**

**S.F. No. 543:** A bill for an act relating to health; requiring equal treatment of prescription drug prescribers; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Kelly and Metzen introduced--**

**S.F. No. 544:** A bill for an act relating to local government; authorizing examinations of the accounts and records of counties and cities by certified public accountants; amending Minnesota Statutes 1994, sections 6.48; and 6.49.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Wiener, Messrs. Chmielewski; Johnson, D.J.; Ms. Johnson, J.B. and Mr. Terwilliger introduced--**

**S.F. No. 545:** A bill for an act relating to telecommunications; restricting eligibility for communication device for communication-impaired person in a residential care facility when the facility already provides or is required to provide comparable telephone service; amending Minnesota Statutes 1994, section 237.53, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Bertram; Kleis; Stevens; Johnson, D.E. and Metzen introduced--**

**S.F. No. 546:** A bill for an act relating to housing; regulating the use of federal tax exempt revenue bonds; amending Minnesota Statutes 1994, sections 474A.03, subdivisions 1 and 2a; and 474A.04, subdivision 6.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Morse, Ms. Johnson, J.B.; Messrs. Frederickson and Merriam introduced--**

**S.F. No. 547:** A bill for an act relating to environmental education; implementing environmental education; establishing the environmental education council; transferring duties to the office of strategic and long-range planning; appropriating money; amending Minnesota Statutes 1994, sections 126A.01; 126A.02; 126A.04; 126A.07; 126A.08; and 126A.12; Laws 1993, chapter 224, article 12, section 32.

Referred to the Committee on Education.

**Mr. Morse, Mses. Lesewski, Krentz and Mr. Price introduced--**

**S.F. No. 548:** A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 549:** A bill for an act relating to education; providing funding for drug abuse resistance education programs; appropriating money.

Referred to the Committee on Education.

**Mr. Chmielewski introduced--**

**S.F. No. 550:** A bill for an act relating to real property; providing an exception for certain requirements relating to notice of adverse claims on registered property; amending Minnesota Statutes 1994, section 508.70, subdivision 2.

Referred to the Committee on Judiciary.

**Ms. Ranum, Messrs. Riveness, Beckman and Stumpf introduced--**

**S.F. No. 551:** A bill for an act relating to education; providing technology support aid for school districts; appropriating money for internet access; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

**Mses. Johnston, Lesewski, Messrs. Berg, Neuville and Stevens introduced--**

**S.F. No. 552:** A bill for an act relating to employment; eliminating the requirement that prevailing wages be paid under state contracts; amending Minnesota Statutes 1994, sections 268.92, subdivision 6; and 471.992, subdivision 1; repealing Minnesota Statutes 1994, sections 116J.871, subdivisions 2 and 3; 177.41; 177.42; 177.43; 177.44; and 471.345, subdivision 7.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Bertram, Chmielewski, Murphy and Day introduced--**

**S.F. No. 553:** A bill for an act relating to motor vehicles; authorizing sale and disposal of unauthorized, abandoned, and junk vehicles by impound lots; amending Minnesota Statutes 1994, sections 168B.04; 168B.05; 168B.06; 168B.07, subdivision 1; 168B.08; 168B.09, subdivision 1; 168B.101; and 169.041, subdivisions 3, 4, and 6; proposing coding for new law in Minnesota Statutes, chapter 168B; repealing Minnesota Statutes 1994, section 168B.02.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Krentz, Messrs. Stumpf and Larson introduced--**

**S.F. No. 554:** A bill for an act relating to motor vehicles; establishing special professional sports team and Olympic license plates; dedicating fees collected; creating an account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation and Public Transit.

**Mr. Kroening introduced--**

**S.F. No. 555:** A bill for an act relating to state government; requiring annual state budgeting for fiscal years 1996 and 1997.

Referred to the Committee on Finance.

**Mr. Neuville introduced--**

**S.F. No. 556:** A bill for an act relating to corrections; requiring deductions from inmate wages paid by private industry to be the same as for deductions from inmate wages paid by the department; amending Minnesota Statutes 1994, section 243.88, by adding a subdivision.

Referred to the Committee on Crime Prevention.

**Ms. Flynn and Mr. Metzen introduced--**

**S.F. No. 557:** A bill for an act relating to employment; ratifying certain labor agreements. Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Sams, Belanger, Samuelson, Metzen and Limmer introduced--**

**S.F. No. 558:** A bill for an act relating to commerce; requiring inspections of, reports on, and training for tobacco retailers and employees; proposing coding for new law in Minnesota Statutes, chapter 461.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Finn, Ms. Krentz, Messrs. Betzold, Knutson and Ms. Kiscaden introduced--**

**S.F. No. 559:** A bill for an act relating to the secretary of state; regulating filings and related matters; providing for service of process; amending Minnesota Statutes 1994, sections 5.22, subdivision 1; 48.185, subdivision 7; 79A.06, subdivision 5; 168.27, subdivision 19a; 221.67; 302A.115, subdivision 1; 302A.121, subdivision 1; 302A.701; 302A.901, subdivision 1; 303.03; 303.06, subdivision 1; 303.13, subdivision 1; 303.14, subdivision 3; 308A.121, subdivision 1; 309.56, subdivision 1; 317A.115, subdivision 2; 317A.823, subdivision 1; 317A.901, subdivision 1; 319A.03; 322A.02; 322A.761; 322B.12, subdivision 1; 322B.80, subdivision 1; 322B.876, subdivision 1; 322B.955; 322B.960, subdivisions 1 and 3; 323.44, subdivisions 1, 2, 4, 5, and 6; 323.45, subdivisions 1 and 5; 323.46; 323.47, subdivision 1; 325F.70, subdivision 2; 330.11, subdivision 3; 333.001; 333.01; 333.055, subdivision 4; 333.21, subdivision 1; 336.9-403; 336A.11, subdivision 2; 540.152; and 543.08; proposing coding for new law in Minnesota Statutes, chapters 5; and 323; repealing Minnesota Statutes 1994, sections 302A.901, subdivisions 2, 2a, 3, and 4; 303.13, subdivisions 2, 3, 4, and 5; 317A.901, subdivisions 2, 3, and 4; 322B.876, subdivisions 2, 3, and 4; 322B.901; and 323.47, subdivisions 2, 3, and 4.

Referred to the Committee on Judiciary.

**Mr. Berg introduced--**

**S.F. No. 560:** A bill for an act relating to taxation; providing for the determination of the amount of tax refunds to be paid to Indian tribal governments; amending Minnesota Statutes 1994, sections 270.60, subdivision 1; and 297.03, subdivision 4; repealing Minnesota Statutes 1994, section 270.60, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Stumpf introduced--**

**S.F. No. 561:** A bill for an act relating to retirement; teachers retirement association; making various changes in administrative and benefits practices; amending Minnesota Statutes 1994, sections 354.05, subdivisions 5, 35, and 40; 354.06, subdivision 4; and 354.52, subdivision 4a; repealing Minnesota Statutes 1994, section 354A.05, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Stumpf introduced--**

**S.F. No. 562:** A bill for an act relating to agriculture; appropriating money for removal of dead farm animals in certain counties.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Metzen, Murphy, Ms. Wiener, Mrs. Pariseau and Mr. Knutson introduced--**

**S.F. No. 563:** A bill for an act relating to Dakota county; appropriating money to Dakota county to reimburse the county for costs of airport planning arising from the dual-track international airport planning program.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Frederickson and Stevens introduced--**

**S.F. No. 564:** A bill for an act relating to state government; establishing the Minnesota quality college program in the department of employee relations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Betzold introduced--**

**S.F. No. 565:** A bill for an act relating to the federal lien registration act; imposing duties on filing officers; providing for filing of notices and of certificates of discharge; designating an official index; providing for the transmission of certain information; amending Minnesota Statutes 1994, sections 272.481; 272.482; 272.483; and 272.488, subdivisions 1, 2, 3, 4, and by adding subdivisions.

Referred to the Committee on Judiciary.

**Messrs. Vickerman, Beckman, Samuelson and Ms. Berglin introduced--**

**S.F. No. 566:** A bill for an act relating to education; allowing the residential program operated by independent school district No. 518 to remain open until June 1, 1996; amending Laws 1994, chapter 643, section 14, subdivision 8.

Referred to the Committee on Health Care.

**Messrs. Stumpf and Moe, R.D. introduced--**

**S.F. No. 567:** A bill for an act relating to education; authorizing a grant for the North Central Minnesota Educational Telecommunication Consortium to establish an interactive television network.

Referred to the Committee on Education.

**Ms. Johnson, J.B.; Mr. Price, Ms. Anderson and Mr. Kroening introduced--**

**S.F. No. 568:** A bill for an act relating to telecommunications; enacting emerging communications services act; encouraging development and proliferation of emerging communications services in Minnesota; authorizing local authorities to control the use of public property and public rights-of-way by communications providers; requiring rules; authorizing permits, fees, and charges against gross revenues; imposing a penalty; proposing coding for new law as Minnesota Statutes, chapter 237A.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Langseth and Vickerman introduced--**

**S.F. No. 569:** A bill for an act relating to transportation; removing limitation on miles in county state-aid highway system; changing composition of screening board; changing the gasoline excise tax rate; indexing the rate of taxation on gasoline; appropriating money; directing commissioner to amend Minnesota Rules, part 8820.0600; amending Minnesota Statutes 1994, sections 162.02, by adding a subdivision; 162.07, subdivisions 1, 5, and 6; 296.02, subdivision 1b, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Johnson, D.E. introduced--**

**S.F. No. 570:** A bill for an act relating to capital improvements; authorizing bonds and appropriating money to install an elevator at the Prairie Lakes Juvenile Detention Center.

Referred to the Committee on Crime Prevention.

**Messrs. Murphy, Day, Vickerman and Langseth introduced--**

**S.F. No. 571:** A bill for an act relating to traffic regulations; permitting operation of vehicle combinations over 65 feet in length except when to do so is found unsafe by commissioner of transportation; amending Minnesota Statutes 1994, section 169.81, subdivision 3, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Murphy introduced--**

**S.F. No. 572:** A bill for an act relating to workers' compensation; regulating benefits; limiting supplementary benefits; eliminating certain lump sum payments; requiring safety programs; regulating coverage for independent contractors; abolishing apportionment; providing for a study of insurance; providing penalties; amending Minnesota Statutes 1994, sections 13.69, subdivision 1; 79.085; 79.37; 79.55, subdivision 2; 175.16; 176.041, subdivision 1; 176.081, subdivision 5; 176.101, subdivisions 3b, 3m, 3o, and 3q; 176.132, subdivision 2; 176.181, subdivision 8; 176.191, by adding a subdivision; 176.194, subdivisions 1 and 4; 176.221, subdivision 1; 176.225, subdivision 1; 176.232; 176.261; 176.645, subdivision 1; 176.66, subdivision 11; 268.08, subdivision 3; 299C.46, subdivision 2; 626.05, subdivision 2; 626.11; 626.13; and 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 176 and 182; repealing Minnesota Statutes 1994, section 176.86.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Chmielewski, Vickerman, Ms. Johnston, Mr. Langseth and Ms. Hanson introduced--**

**S.F. No. 573:** A bill for an act relating to transportation; apportioning five percent of the highway user tax distribution fund; apportioning funds for town road bridge and town road accounts; removing trunk highway designation requirement; removing limitation on miles in county state-aid highway system; changing composition of screening board; changing the gasoline excise tax rate; indexing the rate of taxation on gasoline; directing commissioner of transportation to amend Minnesota Rules, parts 8820.0100, subpart 19, and 8820.0600; appropriating money; amending Minnesota Statutes 1994, sections 161.081, subdivision 1; 161.082, subdivisions 1 and 2a; 162.02, by adding a subdivision; 162.07, subdivisions 1, 5, and 6; and 296.02, subdivision 1b, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Finn, Ms. Pappas, Mr. Spear and Ms. Berglin introduced--**

**S.F. No. 574:** A bill for an act relating to Indians; requiring the Indian affairs council to report on potentially offensive place names; requiring the commissioner of natural resources to change certain names of geographic features of the state.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Metzen; Johnson, D.J.; Novak; Ms. Reichgott Junge and Mr. Belanger introduced--**



**S.F. No. 575:** A bill for an act relating to taxation; property; reducing the class rates applied to noncommercial seasonal recreational residential property; amending Minnesota Statutes 1994, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Johnson, J.B.; Piper; Messrs. Chmielewski and Johnson, D.J. introduced--**

**S.F. No. 576:** A bill for an act relating to senior nutrition programs; requiring a report on the use of administrative funds; increasing funding for congregate dining and home-delivered meals; appropriating money.

Referred to the Committee on Family Services.

**Mr. Janezich, Ms. Berglin and Mr. Johnson, D.J. introduced--**

**S.F. No. 577:** A bill for an act relating to health; modifying provisions relating to nursing home administrators; amending Minnesota Statutes 1994, section 144A.04, subdivision 5.

Referred to the Committee on Health Care.

**Mr. Hottinger, Ms. Kiscaden, Messrs. Betzold and Knutson introduced--**

**S.F. No. 578:** A bill for an act relating to civil actions; regulating professional negligence actions against health care providers; providing limitations on noneconomic losses, attorney's fees, and damages; providing a waiver of privilege for health care providers; amending Minnesota Statutes 1994, sections 549.01; 595.02, subdivision 5; and 604.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 548.

Referred to the Committee on Judiciary.

**Mr. Chandler, Ms. Anderson, Messrs. Janezich, Hottinger and Ms. Wiener introduced--**

**S.F. No. 579:** A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Stumpf; Moe, R.D.; Lessard and Larson introduced--**

**S.F. No. 580:** A bill for an act relating to agriculture; appropriating money for a grant to a joint powers board for beaver damage control.

Referred to the Committee on Agriculture and Rural Development.

**Ms. Hanson, Messrs. Lessard, Murphy, Mrs. Pariseau and Mr. Janezich introduced--**

**S.F. No. 581:** A bill for an act relating to liability protection; providing certain liability protections for sport shooting ranges that comply with generally accepted operation practices; requiring rulemaking; proposing coding for new law in Minnesota Statutes, chapter 561.

Referred to the Committee on Judiciary.

**Messrs. Solon, Samuelson, Sams and Ms. Piper introduced--**

**S.F. No. 582:** A bill for an act relating to human services; adjusting reimbursement rates for special transportation services; amending Minnesota Statutes 1994, section 256B.0625, subdivision 17.

Referred to the Committee on Health Care.

**Ms. Wiener, Messrs. Limmer, Bertram, Lessard and Beckman introduced--**

**S.F. No. 583:** A bill for an act relating to workers' compensation; providing for insurance regulation; regulating benefits; appropriating money; amending Minnesota Statutes 1994, sections 79.50; 79.51, subdivisions 1 and 3; 79.53, subdivision 1; 79.55, subdivisions 2, 5, and by adding subdivisions; 79.56, subdivisions 1 and 3; 176.021, subdivisions 3 and 3a; 176.101, subdivisions 1, 3g, 3l, 3m, 3o, 3q, 4, and 5; 176.645, subdivision 1; and 176.66, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1994, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; 79.58; and 176.132, subdivisions 1 and 2.

Referred to the Committee on Jobs, Energy and Community Development.

#### **MEMBERS EXCUSED**

Messrs. Johnson, D.E.; Kroening; Meses. Lesewski, Olson, Mr. Mondale and Mrs. Pariseau were excused from the Session of today.

#### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, February 21, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SEVENTEENTH DAY**

**St. Paul, Minnesota, Monday, February 20, 1995**

**The House of Representatives met on Monday, February 20, 1995, which was the Seventeenth Legislative Day of the Seventy-Ninth Session of the Minnesota State Legislature. The Senate did not meet on this date.**



## EIGHTEENTH DAY

St. Paul, Minnesota, Tuesday, February 21, 1995

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. Joe Dokken.

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:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

The President declared a quorum present.

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 9, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

## WORKERS' COMPENSATION COURT OF APPEALS

Thomas L. Johnson, 1510 Red Cedar Rd., Eagan, Dakota County, effective January 15, 1995, for a term expiring on the first Monday in January, 2001.

(Referred to the Committee on Jobs, Energy and Community Development.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF HUMAN SERVICES**

Maria R. Gomez, 8400 Indian Blvd. S., Cottage Grove, Washington County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Family Services.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY**

Michael S. Jordan, 6631 - 135th St. W., Apple Valley, Dakota County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Crime Prevention.)

January 26, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**STATE BOARD OF EDUCATION**

Nedra M. Wicks, 5600 Stenbrae Ct., Rochester, Olmsted County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Jeanne Kling, 904 S.E. Willmar Ave., Willmar, Kandiyohi County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

Thomas Peacock, 1507 Lockling Rd., Cloquet, Carlton County, effective January 30, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Education.)

February 7, 1995

Mr. Allan H. Spear, President of the Senate  
Mr. Irv Anderson, Speaker of the House  
Ms. Joan A. Growe, Secretary of State

Dear Sirs and Madam:

Anne Barry's appointment as Acting Commissioner of the Minnesota Department of Health is effective today, February 7, 1995.

Warmest regards,  
Arne H. Carlson, Governor

February 14, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is 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 1995	Date Filed 1995
	45	1	11:32 a.m. February 14	February 14

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 44.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 16, 1995

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. 75:** A bill for an act relating to real property; clarifying requirements relating to filing of notice of mechanics' liens; amending Minnesota Statutes 1994, section 514.08, subdivision 1.

Senate File No. 75 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 20, 1995

### CONCURRENCE AND REPASSAGE

Mr. Betzold moved that the Senate concur in the amendments by the House to S.F. No. 75 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 75:** A bill for an act relating to real property; clarifying requirements relating to filing of notices relating to mechanics' liens; amending Minnesota Statutes 1994, sections 514.08, subdivision 1; and 514.12, subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Reichgott Junge
Beckman	Frederickson	Kroening	Murphy	Riveness
Belanger	Hanson	Laidig	Neuville	Robertson
Berg	Hottinger	Langseth	Novak	Runbeck
Berglin	Johnson, D.E.	Larson	Oliver	Sams
Bertram	Johnson, D.J.	Lesewski	Olson	Samuelson
Betzold	Johnson, J.B.	Lessard	Ourada	Solon
Chandler	Johnston	Limmer	Pappas	Spear
Chmielewski	Kelly	Marty	Pariseau	Stevens
Cohen	Kiscaden	Merriam	Piper	Stumpf
Day	Kleis	Metzen	Pogemiller	Terwilliger
Dille	Knutson	Moe, R.D.	Price	Vickerman
Finn	Kramer	Mondale	Ranum	Wiener

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. 226, 231 and 354.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 16, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 37, 95, 358, 421, 435, 374 and 383.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 20, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 226:** A bill for an act relating to occupations and professions; requiring reporting of certain insurance settlements to board of medical practice; amending Minnesota Statutes 1994, sections 147.111, subdivision 5; and 147.161, subdivision 1.

Referred to the Committee on Health Care.

**H.F. No. 231:** A bill for an act relating to occupations and professions; board of medical practice; changing licensing requirements for foreign applicants; changing certain disciplinary procedures; amending Minnesota Statutes 1994, sections 147.037, subdivision 1; 147.091, subdivisions 1, 2, and 6; 147.121, subdivision 2; 148.70; and 148.72, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 95, now on General Orders.

**H.F. No. 354:** A bill for an act relating to utilities; allowing small gas utility franchises an exemption from rate regulation for incidental utility service; amending Minnesota Statutes 1994, section 216B.16, subdivision 12.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 37:** A bill for an act relating to local government; allowing either the town of Glen or the town of Kimberly in Aitkin county to have an alternate annual meeting day.



Referred to the Committee on Metropolitan and Local Government.

**H.F. No. 95:** A bill for an act relating to highways; prohibiting headwalls in highway rights-of-way; imposing a penalty; amending Minnesota Statutes 1994, section 160.27, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 132, now on General Orders.

**H.F. No. 358:** A bill for an act relating to utilities; clarifying that public utilities commission may extend deadline for rate suspension period by 20 days when necessary to first make final determination on another, previously filed rate case; allowing exemption from rate regulation for small electric utility franchise; allowing longer review time for granting petition for rehearing by public utilities commission; amending Minnesota Statutes 1994, sections 216B.16, subdivision 2, and by adding a subdivision; and 216B.27, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 121:** A bill for an act relating to state trails; authorizing extension of the Blufflands Trail System in Winona county; amending Minnesota Statutes 1994, section 85.015, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 310.

**H.F. No. 435:** A bill for an act relating to public utilities; authorizing performance-based gas purchasing regulation for gas utilities; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 374:** A bill for an act relating to utilities; exempting large electric power generating plant from certificate of need proceeding when selected by the public utilities commission from a bidding process to select resources to meet the utility's projected energy demand; amending Minnesota Statutes 1994, section 216B.2422, subdivision 5.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 383:** A bill for an act relating to traffic regulations; clarifying conditions when covering motor vehicle head lamp, tail lamp, or reflector is unlawful; providing that only certain trailers required to have brakes are also required to have break-away brakes; requiring inspector of commercial motor vehicle to retain report for at least 14 months; prohibiting the covering of a license plate with any material or substance; amending Minnesota Statutes 1994, sections 169.64, by adding a subdivision; 169.67, subdivision 3; 169.781, subdivision 4; and 169.79.

Referred to the Committee on Transportation and Public Transit.

## REPORTS OF COMMITTEES

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 266:** A bill for an act relating to local government; towns; authorizing the town board to set up a petty cash fund; amending Minnesota Statutes 1994, section 366.01, by adding a subdivision.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 311:** A bill for an act relating to the county of Pipestone; authorizing the issuance of general obligation bonds for repair and renovation of the county courthouse and annex.

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

Page 1, line 12, delete everything after "required" and insert ". Minnesota Statutes, section 275.61, shall apply to taxes levied to pay the bonds as if the bonds were required to be approved and were approved by the voters."

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.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 317:** A bill for an act relating to cities; permitting cities to close certain unlawful businesses; proposing coding for new law in Minnesota Statutes, chapter 415.

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

Page 1, line 10, delete "city ordinance" and insert "city's zoning or licensing ordinances" and delete "it" and insert "the business"

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

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

**H.F. No. 137** 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.
				137	213

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. 164** 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.
164	65				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 164 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 164 and insert the language after the enacting clause of S.F. No. 65, the first engrossment; further, delete the title of H.F. No. 164 and insert the title of S.F. No. 65, the first engrossment.

And when so amended H.F. No. 164 will be identical to S.F. No. 65, and further recommends

that H.F. No. 164 be given its second reading and substituted for S.F. No. 65, and that the Senate File be indefinitely postponed.

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

### **SECOND READING OF SENATE BILLS**

S.F. No. 266 was read the second time.

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

H.F. Nos. 137 and 164 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Ms. Hanson moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 23. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 357. The motion prevailed.

Mr. Oliver moved that his name be stricken as a co-author to S.F. No. 433. The motion prevailed.

Mr. Novak moved that the name of Ms. Berglin be added as a co-author to S.F. No. 459. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Terwilliger be added as a co-author to S.F. No. 566. The motion prevailed.

Mr. Murphy moved that the name of Mr. Finn be added as a co-author to S.F. No. 572. The motion prevailed.

Mr. Finn moved that the name of Mr. Marty be added as a co-author to S.F. No. 574. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Finn be added as a co-author to S.F. No. 576. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Finn be added as a co-author to S.F. No. 580. The motion prevailed.

Ms. Piper moved that S.F. No. 258, No. 13 on General Orders, be stricken and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Ms. Lesewski moved that S.F. No. 311 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Berglin moved that S.F. No. 521 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Family Services. The motion prevailed.

Ms. Flynn moved that S.F. No. 557 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

### **CALENDAR**

**S.F. No. 168:** A bill for an act relating to elections; providing for simulated elections for minors; proposing coding for new law in Minnesota Statutes, chapter 204B.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Novak	Solon
Beckman	Flynn	Laidig	Oliver	Spear
Belanger	Hanson	Lessard	Piper	Stumpf
Berglin	Hottinger	Marty	Pogemiller	Terwilliger
Bertram	Janezich	Merriam	Price	Vickerman
Betzold	Johnson, D.J.	Metzen	Ranum	Wiener
Chandler	Johnson, J.B.	Moe, R.D.	Reichgott Junge	
Cohen	Kelly	Mondale	Riveness	
Day	Kleis	Morse	Sams	
Dille	Kramer	Murphy	Samuelson	

Those who voted in the negative were:

Berg	Johnston	Langseth	Neuville	Robertson
Chmielewski	Kiscaden	Larson	Olson	Runbeck
Frederickson	Knutson	Lesewski	Ourada	Scheevel
Johnson, D.E.	Kroening	Limmer	Pariseau	Stevens

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 91:** A bill for an act relating to gambling; providing eligibility for participation as a provider in the state compulsive gambling program; amending Minnesota Statutes 1994, section 245.98, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Morse	Robertson
Beckman	Frederickson	Krentz	Murphy	Sams
Belanger	Hanson	Kroening	Neuville	Samuelson
Berg	Hottinger	Laidig	Novak	Scheevel
Berglin	Janezich	Langseth	Oliver	Solon
Bertram	Johnson, D.E.	Larson	Ourada	Spear
Betzold	Johnson, D.J.	Lessard	Pappas	Stevens
Chandler	Johnson, J.B.	Limmer	Piper	Stumpf
Chmielewski	Johnston	Marty	Pogemiller	Terwilliger
Cohen	Kelly	Merriam	Price	Vickerman
Day	Kiscaden	Metzen	Ranum	Wiener
Dille	Kleis	Moe, R.D.	Reichgott Junge	
Finn	Knutson	Mondale	Riveness	

Ms. Lesewski voted in the negative.

So the bill passed and its title was agreed to.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Mr. Betzold, Ms. Reichgott Junge, Messrs. Limmer and Kramer introduced--**

**S.F. No. 584:** A bill for an act relating to education; allowing independent school district No. 279, Osseo, to levy a tax to provide instructional services for at-risk children.

Referred to the Committee on Education.

**Mr. Betzold, Ms. Reichgott Junge, Messrs. Limmer and Kramer introduced--**

**S.F. No. 585:** A bill for an act relating to education; allowing independent school district No. 279, Osseo, to levy a tax to provide instructional services to at-risk children; providing for a low-income concentration grant program; appropriating money; amending Laws 1994, chapter 647, article 8, section 41.

Referred to the Committee on Education.

**Mr. Betzold, Ms. Reichgott Junge, Messrs. Limmer and Kramer introduced--**

**S.F. No. 586:** A bill for an act relating to education; providing for a low-income concentration aid program; allowing independent school district No. 279, Osseo to levy a tax to provide instructional services for at-risk children; amending Minnesota Statutes 1994, section 124A.032; Laws 1994, chapter 647, article 8, section 41; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

**Messrs. Stevens; Johnson, D.J.; Terwilliger; Johnson, D.E. and Ms. Runbeck introduced--**

**S.F. No. 587:** A resolution calling for a Conference of the States to be promoted and convened by the Council of State Governments for the purpose of restoring balance in the federal system.

Referred to the Committee on Rules and Administration.

**Messrs. Chandler, Price, Merriam, Morse and Riveness introduced--**

**S.F. No. 588:** A bill for an act relating to consumer protection; regulating deceptive trade practices related to environmental marketing claims; amending Minnesota Statutes 1994, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Kelly introduced--**

**S.F. No. 589:** A bill for an act relating to the city of Saint Paul; exempting certain tax increment financing districts from certain aid offsets.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Flynn introduced--**

**S.F. No. 590:** A bill for an act relating to elections; providing for distribution of a caucus guide and a voters' guide; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 202A; and 204B.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Finn, Ms. Reichgott Junge, Messrs. Betzold and Knutson introduced--**

**S.F. No. 591:** A bill for an act relating to probate; clarifying and correcting provisions of the uniform probate code; expanding authority for safe deposit box searches, division and merger of trusts, and granting of power-of-attorney to spouses in certain cases; amending Minnesota Statutes 1994, sections 55.10, subdivision 4; 501B.16; 507.02; 519.06; 519.07; 523.23, subdivision 1;

523.24, subdivision 1; 524.1-201; 524.2-508; 524.3-914; 524.3-916; 524.3-1001; 524.3-1008; 524.3-1201; 524.3-1202; and 524.3-1203; proposing coding for new law in Minnesota Statutes, chapters 501B; and 524; repealing Minnesota Statutes 1994, sections 525.145; and 525.51.

Referred to the Committee on Judiciary.

**Messrs. Stumpf, Vickerman, Lessard, Dille and Scheevel introduced--**

**S.F. No. 592:** A bill for an act relating to towns; providing for official confirmation of certain old town roads that cross state lands; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

**Mses. Robertson, Olson, Messrs. Scheevel and Ourada introduced--**

**S.F. No. 593:** A bill for an act relating to employment; eliminating the requirement that prevailing wages be paid; amending Minnesota Statutes 1994, sections 268.92, subdivision 6; and 471.992, subdivision 1; repealing Minnesota Statutes 1994, sections 116J.871, subdivisions 2 and 3; 177.41; 177.42; 177.43; 177.44; and 471.345, subdivision 7.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kleis, Stevens and Bertram introduced--**

**S.F. No. 594:** A bill for an act relating to education; authorizing independent school district No. 742, St. Cloud, to transfer funds from the general fund to the capital expenditure fund.

Referred to the Committee on Education.

**Messrs. Beckman, Vickerman, Hottinger, Day and Mrs. Pariseau introduced--**

**S.F. No. 595:** A bill for an act relating to real property; eliminating authority of county recorders to collect certain fees; repealing Minnesota Statutes 1994, section 357.18, subdivision 3.

Referred to the Committee on Judiciary.

**Mrs. Pariseau, Ms. Olson, Mr. Belanger and Ms. Runbeck introduced--**

**S.F. No. 596:** A bill for an act relating to health; exempting dental services from the regulated all-payer option and the MinnesotaCare provider tax; amending Minnesota Statutes 1994, section 295.50, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62P.

Referred to the Committee on Health Care.

**Messrs. Hottinger, Larson, Janezich and Ms. Anderson introduced--**

**S.F. No. 597:** A bill for an act relating to insurance; automobile; regulating medical expense benefits; authorizing reparation obligors to offer medical expense benefits through certified managed care plans; authorizing the commissioner of commerce to certify these plans; requiring appropriate premium reductions; amending Minnesota Statutes 1994, section 65B.49, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Runbeck, Messrs. Betzold, Cohen, Kleis and Ms. Kiscaden introduced--**

**S.F. No. 598:** A bill for an act relating to civil actions; limiting the liability of grocery stores and delicatessens as food donors to the elderly or needy; amending Minnesota Statutes 1994, section 604A.10, subdivision 1.

Referred to the Committee on Judiciary.

**Messrs. Terwilliger, Oliver, Neuville, Knutson and Ms. Kiscaden introduced--**

**S.F. No. 599:** A bill for an act relating to health; HIV exposure and testing of emergency medical service personnel; expanding the circumstances in which notification is provided to correctional guards; amending Minnesota Statutes 1994, section 144.761, subdivision 5.

Referred to the Committee on Health Care.

**Messrs. Johnson, D.J.; Solon; Day; Beckman and Larson introduced--**

**S.F. No. 600:** A bill for an act relating to health; expanding the University of Minnesota-Duluth medical education program; requesting the University of Minnesota-Duluth School of Medicine to apply for a federal area health education center program grant; establishing a physician substitute demonstration project for rural communities; expanding the size of the rural physician associate program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

**Ms. Robertson, Mr. Janezich, Ms. Pappas, Messrs. Knutson and Larson introduced--**

**S.F. No. 601:** A bill for an act relating to education; modifying provisions relating to school bus safety; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 123.7991, subdivisions 2 and 3; 123.805, subdivisions 1 and 2; 124.225, subdivisions 7f and 8m; 124.226, by adding a subdivision; 169.01, subdivision 6; 169.21, subdivision 2; 169.444, subdivision 2; 169.447, subdivision 6; 169.4503, by adding a subdivision; 169.451, by adding a subdivision; 169.452; 169.454, subdivision 5, and by adding a subdivision; 171.01, subdivision 21; 171.18, subdivision 1; 171.321, subdivisions 4, 5, and by adding a subdivision; 171.3215, subdivisions 1, 2, and 3; and 631.40, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Education.

**Messrs. Pogemiller, Larson and Stumpf introduced--**

**S.F. No. 602:** A bill for an act relating to education; providing for remedial instruction in public post-secondary institutions; charge back of testing and instruction costs; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

**Messrs. Terwilliger, Laidig, Metzen, Bertram and Kleis introduced--**

**S.F. No. 603:** A bill for an act relating to veterans affairs; creating a Korean war veterans' memorial on the capitol mall; appropriating money.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Reichgott Junge, Mr. Samuelson, Mses. Piper and Kiscaden introduced--**

**S.F. No. 604:** A bill for an act relating to children's supervised visitation facilities; amending Minnesota Statutes 1994, sections 256F.09, subdivisions 1, 2, 3, and by adding a subdivision; and 517.08, subdivisions 1b and 1c; repealing Minnesota Statutes 1994, section 256F.09, subdivision 4.

Referred to the Committee on Family Services.

**Messrs. Vickerman, Langseth, Mses. Kiscaden, Johnston and Mr. Ourada introduced--**

**S.F. No. 605:** A bill for an act relating to recreational vehicles; requiring snowmobile operators and passengers to wear helmets; imposing penalties; amending Minnesota Statutes 1994, section 84.87, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Mses. Kiscaden, Reichgott Junge, Robertson, Wiener and Mr. Hottinger introduced--**

**S.F. No. 606:** A bill for an act relating to family law; authorizing courts to require parties to participate in orientation programs in proceedings involving children; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

**Messrs. Johnson, D.J. and Solon introduced--**

**S.F. No. 607:** A bill for an act relating to public improvements; appropriating bond proceeds for improvements to the Hartley Nature Center in Duluth.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 608:** A bill for an act relating to human services; modifying child care programs and county contribution; amending Minnesota Statutes 1994, section 256H.12, subdivision 3.

Referred to the Committee on Family Services.

**Messrs. Stevens, Larson, Terwilliger, Stumpf and Oliver introduced--**

**S.F. No. 609:** A bill for an act relating to retirement; legislators retirement; establishing defined contribution plan retirement coverage for certain legislators; amending Minnesota Statutes 1994, sections 3A.02, subdivision 1; 3A.03; 3A.04, subdivisions 1 and 2; 3A.12, subdivision 1; 352D.02, subdivision 3; 352D.03; 352D.04, subdivision 2; 352D.11, subdivision 1; and 352D.12; proposing coding for new law in Minnesota Statutes, chapters 3A; and 352D.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Belanger, Ms. Olson, Mrs. Pariseau, Ms. Runbeck and Mr. Oliver introduced--**

**S.F. No. 610:** A bill for an act relating to the financing of government in this state; providing tax credits; making the used farm machinery sales tax exemption permanent; repealing the political contribution refund; providing flexibility and accountability for local governments; appropriating money; amending Minnesota Statutes 1994, sections 256E.06, subdivisions 9, 12, and 13; 273.138, subdivision 2; 273.1398, subdivisions 2 and 3a; 273.166, subdivision 2; 276.04, subdivision 2; 289A.50, subdivision 1; 290.01, subdivision 6; 290.06, by adding a subdivision; 297A.25, subdivision 59; 471.9981, subdivision 6; 477A.012, subdivision 1; 477A.013, subdivisions 1 and 9; 477A.0132, subdivisions 1 and 2; 477A.014, subdivisions 1, 2, and 5; 477A.015; 477A.017, subdivision 3; and 477A.03, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 275; and 477A; repealing Minnesota Statutes 1994, sections 10A.322, subdivision 4; 10A.43, subdivision 5; 290.06, subdivision 23; 477A.011, subdivisions 30, 31, 32, 33, 34, 35, 36, and 37; 477A.012; 477A.013; and 477A.014, subdivision 1a.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Piper, Berglin, Messrs. Betzold, Samuelson and Ms. Anderson introduced--**

**S.F. No. 611:** A bill for an act relating to human services; appropriating money for the WIC program.



Referred to the Committee on Family Services.

**Messrs. Chandler, Kroening, Ms. Robertson, Messrs. Murphy and Beckman introduced--**

**S.F. No. 612:** A bill for an act relating to education; authorizing school districts to require students to wear uniforms; clarifying that school officials may use reasonable force in certain situations; amending Minnesota Statutes 1994, sections 120.73, by adding a subdivision; and 127.45, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

**Ms. Anderson, Messrs. Chandler, Solon, Metzen and Larson introduced--**

**S.F. No. 613:** A bill for an act relating to insurance; health; requiring coverage for hospitalization and anesthesia coverage for dental procedures; requiring coverage for general anesthesia and treatment for covered medical conditions rendered by a dentist; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Piper, Mr. Samuelson, Ms. Runbeck and Mr. Terwilliger introduced--**

**S.F. No. 614:** A bill for an act relating to health; establishing a state board of physical therapy; providing licensing requirements for physical therapists; appropriating money; amending Minnesota Statutes 1994, sections 144A.46, subdivision 2; 148.66; 148.67; 148.70; 148.705; 148.71; 148.72, subdivisions 1, 2, and 4; 148.73; 148.74; 148.75; 148.76; 148.78; and 214.01, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health Care.

**Messrs. Riveness, Langseth, Ms. Wiener, Mr. Knutson and Ms. Flynn introduced--**

**S.F. No. 615:** A bill for an act relating to transportation; establishing a high-speed bus service pilot project in the metropolitan area.

Referred to the Committee on Transportation and Public Transit.

**Mr. Betzold, Meses. Berglin, Kiscaden, Robertson and Piper introduced--**

**S.F. No. 616:** A bill for an act relating to human services; providing supplementary rates for certain group residential housing; amending Minnesota Statutes 1994, section 256I.05, by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Solon, Morse, Stumpf, Terwilliger and Metzen introduced--**

**S.F. No. 617:** A bill for an act relating to insurance; property and casualty; regulating peace officer state aid; requiring domestic mutuals to file a certain premium report; amending Minnesota Statutes 1994, section 69.021, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Berg, Scheevel and Neuville introduced--**

**S.F. No. 618:** A resolution memorializing the Congress to pass and the President to sign legislation amending the Indian Gaming Regulatory Act.

Referred to the Committee on Gaming Regulation.

**Mr. Berg introduced--**

**S.F. No. 619:** A bill for an act relating to lawful gambling; regulating lawful purpose expenditures; providing for contributions to certain compulsive gambling programs; amending Minnesota Statutes 1994, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

**Messrs. Oliver, Price, Larson, Metzen and Day introduced--**

**S.F. No. 620:** A bill for an act relating to securities; regulating enforcement actions against licensees; modifying the definition of investment metal; amending Minnesota Statutes 1994, sections 80A.07, subdivision 5; and 80A.14, subdivision 10.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Lessard, Berg, Frederickson and Laidig introduced--**

**S.F. No. 621:** A bill for an act relating to game and fish; extending protected status to and authorizing seasons on certain wild animals; dating of short-term nonresident angling licenses; clarifying the age for trapping without a license; posting of waters to prohibit fishing or motorboat operation; adjusting opening and closing dates of various seasons for taking fish; removing time limits on sale of fish by commercial licensees; amending Minnesota Statutes 1994, sections 97A.015, subdivisions 45 and 53; 97A.411, subdivision 1; 97A.451, subdivision 3; 97B.605; 97B.631; 97B.655, subdivision 1; 97C.025; 97C.345, subdivisions 1, 2, and 3; 97C.371, subdivision 4; 97C.395, subdivision 1; and 97C.821; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 1994, section 97B.301, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Lessard and Stevens introduced--**

**S.F. No. 622:** A bill for an act relating to crimes; authorizing imposition of the death penalty for first degree murder under certain aggravating circumstances; 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; appropriating money; amending Minnesota Statutes 1994, sections 243.05, subdivision 1; 609.10; 609.12, subdivision 1; 609.135, subdivision 1; and 609.185; proposing coding for new law as Minnesota Statutes, chapter 244A.

Referred to the Committee on Crime Prevention.

**Messrs. Sams, Betzold, Oliver, Vickerman and Terwilliger introduced--**

**S.F. No. 623:** A bill for an act relating to health; MinnesotaCare; repealing the regulated all-payer option; modifying tax payment procedures; amending Minnesota Statutes 1994, sections 62J.017; 62J.04, subdivision 1a; 62J.09, subdivision 1a; 62J.152, subdivision 5; 62J.48; 62J.65; 62N.05, subdivision 2; 62Q.01, subdivisions 3 and 4; 62Q.30; 62Q.41; and 295.582; repealing Minnesota Statutes 1994, sections 62J.152, subdivision 6; 62P.01; 62P.02; 62P.03; 62P.04; 62P.05; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; and 62P.33.

Referred to the Committee on Health Care.

**Mr. Betzold, Ms. Reichgott Junge, Messrs. Kramer and Limmer introduced--**

**S.F. No. 624:** A bill for an act relating to crime; appropriating money for the northwest community law enforcement project.

Referred to the Committee on Crime Prevention.

**Messrs. Hottinger, Day, Mrs. Pariseau and Mr. Vickerman introduced--**

**S.F. No. 625:** A bill for an act relating to estates; providing for investment of certain estate assets at the direction of the court; amending Minnesota Statutes 1994, section 524.3-914.

Referred to the Committee on Judiciary.

**Ms. Krentz and Mr. Cohen introduced--**

**S.F. No. 626:** A bill for an act relating to paternity; eliminating a presumption for husbands in certain cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision.

Referred to the Committee on Judiciary.

**Messrs. Moe, R.D.; Stumpf; Larson and Ms. Wiener introduced--**

**S.F. No. 627:** A bill for an act relating to education; requiring public post-secondary institutions to adopt the semester system; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

**Messrs. Moe, R.D. and Johnson, D.E. introduced--**

**S.F. No. 628:** A bill for an act relating to ethics in government; extending the enforcement authority of the ethical practices board to cover gifts to local officials; making advisory opinions public data; authorizing civil penalties; clarifying certain definitions; clarifying and authorizing exceptions to the ban on gifts; appropriating money; amending Minnesota Statutes 1994, sections 10A.01, subdivision 28; 10A.02, subdivision 12; 10A.071, subdivisions 1 and 3; 10A.34; and 471.895, subdivisions 1 and 3.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Betzold and Kramer introduced--**

**S.F. No. 629:** A bill for an act relating to housing; establishing a rental tax equity pilot project in the city of Brooklyn Park; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Langseth introduced--**

**S.F. No. 630:** A bill for an act relating to alcoholic beverages; removing statutory minimum restaurant seating capacities and permitting the local license issuing authority to establish minimum restaurant seating capacities; amending Minnesota Statutes 1994, section 340A.101, subdivision 25.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Kroening, Janezich, Belanger, Day and Solon introduced--**

**S.F. No. 631:** A bill for an act relating to occupations and professions; board of accountancy; providing for licensure of firms; modifying licensing and disciplinary requirements; regulating practice entities; appropriating money; amending Minnesota Statutes 1994, sections 326.165; 326.17; 326.18; 326.19; 326.20, subdivisions 1, 3, 4, and by adding a subdivision; 326.211, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, and 10; 326.212, subdivisions 1, 3, 5, and by adding a

subdivision; 326.22, subdivisions 1, 2, and 3; 326.223; 326.224; 326.228; and 326.229, subdivisions 3, 4, 6, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1994, section 326.191; 326.20, subdivision 2; 326.21; 326.212, subdivision 4; and 326.225.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Betzold introduced--**

**S.F. No. 632:** A bill for an act relating to crime; making it a felony to flee a peace officer by means of a motor vehicle; amending Minnesota Statutes 1994, section 609.487, subdivision 3.

Referred to the Committee on Crime Prevention.

**Mr. Berg introduced--**

**S.F. No. 633:** A bill for an act relating to education; authorizing independent school district No. 129, Montevideo, to levy for the unreimbursed costs of an adult farm management program.

Referred to the Committee on Education.

**Messrs. Langseth, Chmielewski, Bertram, Ms. Lesewski and Mr. Vickerman introduced--**

**S.F. No. 634:** A bill for an act relating to property rights; requiring the attorney general to review proposed rules for potential to result in "takings" of private property; establishing a cause of action for reduction in value of private property as a result of governmental regulation; proposing coding for new law in Minnesota Statutes, chapters 14; and 557.

Referred to the Committee on Judiciary.

**Messrs. Frederickson, Knutson, Ms. Robertson, Messrs. Scheevel and Ourada introduced--**

**S.F. No. 635:** A bill for an act relating to property rights; requiring the attorney general to review proposed rules for potential to result in "takings" of private property; establishing a cause of action for reduction in value of private property as a result of governmental regulation; proposing coding for new law in Minnesota Statutes, chapters 14; and 557.

Referred to the Committee on Judiciary.

**Ms. Hanson, Messrs. Berg, Stevens and Sams introduced--**

**S.F. No. 636:** A bill for an act relating to property rights; requiring the attorney general to review proposed rules for potential to result in "takings" of private property; establishing a cause of action for reduction in value of private property as a result of governmental regulation; proposing coding for new law in Minnesota Statutes, chapters 14; and 557.

Referred to the Committee on Judiciary.

**Ms. Lesewski, Mr. Vickerman, Mrs. Pariseau, Messrs. Bertram and Sams introduced--**

**S.F. No. 637:** A bill for an act relating to taxation; providing for the taxation of wind energy conversion systems; amending Minnesota Statutes 1994, sections 272.02, subdivision 1; and 273.37, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Runbeck, Messrs. Dille; Moe, R.D.; Lessard and Riveness introduced--**

**S.F. No. 638:** A bill for an act relating to the environment; requiring the pollution control

agency to meet with a party before issuing an administrative penalty order; amending Minnesota Statutes 1994, section 116.072, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Bertram, Metzen and Solon introduced--**

**S.F. No. 639:** A bill for an act relating to taxation; removing the additional excise tax upon sales of intoxicating and malt liquor; repealing Minnesota Statutes 1994, section 297A.02, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Bertram introduced--**

**S.F. No. 640:** A bill for an act relating to alcoholic beverages; eliminating the requirement that retail licensees furnish proof of financial responsibility; amending Minnesota Statutes 1994, sections 62I.02, subdivision 4; 340A.404, subdivision 10; and 340A.405, subdivision 4; repealing Minnesota Statutes 1994, sections 340A.409; and 340A.603.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Dille introduced--**

**S.F. No. 641:** A bill for an act relating to human services; providing coverage for family therapy counseling; amending Minnesota Statutes 1994, sections 256B.0625, by adding a subdivision; and 256D.03, subdivision 4.

Referred to the Committee on Health Care.

**Messrs. Stevens, Cohen, Ms. Kiscaden and Mr. Betzold introduced--**

**S.F. No. 642:** A bill for an act relating to human services; child support obligation and enforcement; amending Minnesota Statutes 1994, sections 256.978, subdivision 1; 518.171, subdivision 2a; 518.575; 518.611, subdivisions 1, 2, and 8a; 518.613, subdivisions 1 and 2; 518.614, subdivision 1; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1994, section 518.561.

Referred to the Committee on Judiciary.

**Mr. Langseth introduced--**

**S.F. No. 643:** A bill for an act relating to retirement; directing payment of disability benefits to a certain disabled member of the teachers retirement association.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Merriam introduced--**

**S.F. No. 644:** A bill for an act relating to state lands; modifying the provisions of a land sale to the city of Anoka; amending Laws 1991, chapter 185, section 2.

Referred to the Committee on Environment and Natural Resources.

**MEMBERS EXCUSED**

Ms. Runbeck was excused from the Session of today at 12:15 p.m. Mr. Janezich was excused from the Session of today from 12:00 noon to 12:15 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, February 23, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## NINETEENTH DAY

St. Paul, Minnesota, Thursday, February 23, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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. Kay Welsch.

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

Anderson	Frederickson	Krentz	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Bertram	Johnson, D.J.	Lessard	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Chmielewski	Kelly	Merriam	Piper	Stevens
Cohen	Kiscaden	Metzen	Pogemiller	Stumpf
Dille	Kleis	Moe, R.D.	Price	Terwilliger
Finn	Knutson	Mondale	Ranum	Vickerman
Flynn	Kramer	Morse	Reichgott Junge	Wiener

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.

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### COMMISSIONER, DEPARTMENT OF ADMINISTRATION

Elaine Hansen, 906 Ridgewood Rd., Duluth, St. Louis County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Governmental Operations and Veterans.)

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. 417. The motion prevailed.

#### Mr. Spear from the Committee on Crime Prevention, to which was referred

**S.F. No. 197:** A bill for an act relating to corrections; prohibiting correctional inmates from applying for name changes more than once a year; proposing coding for new law in Minnesota Statutes, chapter 259.

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

Page 1, line 11, delete "the commissioner of corrections may"

Page 1, delete lines 12 to 14 and insert "an inmate may request a name change under section 259.10 only once."

Amend the title as follows:

Page 1, line 2, delete "prohibiting" and insert "limiting the number of name changes for"

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

Page 1, line 4, delete everything before the semicolon

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

#### Mr. Spear from the Committee on Crime Prevention, to which was referred

**S.F. No. 320:** A bill for an act relating to criminal procedure; allowing probable cause arrests within school zones for certain offenses; proposing coding for new law in Minnesota Statutes, chapter 629.

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

Delete everything after the enacting clause and insert:

"Section 1. [629.343] [ALLOWING PROBABLE CAUSE ARRESTS FOR OFFENSES ON SCHOOL PROPERTY.]

Notwithstanding section 629.34, a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), who is on or off duty within the jurisdiction of the appointing authority or on duty outside the jurisdiction of the appointing authority pursuant to section 629.40, may arrest a person without a warrant if the peace officer has probable cause to believe that the person within the preceding four hours has committed a fifth-degree assault, as defined in section 609.224, on school property, as defined in section 609.66, subdivision 1d. The arrest may be made even though the crimes were not committed in the presence of the peace officer.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1995, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to criminal procedure; allowing warrantless probable cause arrests for certain offenses committed on school property; proposing coding for new law in Minnesota Statutes, chapter 629."



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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 373:** A bill for an act relating to health; requiring efforts to seek certain waivers; defining subacute care; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 2, line 6, delete "given" and insert "provided as a"

Page 2, after line 15, insert:

"Sec. 2. Minnesota Statutes 1994, section 256B.0625, is amended by adding a subdivision to read:

Subd. 38. [SUBACUTE CARE.] Medical assistance covers subacute care only in the least costly setting available."

Amend the title as follows:

Page 1, line 3, before "proposing" insert "amending Minnesota Statutes 1994, section 256B.0625, by adding a subdivision;"

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 566:** A bill for an act relating to education; allowing the residential program operated by independent school district No. 518 to remain open until June 1, 1996; amending Laws 1994, chapter 643, section 14, subdivision 8.

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

Page 3, line 9, delete "applicant or license"

Page 3, line 10, delete "holder" and insert "controlling individual"

Page 4, after line 36, insert:

"Sec. 3. [EFFECTIVE DATE.]

This act 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 Care, to which was referred**

**S.F. No. 417:** A bill for an act relating to human services; development of a long-term care payment and services delivery system; appropriating money.

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

Page 1, line 14, delete "are selected" and insert "the commissioner selects"

Page 1, line 15, delete "proposal" and insert "proposals"

Page 1, line 16, delete "requests" and insert "a request"

Page 1, line 18, after the semicolon, insert "(2) make recommendations to the commissioner on the selection of demonstration projects; (3) advise the commissioner on needed changes to state regulations or necessary waivers of state and federal regulations;" and delete "(2)" and insert "(4)"

Page 1, line 19, delete "(3)" and insert "(5)"

Page 2, line 10, delete "proposal" and insert "proposals"

Page 2, line 11, delete "requests" and insert "a request"

Page 2, line 12, delete "proposal" and insert "proposals"

Page 2, line 13, after "commissioner" insert "and the advisory committee"

Page 2, line 21, after "value" insert "of"

Page 3, line 1, before "advisory" insert "commissioner and the"

Page 3, line 10, delete the second comma

Page 3, delete lines 12 to 15

Amend the title as follows:

Page 1, line 3, delete the semicolon

Page 1, line 4, delete "appropriating 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. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 239:** A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Kandiyohi county.

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

Page 1, line 9, delete everything after the second comma

Page 1, line 10, delete everything before "Kandiyohi" and delete "by"

Page 1, line 11, delete "private sale"

Page 1, line 14, delete everything after "(b)"

Page 1, delete line 15

Page 1, line 16, delete everything before "The"

Amend the title as follows:

Page 1, line 2, delete "private" and insert "the"

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. 310:** A bill for an act relating to state trails; authorizing extension of the Blufflands Trail System in Winona county; amending Minnesota Statutes 1994, section 85.015, subdivision 7.

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

Page 1, line 16, after "county" strike "and" and insert a semicolon

Page 1, line 18, after "county" insert a semicolon

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**H.F. No. 435:** A bill for an act relating to public utilities; authorizing performance-based gas purchasing regulation for gas utilities; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 249:** A bill for an act relating to housing; making the landlord the bill payer and customer of record on utility accounts in single-metered multiunit residential buildings; amending Minnesota Statutes 1994, section 504.185, 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. [504.186] [SINGLE-METER UTILITY SERVICE PAYMENTS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given to them.

(a) "Owner" has the meaning given to it in section 566.18, subdivision 3.

(b) "Tenant" has the meaning given to it in section 566.18, subdivision 2.

(c) "Building" has the meaning given to it in section 566.18, subdivision 7.

(d) "Single-metered residential building" means a multiunit rental building with one or more separate residential living units where the utility service measured through a single meter provides service to an individual unit and to all or parts of common areas or other units.

Subd. 2. [SINGLE-METER UTILITY SERVICE PAYMENTS.] In every lease or license of residential premises, whether in writing or oral, the owner of a single-metered residential building shall be the bill payer responsible and the customer of record contracting with the utility for utility services. The owner must advise the utility provider that the utility services apply to a single-metered residential building. A failure by the owner to comply with this subdivision is a violation of the covenant described in section 504.18, subdivision 1, paragraph (a). In addition, a tenant may recover from an owner treble damages or \$500, whichever is greater, and reasonable attorney fees, for a violation of this subdivision. This subdivision may not be waived by contract or otherwise. This subdivision does not require an owner to contract and pay for utility service provided to each residential unit through a separate meter which accurately measures that unit's use only.

Sec. 2. [EFFECTIVE DATE.]

Section 1 applies to leases or licenses entered into or renewed on or after August 1, 1995."

Delete the title and insert:

"A bill for an act relating to housing; making the landlord the bill payer and customer of record on utility accounts in single-metered multiunit residential buildings; proposing coding for new law in Minnesota Statutes, chapter 504."

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

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

**H.F. No. 95** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
95	132				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 95 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 95 and insert the language after the enacting clause of S.F. No. 132, the first engrossment; further, delete the title of H.F. No. 95 and insert the title of S.F. No. 132, the first engrossment.

And when so amended H.F. No. 95 will be identical to S.F. No. 132, and further recommends that H.F. No. 95 be given its second reading and substituted for S.F. No. 132, and that the Senate File be indefinitely postponed.

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

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

**H.F. No. 231** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
231	95				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 231 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 231 and insert the language after the enacting clause of S.F. No. 95, the first engrossment; further, delete the title of H.F. No. 231 and insert the title of S.F. No. 95, the first engrossment.

And when so amended H.F. No. 231 will be identical to S.F. No. 95, and further recommends that H.F. No. 231 be given its second reading and substituted for S.F. No. 95, 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. 197, 320, 373, 566, 239 and 310 were read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. Nos. 435, 95 and 231 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Novak moved that the names of Messrs. Mondale and Janezich be added as co-authors to S.F. No. 276. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 409. The motion prevailed.

Mr. Cohen moved that the name of Ms. Krentz be added as a co-author to S.F. No. 454. The motion prevailed.

Mr. Johnson, D.E. moved that his name be stricken as a co-author to S.F. No. 537. The motion prevailed.

Mr. Johnson, D.E. moved that his name be stricken as a co-author to S.F. No. 538. The motion prevailed.

Ms. Robertson moved that the name of Mr. Stevens be added as a co-author to S.F. No. 593. The motion prevailed.

Mr. Ourada moved that his name be stricken as a co-author to S.F. No. 605. The motion prevailed.

Ms. Hanson moved that the name of Mr. Lessard be added as a co-author to S.F. No. 636. The motion prevailed.

Mr. Vickerman moved that S.F. No. 566, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

## CALENDAR

**H.F. No. 137:** A bill for an act relating to utilities; abolishing sunset provision related to competitive rates for electric utilities; making technical changes; amending Laws 1990, chapter 370, section 7; repealing Minnesota Statutes 1994, section 216B.162, subdivision 9.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 19, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Laidig	Novak	Samuelson
Belanger	Johnson, D.E.	Langseth	Oliver	Scheevel
Berg	Johnson, D.J.	Larson	Olson	Solon
Bertram	Johnston	Lesewski	Ourada	Stevens
Chandler	Kelly	Lessard	Pariseau	Stumpf
Chmielewski	Kiscaden	Limmer	Piper	Terwilliger
Dille	Kleis	Metzen	Robertson	Vickerman
Finn	Knutson	Murphy	Runbeck	Wiener
Frederickson	Kramer	Neuville	Sams	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Morse	Reichgott Junge
Berglin	Hanson	Marty	Pappas	Riveness
Betzold	Hottinger	Merriam	Pogemiller	Spear
Cohen	Johnson, J.B.	Mondale	Ranum	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

Mr. Chandler moved that S.F. No. 204 be withdrawn from the Committee on Finance and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

## GENERAL ORDERS

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

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

S.F. No. 214 and H.F. No. 164, which the committee recommends to pass.

S.F. No. 3, which the committee recommends to pass with the following amendment offered by Mr. Laidig:

Page 2, lines 7, 19, and 24, delete "the same" and strike "major" and insert "the same"

Page 3, line 17, delete "the same" and strike "major" and insert "the same"

Page 3, line 25, delete "major"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Betzold, 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. Neuville introduced--**

**S.F. No. 645:** 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 and Veterans.

### **Messrs. Langseth, Chmielewski and Vickerman introduced--**

**S.F. No. 646:** A bill for an act relating to capital improvements; authorizing bonds and appropriating money for purchase of Water's Edge building.

Referred to the Committee on Transportation and Public Transit.

### **Ms. Wiener, Messrs. Moe, R.D.; Finn; Johnson, D.J. and Hottinger introduced--**

**S.F. No. 647:** A bill for an act relating to public administration; providing a deadline for certain actions by state and local government agencies; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations and Veterans.

### **Messrs. Samuelson, Sams, Betzold, Solon and Oliver introduced--**

**S.F. No. 648:** A bill for an act relating to human services; state health care programs; dental care services; appropriating money; amending Minnesota Statutes 1994, sections 256B.0644; and 256B.76.

Referred to the Committee on Health Care.

**Messrs. Chandler, Solon, Limmer and Janezich introduced--**

**S.F. No. 649:** A bill for an act relating to insurance; regulating trade practices; prohibiting certain insurance agent quotas; amending Minnesota Statutes 1994, section 72A.20, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Reichgott Junge and Mr. Terwilliger introduced--**

**S.F. No. 650:** A bill for an act relating to crime prevention; requiring certain information to be gathered from crime victims and presented at bail hearings; requiring notification to certain victims of bail hearings; requiring notification to local law enforcement agencies of the pretrial release of certain defendants; directing that a plan be developed and a pilot project funded for a child abuse telephone helpline; requiring certain persons who interview children to have specific training; appropriating money; amending Minnesota Statutes 1994, section 629.715, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 257; and 629.

Referred to the Committee on Crime Prevention.

**Messrs. Knutson, Belanger, Mrs. Pariseau, Ms. Wiener and Mr. Metzen introduced--**

**S.F. No. 651:** A bill for an act relating to crime; expanding the scope of the dangerous and career offender sentencing law and the crimes of second degree murder, criminal sexual conduct in the fifth degree, burglary in the first degree, and harassment and stalking; limiting the authority of courts to stay mandatory minimum sentences for repeat sex offenders; expanding the restitution laws; amending Minnesota Statutes 1994, sections 609.152, subdivision 1; 609.19; 609.3451, subdivision 1; 609.346, subdivision 2; 609.582, subdivision 1; 609.749, subdivision 5; 611A.01; 611A.04, subdivisions 1 and 1a; and 624.712, subdivision 5.

Referred to the Committee on Crime Prevention.

**Mses. Reichgott Junge and Piper introduced--**

**S.F. No. 652:** A bill for an act relating to intermediate care facilities for persons with mental retardation; authorizing a pilot project to demonstrate the closure of a 64-bed facility; appropriating money.

Referred to the Committee on Health Care.

**Ms. Kiscaden, Messrs. Solon, Kramer and Merriam introduced--**

**S.F. No. 653:** A bill for an act relating to telecommunications; requiring for persons with communication impairments to be eligible to receive communication devices through the TACIP board, that they must be able to use the equipment; amending Minnesota Statutes 1994, section 237.53, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Sams, Ms. Hanson, Messrs. Bertram, Beckman and Dille introduced--**

**S.F. No. 654:** A bill for an act relating to agriculture; expanding eligibility for the value-added agricultural product loan program; appropriating money; amending Minnesota Statutes 1994, section 41B.046, subdivision 1, and by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Hottinger and Beckman introduced--**

**S.F. No. 655:** A bill for an act relating to education; providing funding for the Mankato area Model School for Truants; appropriating money.

Referred to the Committee on Education.

**Messrs. Merriam, Lessard, Morse, Laidig and Berg introduced--**

**S.F. No. 656:** A bill for an act relating to game and fish; specifying the areas in which deer may be taken under a license to take antlered deer in more than one zone; amending Minnesota Statutes 1994, section 97B.301, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Ms. Reichgott Junge, Messrs. Hottinger and Metzen introduced--**

**S.F. No. 657:** A bill for an act relating to public administration; clarifying the authority and procedures of the board of government innovation and cooperation; establishing application procedures for cooperation planning grants; appropriating money; amending Minnesota Statutes 1994, sections 465.798; 465.799; 465.801; 465.81, subdivisions 1 and 3; 465.82, subdivision 2; 465.84; 465.85; and 465.87.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Flynn, Messrs. Merriam, Belanger, Mses. Pappas and Robertson introduced--**

**S.F. No. 658:** A bill for an act relating to transportation; changing the county state-aid highway apportionment formula; modifying the composition of the county state-aid highway screening board; amending Minnesota Statutes 1994, section 162.07, subdivisions 1, 5, and 6; repealing Minnesota Statutes 1994, section 162.07, subdivisions 3 and 4.

Referred to the Committee on Transportation and Public Transit.

**Ms. Berglin, Messrs. Samuelson and Sams introduced--**

**S.F. No. 659:** A bill for an act relating to health; developing a birth defects registry system; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Mses. Anderson, Reichgott Junge and Mr. Betzold introduced--**

**S.F. No. 660:** A bill for an act relating to human services; requiring a report; providing a grant for the provision of trained service dogs; appropriating money.

Referred to the Committee on Health Care.

**Ms. Anderson, Messrs. Morse and Novak introduced--**

**S.F. No. 661:** A bill for an act relating to the environment; creating the angler's right-to-know act; requiring certain persons who discharge toxic pollutants to post warning signs; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

**Mr. Betzold introduced--**



**S.F. No. 662:** A bill for an act relating to health care; adding an exception to the nursing home moratorium; expanding a special provision for medical assistance reimbursement of moratorium exceptions; appropriating money; amending Minnesota Statutes 1994, sections 144A.071, subdivision 4a; and 256B.431, subdivision 17.

Referred to the Committee on Health Care.

**Mr. Betzold introduced--**

**S.F. No. 663:** A bill for an act relating to the military; exempting the national guard and the department of military affairs from certain prohibitions concerning weapons; amending Minnesota Statutes 1994, section 609.66, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Metzen introduced--**

**S.F. No. 664:** A bill for an act relating to retirement; reinstating the rule of 85; making participation for members of the public employees retirement association at the option of employing units of government; eliminating reporting requirements; amending Minnesota Statutes 1994, section 356.70, subdivision 1; repealing Minnesota Statutes 1994, section 356.70, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Johnson, D.J.; Solon and Janezich introduced--**

**S.F. No. 665:** A bill for an act relating to capital improvements; authorizing the issuance of bonds to remodel a medical facility; appropriating money.

Referred to the Committee on Education.

**Messrs. Solon, Chmielewski and Day introduced--**

**S.F. No. 666:** A bill for an act relating to workers' compensation; modifying provisions relating to self-insurance; amending Minnesota Statutes 1994, section 79A.01, subdivision 4; 79A.02, subdivisions 1 and 2; 79A.04, subdivisions 2 and 9; 79A.09, subdivision 4; and 79A.15.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Berglin, Mr. Hottinger, Ms. Piper and Mr. Finn introduced--**

**S.F. No. 667:** A bill for an act relating to human services; defining a mental health professional for the purpose of medical assistance coverage; amending Minnesota Statutes 1994, sections 148B.32, subdivision 1; and 256B.0625, by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Chmielewski introduced--**

**S.F. No. 668:** A bill for an act relating to education; ITV grant for independent school district No. 95, Cromwell; amending Laws 1994, chapter 647, article 6, section 41, subdivision 8.

Referred to the Committee on Education.

**Messrs. Neuville, Laidig, Chmielewski, Lessard and Mrs. Pariseau introduced--**

**S.F. No. 669:** A bill for an act relating to crime; authorizing law enforcement agencies to sell forfeited firearms; amending Minnesota Statutes 1994, section 609.5315, subdivisions 1 and 2.

Referred to the Committee on Crime Prevention.

**Mr. Chmielewski introduced--**

**S.F. No. 670:** A bill for an act relating to taxation; providing an increased local government aid distribution to certain cities; amending Minnesota Statutes 1994, section 477A.013, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

**Mrs. Pariseau and Mr. Murphy introduced--**

**S.F. No. 671:** A bill for an act relating to capital improvements; appropriating money for the Cannon Valley Trail; authorizing the sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Sams, Samuelson, Larson and Ourada introduced--**

**S.F. No. 672:** A bill for an act relating to housing; regulating the use of federal tax exempt revenue bonds; amending Minnesota Statutes 1994, sections 474A.03, subdivisions 1 and 2a; and 474A.04, subdivision 6.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Vickerman, Chmielewski, Ourada, Murphy and Ms. Lesewski introduced--**

**S.F. No. 673:** A bill for an act relating to motor vehicles; providing for determination of base value of motor vehicle for purposes of registration tax; amending Minnesota Statutes 1994, section 168.013, subdivision 1a.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Terwilliger and Stevens introduced--**

**S.F. No. 674:** A bill for an act proposing an amendment to the Minnesota Constitution; changing article IV, section 4, and article V, section 1, providing limits for legislative and executive service.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Berglin, Messrs. Sams, Solon, Oliver and Terwilliger introduced--**

**S.F. No. 675:** A bill for an act relating to health; establishing a health insurance counseling and assistance program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health Care.

**Messrs. Samuelson and Bertram introduced--**

**S.F. No. 676:** A bill for an act relating to Morrison county; authorizing the issuance of bonds for fairgrounds improvements; requiring a referendum on the bond issue.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Marty introduced--**

**S.F. No. 677:** A bill for an act relating to motor vehicles; authorizing suspension of a vehicle's registration in certain circumstances; requiring a form to be provided in a vehicle's certificate of title and completed under certain circumstances; amending Minnesota Statutes 1994, sections 168.17; 168A.05, subdivision 5; and 168A.10, subdivisions 1, 2, and 5.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Knutson, Samuelson, Stevens, Sams and Ms. Robertson introduced--**

**S.F. No. 678:** A bill for an act relating to human services; extending welfare fraud penalties to the Minnesota family investment plan; providing a method of lien enforcement in the AFDC program; authorizing voluntary vendor payments in the AFDC program; expanding the fraud prevention investigation project on a regional basis into counties with smaller AFDC caseloads; establishing the program integrity reinvestment project based on statewide guidelines and performance standards; providing for disqualification in diverted cases; authorizing voluntary vendor payments in the GA and MSA programs; expanding the timeframe for establishing food stamp claims; modifying recovery incentives to allow state sharing in recoveries received through the federal tax revenue offset program; authorizing the use of affidavits of collection without the appointment of a personal representative; revising the protections from income attachments; creating an automated statewide fraud data system; amending Minnesota Statutes 1994, sections 256.034, subdivision 1; 256.73, subdivision 2; 256.98, subdivisions 1 and 8; 256.983, subdivision 4, and by adding a subdivision; 393.07, subdivision 10; 524.6-207; and 550.37, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Family Services.

**Mses. Reichgott Junge, Olson, Pappas, Krentz and Mr. Stumpf introduced--**

**S.F. No. 679:** A bill for an act relating to education; modifying provisions relating to charter schools; amending Minnesota Statutes 1994, sections 120.064; and 124.248.

Referred to the Committee on Education.

**Mrs. Pariseau, Ms. Johnston and Mr. Dille introduced--**

**S.F. No. 680:** A bill for an act relating to state lands; authorizing the commissioner of natural resources to sell certain land in Scott county.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Price and Laidig introduced--**

**S.F. No. 681:** A bill for an act relating to watershed districts; authorizing an increased levy by the Valley Branch watershed district for its administrative fund.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Murphy, Riveness, Metzen, Ms. Reichgott Junge and Mr. Solon introduced--**

**S.F. No. 682:** A bill for an act relating to state departments; abolishing the office of strategic and long-range planning and transferring certain powers, responsibilities, and duties to other agencies; amending Minnesota Statutes 1994, sections 4.045; 16B.42, subdivision 1; 16B.87, subdivision 1; 43A.08, subdivision 1; 103F.211, subdivision 2; 116C.03, subdivisions 2, 4, and 5; 144A.31, subdivisions 1 and 6; 245.697, subdivision 2a; and 477A.014, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; and 241; repealing Minnesota Statutes 1994, sections 4A.01; 4A.02; 4A.03; 4A.04; 4A.05; and 4A.06.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Murphy introduced--**

**S.F. No. 683:** A bill for an act relating to local government; authorizing home rule charter and statutory cities to make grants to nonprofit community food shelves; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Merriam, Ms. Ranum and Mr. Knutson introduced--**

**S.F. No. 684:** A bill for an act relating to data practices; modifying provisions governing the issuance of advisory opinions by the commissioner of administration; providing for access to data and clarifying data classifications; eliminating a sunset; amending Minnesota Statutes 1994, section 13.072, subdivision 1, and by adding a subdivision; Laws 1993, chapter 192, section 110.

Referred to the Committee on Judiciary.

**Messrs. Merriam, Samuelson, Solon, Larson and Oliver introduced--**

**S.F. No. 685:** A bill for an act relating to health; modifying organizational provisions for certain health plan carriers; amending Minnesota Statutes 1994, sections 62D.02, subdivision 4; 62D.03, subdivision 1; 62D.04, subdivision 1; and 62N.06, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Beckman and Hottinger introduced--**

**S.F. No. 686:** A bill for an act relating to education; directing the commissioner of education to conduct a needs assessment for a statewide program that serves mathematically talented junior and senior high school students; appropriating money.

Referred to the Committee on Education.

**Ms. Krentz, Mr. Price, Ms. Anderson, Messrs. Frederickson and Knutson introduced--**

**S.F. No. 687:** A bill for an act relating to traffic regulations; requiring minimum clearance when passing bicycle or individual on roadway or bikeway; prohibiting certain conduct toward bicycle riders; requiring bicycle traffic laws to be included in driver's manual and driver's license tests; imposing a penalty; amending Minnesota Statutes 1994, sections 169.18, subdivision 3; 169.222, subdivision 4; and 171.13, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation and Public Transit.

**Mses. Krentz, Ranum, Robertson, Pappas and Mr. Janezich introduced--**

**S.F. No. 688:** A bill for an act relating to education; providing for a report on child assessment and case management procedures used by the education and human services systems.

Referred to the Committee on Education.

**Mr. Vickerman, Ms. Lesewski, Messrs. Murphy and Dille introduced--**

**S.F. No. 689:** A bill for an act relating to water; establishing a grant program to support water exploration activity; appropriating money.

Referred to the Committee on Environment and Natural Resources.

**Mses. Krentz, Ranum, Mr. Betzold and Ms. Johnson, J.B. introduced--**

**S.F. No. 690:** A bill for an act relating to health education; appropriating money for equipment used in adolescent pregnancy prevention efforts.

Referred to the Committee on Health Care.

**Ms. Flynn introduced--**

**S.F. No. 691:** A bill for an act relating to drivers' licenses; authorizing and allocating charges for driver's license reinstatement; providing that a person whose license has been suspended due to failure to appear in a court outside the state, but who subsequently appears for determination of the case, does not have to pay the license reinstatement fee; amending Minnesota Statutes 1994, section 171.20, subdivision 4.

Referred to the Committee on Transportation and Public Transit.

**Mr. Metzen and Ms. Reichgott Junge introduced--**

**S.F. No. 692:** A bill for an act relating to state government; providing that executive agency compensation savings may be used only for certain purposes.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Dille, Bertram, Scheevel and Sams introduced--**

**S.F. No. 693:** A bill for an act relating to agriculture; changing limits for participation in certain rural finance authority loan programs; changing certain restrictions; providing for development of best management practices for feedlots; changing requirements for animal feedlot permits; prohibiting certain unfair practices; allowing composting of sheep carcasses; changing valuation of certain property for tax purposes; creating income tax credits; appropriating money; amending Minnesota Statutes 1994, sections 17.138, by adding a subdivision; 35.82, subdivision 2; 41B.03, subdivision 1; 41B.043, subdivisions 1b and 2; 41B.045, subdivision 2; 116.07, subdivision 7; 273.11, by adding a subdivision; 290.06, by adding a subdivision; and Laws 1994, chapter 619, section 11; proposing coding for new law in Minnesota Statutes, chapter 31B.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Larson; Kleis; Moe, R.D.; Stumpf and Neuville introduced--**

**S.F. No. 694:** A bill for an act relating to education; requiring a member of the board of regents of the University of Minnesota to be a United States citizen; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

**Messrs. Mondale, Laidig, Cohen and Betzold introduced--**

**S.F. No. 695:** A bill for an act relating to trusts; limiting liability for hazardous waste to the extent of trust assets; providing for payment of trustee compensation; amending Minnesota Statutes 1994, sections 115B.03, by adding a subdivision; and 501B.71, by adding a subdivision.

Referred to the Committee on Judiciary.

**Mr. Morse, Ms. Kiscaden and Mr. Murphy introduced--**

**S.F. No. 696:** A bill for an act relating to appropriations; appropriating money for a feasibility study of high-speed rail service in Minnesota, Wisconsin, and Illinois.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Morse; Stumpf; Moe, R.D.; Price and Finn introduced--**

**S.F. No. 697:** A bill for an act relating to education; requiring student approval for state public higher education system tuition increases of more than three percent per year over the next biennium; allocating money from any increase over the three percent tuition limit to the campus that approved the increase.

Referred to the Committee on Education.

**Messrs. Morse, Chandler, Ms. Pappas, Messrs. Mondale and Marty introduced--**

**S.F. No. 698:** A bill for an act relating to land use planning; clarifying determination of benefit for assessments on land subject to a conservation easement; amending provisions governing the relationship of zoning and planning; establishing criteria for metropolitan council land use decisions; amending provisions relating to metropolitan agricultural preserves; amending Minnesota Statutes 1994, sections 462.357, subdivision 2; 473.858, subdivision 1; and 473H.15, subdivisions 1 and 9; proposing coding for new law in Minnesota Statutes, chapters 84C; 429; and 473.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Moe, R.D.; Finn and Johnson, D.E. introduced--**

**S.F. No. 699:** A bill for an act relating to property rights; establishing procedures governing entry of private property by government officials; requiring notice; proposing coding for new law in Minnesota Statutes, chapter 566.

Referred to the Committee on Judiciary.

**Mr. Murphy, Ms. Hanson and Mr. Johnson, D.E. introduced--**

**S.F. No. 700:** A resolution memorializing Congress to fund the Amtrak system to enable it to continue to serve Minnesota.

Referred to the Committee on Transportation and Public Transit.

**Mr. Frederickson introduced--**

**S.F. No. 701:** A bill for an act relating to human services; barring a county welfare agency from pursuing court action to obtain child support in certain circumstances; amending Minnesota Statutes 1994, section 256.87, by adding a subdivision.

Referred to the Committee on Family Services.

**Mses. Kiscaden and Piper introduced--**

**S.F. No. 702:** A bill for an act relating to human services; defining and establishing "transition services"; continuing the percentage of cost for out-of-state treatment of children; allowing grants for community-based services for adolescents with serious emotional disturbances and violent behavior; providing for an early childhood care and education training advisory committee; establishing outcomes for cultural dynamics training; changing children's safety centers to family safety centers; changing payments and funding for child care programs; amending Minnesota Statutes 1994, sections 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 245.4882, subdivision 5; 245.4886, by adding subdivisions; 245A.14, subdivision 7; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; 256H.18; and 256H.20, subdivision 3a; repealing Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5.

Referred to the Committee on Family Services.

**MEMBERS EXCUSED**

Messrs. Day and Kroening were excused from the Session of today. Mr. Solon was excused from the Session of today at 9:45 a.m. Mr. Price was excused from the Session of today from 9:00 to 9:25 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, February 27, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate





## TWENTIETH DAY

St. Paul, Minnesota, Monday, February 27, 1995

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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. Patrick Handlson.

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:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

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.

February 21, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is 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 1995	Date Filed 1995
	98	2	12:58 p.m. February 17	February 17

Sincerely,  
Joan Anderson Growe  
Secretary of State

February 22, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 44.

Warmest regards,  
Arne H. Carlson, Governor

February 23, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	29	3	2:58 p.m. February 22	February 22
44		4	2:59 p.m. February 22	February 22

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 33.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 23, 1995

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS

AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 141:** A bill for an act relating to elections; providing for review of certain school board plans by the secretary of state; changing allocation of certain election expenses; providing for retention of election materials; clarifying terms of office and election frequency in certain cities; providing for transition in certain offices; authorizing the use of more than one combined polling place in certain school board elections; providing for dissolution of certain election districts; amending Minnesota Statutes 1994, sections 122.23, by adding a subdivision; 122.242, subdivision 1; 204B.32, subdivision 2; 204B.40; 205.07, subdivision 1; 205.84, by adding a subdivision; 205A.11, subdivision 2; 205A.12, by adding a subdivision; and Laws 1994, chapter 646, section 26, subdivision 3.

Senate File No. 141 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 23, 1995

### CONCURRENCE AND REPASSAGE

Mr. Sams moved that the Senate concur in the amendments by the House to S.F. No. 141 and that the bill be placed on its repassage as amended. The motion prevailed.

**S.F. No. 141:** A bill for an act relating to elections; providing for review of certain school board plans by the secretary of state; changing allocation of certain election expenses; providing for retention of election materials; clarifying terms of office and election frequency in certain cities; providing for transition in certain offices; authorizing the use of more than one combined polling place in certain school board elections; providing for dissolution of certain election districts; amending Minnesota Statutes 1994, sections 122.23, by adding a subdivision; 122.242, subdivision 1; 204B.32, subdivision 2; 204B.40; 205.07, subdivision 1; 205.84, by adding a subdivision; 205A.11, subdivision 2, and by adding a subdivision; 205A.12, by adding a subdivision; and Laws 1994, chapter 646, section 26, subdivision 3.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Neuville	Sams
Beckman	Hanson	Kroening	Novak	Samuelson
Belanger	Hottinger	Laidig	Oliver	Scheevel
Berg	Janezich	Langseth	Olson	Spear
Berglin	Johnson, D.E.	Larson	Ourada	Stevens
Bertram	Johnson, D.J.	Lesewski	Pappas	Stumpf
Betzold	Johnson, J.B.	Lessard	Pariseau	Terwilliger
Chandler	Johnston	Limmer	Piper	Vickerman
Chmielewski	Kelly	Marty	Pogemiller	Wiener
Day	Kiscaden	Metzen	Price	
Dille	Kleis	Moe, R.D.	Ranum	
Finn	Knutson	Morse	Robertson	
Flynn	Kramer	Murphy	Runbeck	

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 that the House refuses to concur in the Senate amendments to House File No. 47:

**H.F. No. 47:** A bill for an act relating to solid waste; merging two conflicting amendments to the solid waste generator assessment statute that were enacted in 1994; correcting and clarifying terminology; amending Minnesota Statutes 1994, section 116.07, subdivision 10; repealing Laws 1994, chapter 510, article 6, section 1.

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

Wagenius, Rest and Ozment have been appointed as such committee on the part of the House.

House File No. 47 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 February 23, 1995

Mr. Morse moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 47, 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. 216, 331, 341, 387 and 464.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 23, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 216:** A bill for an act relating to motor vehicles; changing definition of fleet for vehicle registration purposes; amending Minnesota Statutes 1994, section 168.011, subdivision 34.

Referred to the Committee on Transportation and Public Transit.

**H.F. No. 331:** A bill for an act relating to health; modifying provisions relating to access to patients and residents; amending Minnesota Statutes 1994, sections 144.651, subdivisions 21 and 26; and 253B.03, subdivisions 3 and 4.

Referred to the Committee on Health Care.

**H.F. No. 341:** A bill for an act relating to education; modifying compulsory education requirements for children under the age of seven; amending Minnesota Statutes 1994, section 120.101, subdivision 5.

Referred to the Committee on Education.

**H.F. No. 387:** A bill for an act relating to health; modifying provisions relating to emergency services workers; amending Minnesota Statutes 1994, section 144.804, subdivision 1.

Referred to the Committee on Health Care.

**H.F. No. 464:** A bill for an act relating to motor vehicles; limiting license plate impoundment provisions to self-propelled motor vehicles; amending Minnesota Statutes 1994, sections 168.041, subdivisions 1, 2, and 3; and 168.042, subdivisions 2, 3, 5, 13, and 14.

Referred to the Committee on Transportation and Public Transit.

**REPORTS OF COMMITTEES**

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 265:** A bill for an act relating to local government; clarifying provisions for financial audits in certain circumstances; amending Minnesota Statutes 1994, sections 367.36, subdivision 1; 412.02, subdivision 3; and 412.591, subdivision 2.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 281:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; amending Minnesota Statutes 1994, sections 275.066; 473.121, subdivision 11; 473.13, subdivisions 1 and 2; 473.164, subdivision 3; 473.375, subdivisions 9 and 13; 473.385, subdivision 2; 473.386, subdivisions 1, 2, and 5; 473.388, subdivision 4; 473.39, subdivision 1b; 473.446, subdivision 8; 473.448; 473.505; 473.595, subdivision 3; and Laws 1994, chapter 628, article 2, section 5; repealing Minnesota Statutes 1994, section 473.394.

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

Page 2, line 12, strike "473.249" and insert "473.549"

Page 3, lines 6 and 7, reinstate the stricken language

Page 3, line 9, reinstate the stricken language and delete the new language

Page 12, after line 30, insert:

"Sec. 19. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes shall change headnote references to "regional transit board," or "transit board" or "board" as they refer to the regional transit board; "metropolitan waste control commission," or "waste control commission" or "commission" as they refer to the metropolitan waste control commission; and "metropolitan transit commission," or "transit commission" or "commission" as they refer to the metropolitan transit commission; to "metropolitan council" or "council," where appropriate, in Minnesota Statutes 1996, and subsequent editions of the statutes."

Page 13, line 1, delete "and 20" and insert "20, and 21"

Renumber the sections in sequence

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 335:** A bill for an act relating to the organization and operation of state government; providing supplemental appropriations for certain purposes.

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

Page 1, line 16, delete "3,243,000" and insert "2,177,000"

Page 1, delete section 2

Pages 1 and 2, delete section 3

Page 2, delete sections 5, 8, and 9

Pages 2 and 3, delete section 10

Renumber the sections in sequence

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 230:** A bill for an act relating to claims against governmental units; increasing liability limits; providing for inflation adjustment; exempting medical expenses; amending Minnesota Statutes 1994, sections 3.736, subdivisions 4, 4a, and by adding subdivisions; and 466.04, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 3.736, subdivision 4, is amended to read:

Subd. 4. [LIMITS.] The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) ~~\$200,000~~ \$300,000 when the claim is one for death by wrongful act or omission and ~~\$200,000~~ \$300,000 to any claimant in any other case;

(b) ~~\$600,000~~ \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1996, and before January 1, 2000; or

(c) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on and after January 1, 2000.

If the amount awarded to or settled upon multiple claimants exceeds ~~\$600,000~~ the applicable limit under clause (b) or (c), any party may apply to the district court to apportion to each claimant a proper share of the ~~\$600,000~~ amount available under the applicable limit under clause (b) or (c). The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

Sec. 2. Minnesota Statutes 1994, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] (a) Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed:

(1) ~~\$200,000~~ \$300,000 when the claim is one for death by wrongful act or omission and ~~\$200,000~~ \$300,000 to any claimant in any other case;

(2) ~~\$600,000~~ \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1996, and before January 1, 2000; or

(3) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000; or

(4) twice the limits provided in clauses (1) and (2) to (3) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law.

(b) No award for damages on any such claim shall include punitive damages.

Sec. 3. Minnesota Statutes 1994, section 466.04, subdivision 3, is amended to read:

Subd. 3. [DISPOSITION OF MULTIPLE CLAIMS.] Where the amount awarded to or settled upon multiple claimants exceeds \$600,000 the applicable limit under subdivision 1, clauses (2) to (4), any party may apply to any district court to apportion to each claimant a proper share of the total amount limited by subdivision 1. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to each bears to the aggregate awards and settlements for all claims arising out of the occurrence.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective January 1, 1996, for claims arising from acts or omissions taking place on or after that date."

Delete the title and insert:

"A bill for an act relating to claims against governmental units; increasing tort liability limits; amending Minnesota Statutes 1994, sections 3.736, subdivision 4; and 466.04, subdivisions 1 and 3."

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 229:** A bill for an act relating to government data practices; medical examiner data; allowing sharing of such data with a state or federal agency charged with investigating a death; amending Minnesota Statutes 1994, section 13.83, subdivision 5.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1994, section 13.83, subdivision 4, is amended to read:

Subd. 4. [INVESTIGATIVE DATA.] Data created or collected by a county coroner or medical examiner which is part of an active investigation mandated by chapter 390, or any other general or local law relating to coroners or medical examiners is confidential data or protected nonpublic data, until the completion of the coroner's or medical examiner's final summary of findings at ~~which point~~ but may be disclosed to a state or federal agency charged by law with investigating the death of the deceased individual about whom the medical examiner or coroner has medical examiner data. Upon completion of the coroner's or medical examiner's final summary of findings, the data collected in the investigation and the final summary thereof shall become of it are private or nonpublic data, ~~unless~~. However, if the final summary and the death certificate indicate the manner of death is homicide, undetermined, or pending investigation and there is an active law enforcement investigation, within the meaning of section 13.82, subdivision 5, relating to the death of the deceased individual. ~~If there is an active law enforcement investigation of a possible homicide,~~ the data remain confidential or protected nonpublic. ~~However,~~ Upon review by the county attorney of the jurisdiction in which the law enforcement investigation is active, the data may be released to persons described in subdivision 8 if the county attorney determines release would not impede the ongoing investigation. When the law enforcement investigation becomes inactive, the data shall become are private or nonpublic data. Nothing in this subdivision shall be construed to make not public the data elements identified in subdivision 2 at any point in the investigation or thereafter."

Page 1, line 8, delete "Section 1." and insert "Sec. 2."

Page 1, line 12, strike "pursuant to"

Page 1, line 13, after "(1)" insert "pursuant to"

Page 1, line 15, delete "any" and insert "to a" and delete "law that charges a state or" and insert "agency charged by law"

Page 1, line 16, delete "federal agency" and delete "a" and insert "the"

Page 1, line 19, after "(3)" insert "pursuant to"

Amend the title as follows:

Page 1, line 6, delete "subdivision" and insert "subdivisions 4 and"

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 307:** A bill for an act relating to occupations and professions; establishing licensure for acupuncture practitioners by the board of medical practice; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 147.091; 147.111; 147.121; 147.131; 147.141, subdivision 2; and 147.151; 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. [147B.01] [PURPOSE.]

Acupuncture practice is recognized as a clearly defined system of health care with its own specialized body of knowledge. The knowledge and skills of the acupuncture practitioner directly affect the quality and safety of treatment received by the practitioner's client. It is therefore in the public interest to ensure that acupuncture practitioners meet the generally accepted standards of competence in the profession. The purpose of Minnesota Statutes, chapter 147B, is to limit the practice of acupuncture to persons who meet those standards of competence.

Sec. 2. [147B.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [ACUPRESSURE.] "Acupressure" means the application of pressure to acupuncture points.

Subd. 3. [ACUPUNCTURE PRACTICE.] "Acupuncture practice" means a comprehensive system of health care using Oriental medical theory and its unique methods of diagnosis and treatment. Its treatment techniques include the insertion of acupuncture needles through the skin and the use of other biophysical methods of acupuncture point stimulation, including the use of heat, Oriental massage techniques, electrical stimulation, herbal supplemental therapies, dietary guidelines, breathing techniques, and exercise based on Oriental medical principles.

Subd. 4. [ACUPUNCTURE NEEDLE.] "Acupuncture needle" means a needle designed exclusively for acupuncture purposes. It has a solid core, with a tapered point, and is 0.12 mm to 0.45 mm in thickness. It is constructed of stainless steel, gold, silver, or other board-approved materials as long as the materials can be sterilized according to recommendations of the National Centers for Disease Control and Prevention.

Subd. 5. [ACUPUNCTURE POINTS.] "Acupuncture points" means specific anatomically described locations as defined by the recognized acupuncture reference texts. These texts are listed in the study guide to the examination for the NCCA certification exam.

Subd. 6. [ACUPUNCTURE PRACTITIONER.] "Acupuncture practitioner" means a person licensed to practice acupuncture under this chapter.

Subd. 7. [BOARD.] "Board" means the board of medical practice or its designee.

Subd. 8. [BLOOD BORNE DISEASE.] "Blood borne disease" means a disease that is spread through exposure to blood, inoculation or injection of blood, or exposure to blood-contaminated body fluids or tissues. Blood borne disease includes infection caused by such agents as human immunodeficiency virus (HIV) and hepatitis B virus (HBV).



Subd. 9. [BREATHING TECHNIQUES.] "Breathing techniques" means Oriental breathing exercises taught to a patient as part of a treatment plan.

Subd. 10. [CUPPING.] "Cupping" means a therapy in which a jar-shaped instrument is attached to the skin and negative pressure is created by using suction.

Subd. 11. [DERMAL FRICTION.] "Dermal friction" means rubbing on the surface of the skin, using topical ointments with a smooth-surfaced instrument without a cutting edge that can be sterilized or, if disposable, a one-time only use product.

Subd. 12. [DIPLOMATE IN ACUPUNCTURE.] "Diplomate in acupuncture" means a person who is certified by the NCCA as having met the standards of competence established by the NCCA, who subscribes to the NCCA code of ethics, and who has a current and active NCCA certificate. Current and active NCCA certification indicates successful completion of continued professional development and previous satisfaction of NCCA requirements.

Subd. 13. [ELECTRICAL STIMULATION.] "Electrical stimulation" means a method of stimulating acupuncture points by an electrical current of .001 to 100 milliamps, or other current as approved by the board. Electrical stimulation may be used by attachment of a device to an acupuncture needle or may be used transcutaneously without penetrating the skin.

Subd. 14. [HERBAL THERAPIES.] "Herbal therapies" are the use of herbs and patent herbal remedies as supplements as part of the treatment plan of the patient.

Subd. 15. [INFECTION CONTROL.] "Infection control" means programs, procedures, and methods to reduce the transmission of agents of infection for the purpose of preventing or decreasing the incidence of infectious diseases.

Subd. 16. [NCCA.] "NCCA" means the National Commission for Certification of Acupuncturists, a not-for-profit corporation organized under section 501(c)(4) of the Internal Revenue Code.

Subd. 17. [NEEDLE SICKNESS.] "Needle sickness" is a temporary state of nausea and dizziness that is a potential side effect to needle insertion and from which full recovery occurs when the needles are removed.

Subd. 18. [ORIENTAL MEDICINE.] "Oriental medicine" means a system of healing arts that perceives the circulation and balance of energy in the body as being fundamental to the well-being of the individual. It implements the theory through specialized methods of analyzing the energy status of the body and treating the body with acupuncture and other related modalities for the purpose of strengthening the body, improving energy balance, maintaining or restoring health, improving physiological function, and reducing pain.

### Sec. 3. [147B.03] [LICENSURE.]

Subdivision 1. [LICENSURE REQUIRED.] Except as provided under subdivision 4, it is unlawful for any person to engage in the practice of acupuncture without a valid license after September 1, 1995. Each licensed acupuncture practitioner shall conspicuously display the license in the place of practice.

Subd. 2. [DESIGNATION.] A person licensed under this chapter shall use the title of licensed acupuncturist or L.Ac. following the person's name in all forms of advertising, professional literature, and billings. A person may not, in the conduct of an occupation or profession pertaining to the practice of acupuncture or in connection with the person's name, use the words or letters licensed acupuncturist, Minnesota licensed acupuncturist, or any other words, letters, abbreviations, or insignia indicating or implying that a person is an acupuncturist without a license issued under this section. A student attending an acupuncture training program must be identified as a student acupuncturist.

Subd. 3. [PENALTY.] A person who violates this section is guilty of a misdemeanor and subject to discipline under section 147.091.

Subd. 4. [EXCEPTIONS.] The following persons may practice acupuncture within the scope of their practice without an acupuncture license:

- (1) a physician licensed under this chapter;
- (2) an osteopath licensed under this chapter;
- (3) a chiropractor licensed under chapter 148;
- (4) a person who is studying in a formal course of study or tutorial intern program approved by the acupuncture advisory council established in section 147B.06 so long as the person's acupuncture practice is supervised by a licensed acupuncturist;
- (5) a visiting acupuncturist practicing acupuncture within an instructional setting for the sole purpose of teaching at a school registered with the Minnesota higher education coordinating board, who may practice without a license for a period of one year, with two one-year extensions permitted; and
- (6) a visiting acupuncturist who is in the state for the sole purpose of providing a tutorial or workshop not to exceed 30 days in one calendar year.

Subd. 5. [LICENSURE BY EQUIVALENCY DURING TRANSITIONAL PERIOD.] (a) From July 1, 1995, to June 30, 1997, a person may qualify for licensure if the person has engaged in acupuncture practice for at least three years in the period from July 1, 1991, to June 30, 1995, with at least 500 patient visits in each of the three years with at least 100 different patients. Acupuncture practice must be the primary means of treatment, not an adjunctive therapy. The person must also provide documentation of successful completion of a clean needle technique course approved by the acupuncture advisory council and provide documentation of practice through at least four of the following methods:

- (1) original notarized letters from employers specifying the dates and hours worked, nature of the practice, and number of visits;
  - (2) notarized affidavits from a minimum of 20 patients with current phone numbers and addresses for each, specifying the time period of treatment and the nature of the treatment;
  - (3) notarized affidavits from at least two other health care professionals, state or local acupuncture or Oriental medicine associations, schools or colleges, with testimony based on personal knowledge regarding the dates, volume, scope, and type of practice;
  - (4) notarized affidavits from at least two other members within the community with testimony based on personal knowledge regarding the dates, volume, scope, and type of practice; and
  - (5) notarized copies of patient records. The person must also meet any other requirements established by the board.
- (b) All documentation submitted in a foreign language must be accompanied by an accurate translation in English. Each translated document must bear the affidavit of the translator certifying that the translator is competent in both the language of the document and in the English language and that the translation is true and a complete translation of the foreign language original and must be sworn before a notary public. Translation of any document relative to a person's application is at the expense of the applicant.
- (c) Application for licensure under this subdivision must be submitted to the board from July 1, 1995, to June 30, 1997. All of the required patient visits must have been completed before application for licensure.

Subd. 6. [LICENSE BY RECIPROcity.] The board shall issue an acupuncture license to a person who holds a current license or certificate as an acupuncturist from another jurisdiction if the board determines that the standards for certification or licensure in the other jurisdiction meet or exceed the requirements for licensure in Minnesota and a letter is received from that jurisdiction that the acupuncturist is in good standing in that jurisdiction.

Subd. 7. [LICENSURE REQUIREMENTS.] (a) An applicant for licensure must:

- (1) submit a completed application for licensure on forms provided by the board, which must include the applicant's name, address of record, which shall be public;

(2) unless licensed under subdivision 5 or 6, submit a notarized copy of a current NCCA certification;

(3) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) submit with the application all fees required; and

(5) sign a waiver authorizing the board to obtain access to the applicant's records in this state or any state in which the applicant has engaged in the practice of acupuncture.

(b) The board may ask the applicant to provide any additional information necessary to ensure that the applicant is able to practice with reasonable skill and safety to the public.

(c) The board may investigate information provided by an applicant as to whether the information is accurate and complete. The board shall notify an applicant of action taken on the application and the reasons for denying licensure if licensure is denied.

Subd. 8. [LICENSURE EXPIRATION.] Licenses issued under this section expire annually.

Subd. 9. [RENEWAL.] (a) To renew a license an applicant must:

(1) annually complete a renewal application on a form provided by the board;

(2) submit the renewal fee;

(3) provide evidence annually of one hour of continuing education in the subject of infection control, including blood borne pathogen diseases;

(4) provide documentation of current and active NCCA certification; and

(5) if licensed under subdivision 5 or 6, meet half of the NCCA professional development activity requirements.

(b) An applicant must submit any additional information requested by the board to clarify information presented in the renewal application. The information must be submitted within 30 days after the board's request, or the renewal request shall be nullified.

Subd. 10. [LICENSURE RENEWAL NOTICE.] At least 30 days before the license renewal date, the board shall send out a renewal notice to the last known address of the licensee. The notice must include a renewal application and a notice of fees required for renewal. If the licensee does not receive a renewal notice, the licensee must still meet the requirements for licensure renewal under this section.

Subd. 11. [RENEWAL DEADLINE.] The renewal application and fee must be postmarked on or before June 30 of the year of renewal or as determined by the board.

Subd. 12. [INACTIVE STATUS.] (a) A license may be placed in inactive status upon application to the board and upon payment of an inactive status fee. The board may not renew or restore a license that has lapsed and has not been renewed within two annual license renewal cycles.

(b) An inactive license may be reactivated by the license holder upon application to the board. A licensee whose license is canceled for nonrenewal must obtain a new license by applying for licensure and fulfilling all the requirements then in existence for the initial license to practice acupuncture in the state of Minnesota. The application must include:

(1) evidence of current and active NCCA certification;

(2) evidence of the certificate holder's payment of an inactive status fee;

(3) an annual fee; and

(4) all back fees since previous renewal.

(c) A person licensed under subdivision 5 or 6 who places the license in inactive status must become NCCA certified before the license is reactivated.

Subd. 13. [ACUPRESSURE.] Nothing in this section is intended to prohibit the practice of acupressure or any other therapy except acupuncture.

Sec. 4. [147B.04] [NCCA PROFESSIONAL DEVELOPMENT ACTIVITY REQUIREMENTS.]

Subdivision 1. [NCCA REQUIREMENTS.] Unless a person is licensed under section 147B.03, subdivision 5 or 6, each licensee is required to meet the NCCA professional development activity requirements to maintain NCCA certification. These requirements may be met through a board approved continuing education program.

Subd. 2. [BOARD APPROVAL.] The board shall approve a continuing education program if the program meets the following requirements:

(1) it directly relates to the practice of acupuncture;

(2) each member of the faculty shows expertise in the subject matter by holding a degree or certificate from an educational institution, has verifiable experience in traditional Oriental medicine, or has special training in the subject area;

(3) the program lasts at least one contact hour;

(4) there are specific written objectives describing the goals of the program for the participants;  
and

(5) the program sponsor maintains attendance records for four years.

Subd. 3. [CONTINUING EDUCATION TOPICS.] (a) Continuing education program topics may include, but are not limited to, Oriental medical theory and techniques including Oriental massage; Oriental nutrition; Oriental herbology and diet therapy; Oriental exercise; western sciences such as anatomy, physiology, biochemistry, microbiology, psychology, nutrition, history of medicine; and medical terminology or coding.

(b) Practice management courses are excluded under this section.

Subd. 4. [VERIFICATION.] The board shall periodically select a random sample of acupuncturists and require the acupuncturist to show evidence of having completed the NCCA professional development activities requirements. Either the acupuncturist, the state, or the national organization that maintains continuing education records may provide the board documentation of the continuing education program.

Sec. 5. [147B.05] [BOARD ACTION ON APPLICATIONS.]

Subdivision 1. [VERIFICATION OF APPLICATION INFORMATION.] The board or acupuncture advisory council established under section 147B.06, with the approval of the board, may verify information provided by an application for licensure under section 147B.03 to determine if the information is accurate and complete.

Subd. 2. [NOTIFICATION OF BOARD ACTION.] Within 120 days of receipt of the application, the board shall notify each applicant in writing of the action taken on the application.

Subd. 3. [REQUEST FOR HEARING BY APPLICANT DENIED.] An applicant denied licensure must be notified of the determination, and the grounds for it, and may request a hearing on the determination by filing a written statement of issues with the board within 20 days after receipt of the notice from the board. After the hearing, the board shall notify the applicant in writing of its decision.

Sec. 6. [147B.06] [ACUPUNCTURE ADVISORY COUNCIL.]

Subdivision 1. [CREATION.] (a) The advisory council to the board of medical practice for acupuncture consists of seven members appointed by the board to three-year terms. Four members

must be licensed acupuncture practitioners, one member must be a licensed physician or osteopath who also practices acupuncture, one member must be a licensed chiropractor who is NCCA certified, and one member must be a member of the public who has received acupuncture treatment as a primary therapy from a NCCA certified acupuncturist.

(b) The members of the advisory council required to be acupuncture practitioners, who are appointed to the initial advisory committee, need not be licensed under section 147B.03, but must satisfy the qualifications for licensure provided in section 147B.03, subdivision 6, and must have been engaged in acupuncture practice a minimum of three years.

(c) One member of the initial advisory committee appointed must have an initial term of one year, two members an initial term of two years, and two members an initial term of three years.

Subd. 2. [ADMINISTRATION; COMPENSATION; REMOVAL; QUORUM.] The advisory council is governed by section 15.059, except that the council shall not expire.

Subd. 3. [DUTIES.] The advisory council shall:

(1) advise the board on issuance, denial, renewal, suspension, revocation, conditioning, or restricting of licenses to practice acupuncture;

(2) advise the board on issues related to receiving, investigating, conducting hearings, and imposing disciplinary action in relation to complaints against acupuncture practitioners;

(3) maintain a register of acupuncture practitioners licensed under section 147B.03;

(4) maintain a record of all advisory council actions;

(5) prescribe registration application forms, license forms, protocol forms, and other necessary forms;

(6) review the patient visit records submitted by applicants during the transition period;

(7) advise the board regarding standards for acupuncturists;

(8) distribute information regarding acupuncture practice standards;

(9) review complaints;

(10) advise the board regarding continuing education programs;

(11) review the investigation of reports of complaints and recommend to the board whether disciplinary action should be taken; and

(12) perform other duties authorized by advisory councils under chapter 214, as directed by the board.

Sec. 7. [147B.07] [PROFESSIONAL CONDUCT.]

Subdivision 1. [PRACTICE STANDARDS.] (a) Before treatment of a patient, an acupuncture practitioner shall ask whether the patient has been examined by a licensed physician or other professional, as defined by section 145.61, subdivision 2, with regard to the patient's illness or injury, and shall review the diagnosis as reported.

(b) The practitioner shall obtain informed consent from the patient, after advising the patient of the following information which must be supplied to the patient in writing before or at the time of the initial visit:

(1) the practitioner's qualifications including:

(i) education;

(ii) license information; and

(iii) outline of the scope of practice of acupuncturists in Minnesota; and

(2) side effects which may include the following:

(i) some pain in the treatment area;

(ii) minor bruising;

(iii) infection;

(iv) needle sickness; or

(v) broken needles.

(c) The practitioner shall obtain acknowledgment by the patient in writing that the patient has been advised to consult with the patient's primary care physician about the acupuncture treatment if the patient circumstances warrant or the patient chooses to do so and whether the patient has a pacemaker or bleeding disorder.

Subd. 2. [STERILIZED EQUIPMENT.] An acupuncture practitioner shall use sterilized equipment that has been sterilized under standards of the National Centers for Disease Control and Prevention.

Subd. 3. [STATE AND MUNICIPAL PUBLIC HEALTH REGULATIONS.] An acupuncture practitioner shall comply with all applicable state and municipal requirements regarding public health.

Subd. 4. [SCOPE OF PRACTICE.] The scope of practice of acupuncture includes, but is not limited to, the following:

(1) using Oriental medical theory to assess and diagnose a patient;

(2) using Oriental medical theory to develop a plan to treat a patient. The treatment techniques that may be chosen include:

(i) insertion of sterile acupuncture needles through the skin;

(ii) acupuncture stimulation including, but not limited to, electrical stimulation or the application of heat;

(iii) cupping;

(iv) dermal friction;

(v) acupressure;

(vi) herbal therapies;

(vii) dietary counseling based on traditional Chinese medical principles;

(viii) breathing techniques; or

(ix) exercise according to Oriental medical principles.

Subd. 5. [PATIENT RECORDS.] An acupuncturist shall maintain a patient record for each patient treated, including:

(1) a copy of the informed consent;

(2) evidence of a patient interview concerning the patient's medical history and current physical condition;

(3) evidence of a traditional acupuncture examination and diagnosis;

(4) record of the treatment including points treated; and

(5) evidence of evaluation and instructions given to the patient.

Subd. 6. [REFERRAL TO OTHER HEALTH CARE PRACTITIONERS.] Referral to other health care practitioners is required when an acupuncturist practitioner sees patients with potentially serious disorders including, but not limited to:

- (1) cardiac conditions including uncontrolled hypertension;
- (2) acute, severe abdominal pain;
- (3) acute, undiagnosed neurological changes;
- (4) unexplained weight loss or gain in excess of 15 percent of the body weight in less than a three-month period;
- (5) suspected fracture or dislocation;
- (6) suspected systemic infections;
- (7) any serious undiagnosed hemorrhagic disorder; and
- (8) acute respiratory distress without previous history.

The acupuncturist shall request a consultation or written diagnosis from a licensed physician for patients with potentially serious disorders.

Subd. 7. [DATA PRACTICES.] Data maintained on an acupuncture patient by an acupuncture practitioner is subject to section 144.336.

**Sec. 8. [147B.08] [DISCIPLINE; REPORTING.]**

For purposes of this chapter, acupuncturist licensees and applicants are subject to the provisions of sections 147.091 to 147.162.

**Sec. 9. [147B.09] [FEES.]**

Subdivision 1. [ANNUAL LICENSE FEE.] The board shall establish the fee of \$150 for initial licensure and \$150 annual licensure renewal. The board may prorate the initial licensure fee.

Subd. 2. [PENALTY FEE FOR LATE RENEWALS.] The penalty fee for late submission for renewal application is \$50.

**Sec. 10. [147B.10] [RULES.]**

The board may adopt rules under chapter 14 to establish additional criteria for licensure or discipline of acupuncturists consistent with the standards of the NCCA or other board approved relevant practice standards.

**Sec. 11. [EFFECTIVE DATE.]**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to occupations and professions; establishing licensure for acupuncture practitioners by the board of medical practice; authorizing rulemaking; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 147B."

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 323:** A bill for an act relating to housing; clarifying provisions relating to retaliatory conduct and manufactured home parks; amending Minnesota Statutes 1994, section 327C.12.

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 Jobs, Energy and Community Development, to which was referred**

**S.F. No. 364:** A bill for an act relating to employment; establishing an obligation by certain employees to communicate certain threats; amending Minnesota Statutes 1994, section 268A.05, subdivision 1, and by adding a subdivision.

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

Page 2, line 11, delete "disclosing a confidence" and insert "communicating"

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 Crime Prevention, to which was referred**

**S.F. No. 308:** A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; amending Minnesota Statutes 1994, section 168.042, subdivision 8.

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

Page 2, after line 25, insert:

"Sec. 2. Minnesota Statutes 1994, 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; section 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); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them.

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with either of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1 within five years of a prior impaired driving conviction, or within ten years of the first of two or more prior impaired driving convictions;

(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;

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 or 1a while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.



(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.

(e) The court must impose consecutive sentences when it sentences a person for a violation of this section or section 169.29 arising out of separate behavioral incidents. The court also must impose a consecutive sentence when it sentences a person for a violation of this section or section 169.129 and the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of this section or section 169.29 and the prior sentence involved a separate behavioral incident. The court also may order that the sentence imposed for a violation of this section or section 169.29 shall run consecutively to a previously imposed misdemeanor, gross misdemeanor or felony sentence for a violation other than this section or section 169.129.

(f) 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.

(g) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "expanding the definition of prior license revocation;"

Page 1, line 5, delete "section" and insert "sections" and before the period, insert "; and 169.121, subdivision 3"

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

#### **Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 292:** A bill for an act relating to public safety; changing name of McGruff program; amending Minnesota Statutes 1994, section 299A.28.

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

#### **Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 39:** A bill for an act relating to crime; controlled substances; limiting the sentencing court's authority to stay adjudication of a controlled substance offender's guilt and to expunge the offender's record upon the successful completion of treatment and probation; providing that this procedure applies only to first-time offenders convicted of a fifth-degree or a nonfelony controlled substance offense; amending Minnesota Statutes 1994, section 152.18, 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 1994, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person who has not previously participated in or completed a diversion program authorized under section 401.065 or who has not previously been placed on probation without a judgment of guilty and thereafter been discharged from probation under this section is found guilty of a violation of section 152.024, subdivision 2, 152.025, subdivision 2, or 152.027, subdivision 2, 3, or 4, for possession of a controlled substance, after trial or upon a plea of guilty, and the court determines that the violation does not qualify as a subsequent controlled substance conviction under section 152.01, subdivision 16a, the court may, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum sentence provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of

alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of it shall be retained by the department of public safety for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the department shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the department of public safety who shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1995, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 8, after the first "a" insert "fourth-degree," and after "fifth-degree" insert a comma

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 467:** A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Pages 2 and 3, delete section 2

Page 3, line 8, delete "13" and insert "16"

Page 3, line 9, delete "Eleven" and insert "Fourteen" and delete "elected"

Page 3, line 16, delete everything after "(3)" and insert "two elected officials from other metropolitan cities"

Page 3, line 19, delete "this appointment; and" and insert "these appointments;"

Page 3, lines 20 and 21, delete "an area in Minnesota outside of" and insert "a county or a city within a county in Minnesota that is contiguous to"

Page 3, line 23, before the period, insert ";

(5) a sheriff appointed by the governor, who shall consider recommendations made by the metropolitan sheriffs association when making this appointment; and

(6) a police chief appointed by the governor, who shall consider recommendations made by the Minnesota police chiefs association when making this appointment"

Page 3, line 24, delete "12th" and insert "15th"

Page 3, line 25, delete "13th" and insert "16th"

Page 22, line 14, delete "16" and insert "15"

Page 22, line 17, delete "17" and insert "16"

Renumber the sections in sequence

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

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

**H.F. No. 121** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

#### **GENERAL ORDERS**

H.F. No.	S.F. No.
121	310

#### **CONSENT CALENDAR**

H.F. No.	S.F. No.
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#### **CALENDAR**

H.F. No.	S.F. No.
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Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 121 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 121 and insert the language after the enacting clause of S.F. No. 310, the first engrossment; further, delete the title of H.F. No. 121 and insert the title of S.F. No. 310, the first engrossment.

And when so amended H.F. No. 121 will be identical to S.F. No. 310, and further recommends that H.F. No. 121 be given its second reading and substituted for S.F. No. 310, 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. 265, 281, 335, 230, 229, 323, 308, 292 and 39 were read the second time.

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

H.F. No. 121 was read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Marty moved that the name of Mr. Price be added as a co-author to S.F. No. 308. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Oliver be added as a co-author to S.F. No. 568. The motion prevailed.

Mr. Langseth moved that the name of Ms. Hanson be added as a co-author to S.F. No. 569. The motion prevailed.

Ms. Reichgott Junge moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 604. The motion prevailed.

Mr. Berg moved that the name of Ms. Lesewski be added as a co-author to S.F. No. 633. The motion prevailed.

Mr. Metzen moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 664. The motion prevailed.

Mr. Marty moved that the name of Mr. Price be added as a co-author to S.F. No. 677. The motion prevailed.

Ms. Flynn moved that the names of Mses. Ranum, Johnston and Lesewski be added as co-authors to S.F. No. 691. The motion prevailed.

Mr. Morse moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 696. The motion prevailed.

Mr. Murphy moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 700. The motion prevailed.

Ms. Johnston moved that S.F. No. 405 be withdrawn from the Committee on Governmental Operations and Veterans and re-referred to the Committee on Transportation and Public Transit. The motion prevailed.

Mr. Beckman moved that S.F. No. 549 be withdrawn from the Committee on Education and re-referred to the Committee on Crime Prevention. The motion prevailed.

Mr. Kelly moved that S.F. No. 230, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Laidig moved that S.F. No. 325 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Novak moved that H.F. No. 14 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

**Mr. Betzold introduced--**

**Senate Resolution No. 28:** A Senate resolution commending Donald B. Busch for his many years of effective service for the city of Spring Lake Park.

Referred to the Committee on Rules and Administration.

**CALENDAR**

**H.F. No. 164:** A bill for an act relating to utilities; abolishing sunset provision related to area development rate plans; allowing electric public utilities to offer area development rates under certain conditions; amending Minnesota Statutes 1994, section 216B.161; and Laws 1990, chapter 370, section 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson  
Beckman  
Belanger

Berg  
Bertram  
Chandler

Chmielewski  
Day  
Dille

Finn  
Frederickson  
Hottinger

Janezich  
Johnson, D.E.  
Johnson, D.J.

Kelly	Langseth	Novak	Reichgott Junge	Stevens
Kiscaden	Larson	Oliver	Riveness	Stumpf
Kleis	Lesewski	Ourada	Robertson	Vickerman
Knutson	Limmer	Pappas	Runbeck	Wiener
Kramer	Metzen	Pariseau	Sams	
Krentz	Moe, R.D.	Piper	Samuelson	
Kroening	Murphy	Pogemiller	Scheevel	
Laidig	Neuville	Price	Solon	

Those who voted in the negative were:

Berglin	Hanson	Marty	Mondale	Ranum
Betzold	Johnson, J.B.	Merriam	Morse	Spear
Flynn	Johnston			

So the bill passed and its title was agreed to.

**S.F. No. 214:** A bill for an act relating to crime prevention; providing an exception to the prohibition on concealing identity; amending Minnesota Statutes 1994, section 609.735.

Was read the third time 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:

Anderson	Hottinger	Laidig	Novak	Runbeck
Beckman	Janezich	Larson	Oliver	Sams
Belanger	Johnson, D.E.	Lesewski	Olson	Samuelson
Berglin	Johnson, D.J.	Lessard	Ourada	Scheevel
Bertram	Johnson, J.B.	Limmer	Pappas	Solon
Betzold	Johnston	Marty	Pariseau	Spear
Chandler	Kelly	Merriam	Piper	Stevens
Chmielewski	Kiscaden	Metzen	Pogemiller	Stumpf
Day	Kleis	Moe, R.D.	Price	Terwilliger
Finn	Knutson	Mondale	Ranum	Vickerman
Flynn	Kramer	Morse	Reichgott Junge	Wiener
Frederickson	Krentz	Murphy	Riveness	
Hanson	Kroening	Neuville	Robertson	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

## GENERAL ORDERS

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

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

S.F. No. 74, which the committee recommends to pass.

S.F. No. 57, which the committee reports progress, subject to the following motions:

Mr. Neuville moved to amend S.F. No. 57 as follows:

Pages 1 to 6, delete sections 1 and 2

Page 6, line 11, delete from the first "or" through page 6, line 12, to "complainant"

Page 6, delete section 4

Renumber the sections in sequence

Amend the title accordingly

Mr. Kelly requested division of the Neuville amendment as follows:

First portion:

Pages 5 and 6, delete section 2

Page 6, delete section 4

Renumber the sections in sequence

Amend the title accordingly

Second portion:

Pages 1 to 5, delete section 1

Page 6, line 11, delete from the first "or" through page 6, line 12, to "complainant"

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the first portion of the Neuville amendment.

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Langseth	Ourada	Stevens
Belanger	Johnson, D.E.	Larson	Pariseau	Stumpf
Berg	Johnston	Lesewski	Robertson	Terwilliger
Bertram	Kelly	Lessard	Runbeck	Vickerman
Chmielewski	Kleis	Metzen	Sams	
Day	Knutson	Neuville	Samuelson	
Dille	Kramer	Oliver	Scheevel	
Frederickson	Kroening	Olson	Solon	

Those who voted in the negative were:

Anderson	Flynn	Krentz	Mondale	Price
Berglin	Hottinger	Laidig	Morse	Ranum
Betzold	Janezich	Limmer	Murphy	Reichgott Junge
Chandler	Johnson, D.J.	Marty	Pappas	Riveness
Cohen	Johnson, J.B.	Merriam	Piper	Spear
Finn	Kiscaden	Moe, R.D.	Pogemiller	Wiener

The motion prevailed. So the first portion of the Neuville amendment was adopted.

Mr. Hottinger requested further division of the second portion of the Neuville amendment as follows:

First portion:

Pages 1 to 5, delete section 1

Renumber the sections in sequence

Amend the title accordingly

Second portion:

Page 6, line 11, delete from the first "or" through page 6, line 12, to "complainant"

The question was taken on the adoption of the first portion of the second division of the Neuville amendment.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Langseth	Oliver	Scheevel
Belanger	Frederickson	Larson	Olson	Solon
Berg	Johnson, D.E.	Lesewski	Pariseau	Stevens
Bertram	Johnston	Lessard	Runbeck	Vickerman
Chmielewski	Kramer	Limmer	Sams	
Day	Kroening	Neuville	Samuelson	

Those who voted in the negative were:

Anderson	Hottinger	Krentz	Murphy	Reichgott Junge
Berglin	Janezich	Laidig	Novak	Riveness
Betzold	Johnson, D.J.	Marty	Ourada	Robertson
Chandler	Johnson, J.B.	Merriam	Pappas	Spear
Cohen	Kelly	Metzen	Piper	Stumpf
Finn	Kiscaden	Moe, R.D.	Pogemiller	Wiener
Flynn	Kleis	Mondale	Price	
Hanson	Knutson	Morse	Ranum	

The motion did not prevail. So the first portion of the second division of the Neuville amendment was not adopted.

The question recurred on the second portion of the second division of the Neuville amendment. The motion prevailed. So the second portion of the second division of the Neuville amendment was adopted.

S.F. No. 57 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.

**Mses. Reichgott Junge, Anderson, Mr. Hottinger, Ms. Kiscaden and Mr. Solon introduced--**

**S.F. No. 703:** 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 regular compliance checks for all licensed vendors; providing for mandatory penalties against license holders for sales to minors; amending Minnesota Statutes 1994, sections 461.12; 461.13; and 461.15; proposing coding for new law in Minnesota Statutes, chapter 461.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Belanger, Solon, Metzen, Ms. Flynn and Mr. Larson introduced--**

**S.F. No. 704:** A bill for an act relating to insurance; prohibiting zip code rating in homeowner's and automobile insurance; amending Minnesota Statutes 1994, section 72A.20, subdivisions 13 and 23.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Hottinger, Ms. Piper, Messrs. Beckman, Finn and Ms. Flynn introduced--**

**S.F. No. 705:** A bill for an act relating to economic development; requiring private businesses with state financial assistance to pay a livable wage and increase employment; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Pappas, Messrs. Stumpf, Pogemiller, Larson and Neuville introduced--**

**S.F. No. 706:** A bill for an act relating to education; requiring development of a model instruction program in translating and interpreting services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136E.

Referred to the Committee on Education.

**Messrs. Limmer, Cohen, Kelly, Ms. Reichgott Junge and Mr. Kramer introduced--**

**S.F. No. 707:** A bill for an act relating to education; safe schools; establishing a grant program to develop parenting and ethics curricula; precluding disruptive students from participating in the open enrollment program; providing a buffer zone around schools where possession of a dangerous weapon is a crime and including property of public and post-secondary institutions; removing the repeal of the lengthened school year; increasing the limit on parental liability for personal injury torts committed by a minor; requiring a referral to the justice system of certain possessors of firearms; appropriating money; amending Minnesota Statutes 1994, sections 120.062, subdivision 7; 120.101, subdivision 5; 127.03, subdivision 3; 127.281; 540.18, subdivision 1; 609.2231, subdivision 5; and 609.66, subdivision 1d; Laws 1993, chapter 224, article 12, section 32; proposing coding for new law in Minnesota Statutes, chapter 127.

Referred to the Committee on Education.

**Ms. Lesewski, Messrs. Bertram, Ourada, Stevens and Vickerman introduced--**

**S.F. No. 708:** A bill for an act relating to agriculture; exempting a program from recovery of statewide and agency indirect costs; amending Minnesota Statutes 1994, section 16A.127, subdivision 8.

Referred to the Committee on Agriculture and Rural Development.

**Ms. Lesewski, Messrs. Stumpf, Ourada and Dille introduced--**

**S.F. No. 709:** A bill for an act relating to education; providing for independent school district No. 583, Pipestone, to transfer funds from its debt redemption fund to its capital expenditure fund.

Referred to the Committee on Education.

**Messrs. Frederickson and Lessard introduced--**

**S.F. No. 710:** A bill for an act relating to natural resources; broadening the uses permitted for emergency materials and equipment; amending Minnesota Statutes 1994, section 88.065.

Referred to the Committee on Environment and Natural Resources.

**Ms. Anderson, Messrs. Spear, Marty, Kelly and Knutson introduced--**

**S.F. No. 711:** A bill for an act relating to evidentiary privilege; providing a privilege for public safety peer counseling debriefing that makes any information or opinion stated at the debriefing confidential; providing for recovery of damages in case of breach of the peer counseling privilege; providing municipal tort liability when municipal employees involved in public safety peer counseling debriefings breach the evidentiary privilege; amending Minnesota Statutes 1994, section 595.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 595.

Referred to the Committee on Judiciary.

**Mr. Knutson, Mses. Krentz, Robertson, Reichgott Junge and Mr. Terwilliger introduced--**

**S.F. No. 712:** A bill for an act relating to education; discontinuing the referendum allowance reduction; amending Minnesota Statutes 1994, sections 124.2725, subdivision 16; 124A.22, subdivision 8; and 298.28, subdivision 4; repealing Minnesota Statutes 1994, section 124A.03, subdivision 3b.



Referred to the Committee on Education.

**Mses. Kiscaden, Berglin, Piper and Mr. Scheevel introduced--**

**S.F. No. 713:** A bill for an act relating to Olmstead county; authorizing the county to create a nonprofit corporation to own and operate a hospital and medical center; providing the county board with related powers and duties.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Lesewski, Messrs. Limmer, Berg, Chmielewski and Johnson, D.E. introduced--**

**S.F. No. 714:** A bill for an act relating to local government; authorizing examinations of the accounts and records of counties by certified public accountants; amending Minnesota Statutes 1994, section 6.48.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Vickerman, Lessard, Bertram, Beckman and Chmielewski introduced--**

**S.F. No. 715:** A bill for an act relating to towns; prohibiting the Minnesota pollution control agency from charging towns a fee for permits for certain town road, bridge, or culvert projects; amending Minnesota Statutes 1994, section 116.07, subdivision 4d.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Limmer, Bertram, Ms. Lesewski, Mr. Kleis and Ms. Johnston introduced--**

**S.F. No. 716:** A bill for an act relating to workers' compensation; modifying provisions relating to procedures and benefits; providing penalties; amending Minnesota Statutes 1994, sections 79.211, subdivision 1; 175.16; 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.105, subdivision 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, and 20; 176.178; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; 176.82; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1994, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Runbeck, Messrs. Oliver, Larson, Dille and Ms. Lesewski introduced--**

**S.F. No. 717:** A bill for an act relating to workers' compensation; modifying provisions relating to procedures and benefits; providing penalties; amending Minnesota Statutes 1994, sections 79.211, subdivision 1; 175.16; 176.011, subdivision 25; 176.021, subdivisions 1, 3 and 3a; 176.061, subdivision 10; 176.081, subdivisions 1, 7a, and 9; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding subdivisions; 176.102, subdivision 11; 176.105, subdivision 4; 176.106; 176.111, subdivisions 6, 7, 8, 12, 14, 15, and 20; 176.135, subdivision 1; 176.178; 176.179; 176.191, subdivisions 5, 7, 8, and by adding a subdivision; 176.221, subdivision 6a; 176.238, subdivisions 3, 4, 5, and 6; 176.239, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, and 10; 176.291; 176.305, subdivisions 1, 1a, 2, and 4; 176.321, subdivisions 2 and 3; 176.322; 176.645, subdivision 1; 176.66, subdivision 11; 176.82; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 175; and 176; repealing Minnesota Statutes 1994, sections 175.007; 176.011, subdivision 26; 176.081, subdivisions 2, 5, 7, and 8; 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; 176.132; 176.133; and 176.191, subdivision 6.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Sams, Samuelson and Ms. Lesewski introduced--**

**S.F. No. 718:** A bill for an act relating to crimes; eliminating the law enforcement agency use exception to the destruction of forfeited weapons requirement of the forfeiture law; amending Minnesota Statutes 1994, section 609.5315, subdivisions 1 and 2.

Referred to the Committee on Crime Prevention.

**Messrs. Morse; Metzen; Merriam; Moe, R.D. and Johnson, D.E. introduced--**

**S.F. No. 719:** A bill for an act relating to higher education; changing the salary limit for certain higher education officers; amending Minnesota Statutes 1994, section 15A.081, subdivision 7b.

Referred to the Committee on Education.

**Mr. Laidig introduced--**

**S.F. No. 720:** A bill for an act relating to motor vehicles; modifying appearance of special license plates issued to amateur radio station licensees; amending Minnesota Statutes 1994, section 168.12, subdivision 2.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Belanger, Vickerman, Langseth, Ourada and Mrs. Pariseau introduced--**

**S.F. No. 721:** A bill for an act relating to taxation; exempting cargo vans from the rental motor vehicle tax; amending Minnesota Statutes 1994, section 297A.135, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Morse, Frederickson, Stevens, Ms. Johnson, J.B. and Mr. Merriam introduced--**

**S.F. No. 722:** A bill for an act relating to the environment; establishing an environmental legal assistance pilot project; appropriating money.

Referred to the Committee on Environment and Natural Resources.

**Ms. Robertson, Mr. Scheevel, Ms. Hanson, Messrs. Knutson and Janezich introduced--**

**S.F. No. 723:** A bill for an act relating to education; allowing the transfer of certain capital expenditure revenue between accounts in certain cases; amending Minnesota Statutes 1994, sections 124.243, subdivisions 1, 7, and 8; and 124.244, subdivision 4.

Referred to the Committee on Education.

**Ms. Robertson, Mr. Scheevel, Ms. Krentz, Messrs. Knutson and Janezich introduced--**

**S.F. No. 724:** A bill for an act relating to education; clarifying the required wording of the referendum levy notice; amending Minnesota Statutes 1994, section 124A.03, subdivision 2.

Referred to the Committee on Education.

**Mr. Kelly introduced--**

**S.F. No. 725:** A bill for an act relating to retirement; permitting the purchase of service credit for St. Paul bureau of health service.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Mondale, Ms. Flynn, Mr. Belanger and Ms. Robertson introduced--**

**S.F. No. 726:** A bill for an act relating to local government; authorizing Hennepin county to

lease hospital or nursing home facilities under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Price introduced--**

**S.F. No. 727:** A bill for an act relating to highways; requiring that a new St. Croix river bridge must be a toll bridge; authorizing issuance of trunk highway bonds.

Referred to the Committee on Transportation and Public Transit.

**Mses. Pappas, Anderson and Mr. Kelly introduced--**

**S.F. No. 728:** A bill for an act relating to crime victim rights; permitting certain neighborhood groups to request notification under the crime victim bill of rights regarding certain crimes committed in the neighborhood; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Crime Prevention.

**Messrs. Vickerman, Belanger, Metzen, Cohen and Solon introduced--**

**S.F. No. 729:** A bill for an act relating to consumer protection; regulating the repair and restoration of airbag passive restraint systems; imposing penalties; amending Minnesota Statutes 1994, section 72A.201, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Solon, Samuelson and Sams introduced--**

**S.F. No. 730:** A bill for an act relating to human services; providing medical assistance reimbursement for a comprehensive pharmaceutical care research project; appropriating money.

Referred to the Committee on Health Care.

**Messrs. Betzold and Knutson introduced--**

**S.F. No. 731:** A bill for an act relating to partnerships; enacting the Uniform Partnership Act of 1995 of the National Conference of Commissioners On Uniform State Laws; providing for limited liability partnerships; proposing coding for new law as Minnesota Statutes, chapter 323A; repealing Minnesota Statutes 1994, sections 323.01; 323.02, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 323.03; 323.04; 323.05; 323.06; 323.07; 323.08; 323.09; 323.10; 323.11; 323.12; 323.13; 323.14; 323.15; 323.16; 323.17; 323.18; 323.19; 323.20; 323.21; 323.22; 323.23; 323.24; 323.25; 323.26; 323.27; 323.28; 323.29; 323.30; 323.31; 323.32; 323.33; 323.34; 323.35; 323.36; 323.37; 323.38; 323.39; 323.40; 323.41; 323.42; and 323.43.

Referred to the Committee on Judiciary.

**Mr. Betzold, Ms. Reichgott Junge and Mr. Knutson introduced--**

**S.F. No. 732:** A bill for an act relating to commerce; enacting the revised article 8 of the uniform commercial code proposed by the national conference of commissioners on uniform state laws; regulating investment securities; amending Minnesota Statutes 1994, sections 336.1-105; 336.1-206; 336.4-104; 336.5-114; 336.9-103; 336.9-105; 336.9-106; 336.9-203; 336.9-301; 336.9-302; 336.9-304; 336.9-305; 336.9-306; 336.9-309; 336.9-312; and 336.10-104; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1994, sections 336.8-101; 336.8-102; 336.8-103; 336.8-104; 336.8-105; 336.8-106; 336.8-107; 336.8-108; 336.8-201; 336.8-202; 336.8-203; 336.8-204; 336.8-205; 336.8-206; 336.8-207;

336.8-208; 336.8-301; 336.8-302; 336.8-303; 336.8-304; 336.8-305; 336.8-306; 336.8-307; 336.8-308; 336.8-309; 336.8-310; 336.8-311; 336.8-312; 336.8-313; 336.8-314; 336.8-315; 336.8-316; 336.8-317; 336.8-318; 336.8-319; 336.8-320; 336.8-321; 336.8-401; 336.8-402; 336.8-403; 336.8-404; 336.8-405; 336.8-406; 336.8-407; and 336.8-408.

Referred to the Committee on Judiciary.

**Ms. Kiscaden, Mr. Betzold, Ms. Robertson, Mr. Kelly and Ms. Krentz introduced--**

**S.F. No. 733:** A bill for an act relating to the family; creating a presumption of refusal or neglect of parental duties in certain termination of parental rights cases; amending Minnesota Statutes 1994, section 260.221, subdivision 1.

Referred to the Committee on Judiciary.

**Messrs. Chandler, Kelly and Metzen introduced--**

**S.F. No. 734:** A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; 403.04; and 403.09.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Solon introduced--**

**S.F. No. 735:** A bill for an act relating to contracts for deed; requiring a mortgagee to provide a vendee with a copy of the notice of default on contract for deed property subject to a mortgage; proposing coding for new law in Minnesota Statutes, chapter 559.

Referred to the Committee on Judiciary.

**Messrs. Chandler; Johnson, D.J.; Bertram; Ms. Johnson, J.B. and Mr. Solon introduced--**

**S.F. No. 736:** A bill for an act relating to health; giving the commissioner of administration authority to negotiate contract prices for all prescription drugs sold in Minnesota; allowing correction orders to be issued; establishing a statewide drug formulary; requiring a pharmacy to post a sign on generic substitution; amending Minnesota Statutes 1994, sections 151.21, subdivisions 2, 3, and by adding a subdivision; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; and 256.

Referred to the Committee on Health Care.

**Messrs. Scheevel, Dille, Bertram, Vickerman and Ms. Lesewski introduced--**

**S.F. No. 737:** A bill for an act relating to agriculture; adding the commissioner of agriculture to the board of directors of the agricultural utilization research institute; amending Minnesota Statutes 1994, section 116O.09, subdivision 1a.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Scheevel, Dille, Vickerman, Ms. Lesewski and Mr. Stumpf introduced--**

**S.F. No. 738:** A bill for an act relating to agriculture; providing for uniformity with certain federal food standards; amending Minnesota Statutes 1994, section 31.101, subdivision 9, and by adding subdivisions.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Scheevel, Dille, Vickerman, Ms. Lesewski and Mr. Stumpf introduced--**

**S.F. No. 739:** A bill for an act relating to agriculture; changing certain procedures for compensating crop owners for damage by elk; amending Minnesota Statute 1994, section 3.7371, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Scheevel; Johnson, D.E.; Mses. Robertson, Hanson and Mr. Knutson introduced--**

**S.F. No. 740:** A bill for an act relating to education; authorizing eligibility for debt service aid to independent school district No. 238, Mabel-Canton.

Referred to the Committee on Education.

**Mr. Bertram introduced--**

**S.F. No. 741:** A bill for an act relating to taxation; extending the sales tax exemption applicable to electricity used on farms; amending Minnesota Statutes 1994, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Ranum introduced--**

**S.F. No. 742:** A bill for an act relating to courts; civil commitment; changing the required qualifications of examiners; amending Minnesota Statutes 1994, section 253B.02, subdivision 7.

Referred to the Committee on Judiciary.

**Mr. Metzen introduced--**

**S.F. No. 743:** A bill for an act relating to retirement; permitting employees of the teachers retirement association to terminate membership in the association; proposing coding for new law in Minnesota Statutes, chapter 354.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Beckman introduced--**

**S.F. No. 744:** A bill for an act relating to education; allowing independent school district No. 2536, Granada-Huntley-East Chain, to make a fund transfer.

Referred to the Committee on Education.

**Mr. Riveness, Ms. Piper, Mr. Betzold and Ms. Pappas introduced--**

**S.F. No. 745:** A bill for an act relating to human services; appropriating money for crisis nursery programs.

Referred to the Committee on Family Services.

**Messrs. Lessard, Finn, Sams, Vickerman and Samuelson introduced--**

**S.F. No. 746:** A bill for an act relating to health; modifying provisions relating to nursing home swing beds; amending Minnesota Statutes 1994, section 144.562, subdivisions 2 and 4.

Referred to the Committee on Health Care.

**Ms. Wiener, Mr. Riveness, Ms. Reichgott Junge, Mr. Murphy and Ms. Kiscaden introduced--**

**S.F. No. 747:** A bill for an act relating to education; establishing a commission on campus closure and reorganization; specifying membership and duties; appropriating money.

Referred to the Committee on Education.

**Messrs. Riveness, Cohen, Ms. Wiener, Messrs. Merriam and Terwilliger introduced--**

**S.F. No. 748:** A bill for an act relating to notaries; providing licensed peace officers with the powers of a notary public for administering oaths upon information submitted to establish probable cause; amending Minnesota Statutes 1994, section 358.15.

Referred to the Committee on Crime Prevention.

**Mr. Bertram introduced--**

**S.F. No. 749:** A bill for an act relating to liquor; authorizing brewers or malt liquor wholesalers to furnish without charge to retailers, reasonable quantities of malt liquor for sampling only; amending Minnesota Statutes 1994, section 340A.308.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Riveness introduced--**

**S.F. No. 750:** A bill for an act relating to human services; modifying certain asset and income requirements for medical assistance; modifying the eligibility requirements for Minnesota supplemental aid; amending Minnesota Statutes 1994, sections 256B.056, subdivision 3, and by adding subdivisions; and 256D.425, subdivision 2.

Referred to the Committee on Health Care.

**Messrs. Riveness, Metzen, Terwilliger and Morse introduced--**

**S.F. No. 751:** A bill for an act relating to retirement; supplemental employer sponsored tax-sheltered annuity programs; requiring compliance with the applicable federal tax law provisions as a condition for continued authority to operate the plan; amending Minnesota Statutes 1994, section 356.24, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Novak, Metzen, Ms. Runbeck, Messrs. Chandler and Johnson, D.J. introduced--**

**S.F. No. 752:** A bill for an act relating to telecommunications; allowing for alternative regulation of telephone companies for a limited period; authorizing rulemaking to promote fair and reasonable competition for local exchange service; making technical changes; amending Minnesota Statutes 1994, sections 237.01, subdivision 6; 237.09; and 237.16; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Dille, Berg, Bertram, Ms. Lesewski and Mr. Murphy introduced--**

**S.F. No. 753:** A bill for an act relating to agriculture; repealing the interstate compact on agricultural grain marketing; repealing Minnesota Statutes 1994, sections 236A.01 and 236A.02.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Solon, Metzen, Riveness, Stumpf and Terwilliger introduced--**

**S.F. No. 754:** A bill for an act relating to taxation; changing the gross premiums tax rate imposed on certain insurance companies; amending Minnesota Statutes 1994, section 60A.15, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Price and Laidig introduced--**

**S.F. No. 755:** A bill for an act relating to education; permitting developers of new housing to pay a school impact fee; amending Minnesota Statutes 1994, section 462.358, by adding a subdivision.

Referred to the Committee on Education.

**Mr. Kroening, Ms. Hanson, Messrs. Belanger and Chmielewski introduced--**

**S.F. No. 756:** 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; amending Minnesota Statutes 1994, sections 169.91, subdivision 3; 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 and Public Transit.

**Messrs. Samuelson, Chmielewski and Stevens introduced--**

**S.F. No. 757:** A bill for an act relating to highways; designating the POW/MIA Memorial Highway; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mses. Ranum and Johnston introduced--**

**S.F. No. 758:** A bill for an act relating to public safety; authorizing bureau of criminal apprehension to charge and collect fee for background check conducted for purposes other than criminal justice and dedicating proceeds to operating expenses of criminal records system; allowing bureau to provide children's service provider with copy of criminal record of applicant for position of children's service worker; amending Minnesota Statutes 1994, sections 299C.10, by adding a subdivision; and 299C.62, subdivision 4.

Referred to the Committee on Crime Prevention.

**Messrs. Novak, Metzen and Ms. Runbeck introduced--**

**S.F. No. 759:** A bill for an act relating to economic development; changing certain departmental operating procedures; altering the corporate structure of Advantage Minnesota, Inc.; clarifying economic development authority powers; amending Minnesota Statutes 1994, sections 116J.58, subdivision 1; 116J.693, subdivisions 2, 3, 4, and 5; 116N.02, subdivision 1; 116N.06; 446A.03, subdivision 4; and 469.102, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Berglin introduced--**

**S.F. No. 760:** A bill for an act relating to human services; changing provisions for child support; amending Minnesota Statutes 1994, sections 518.171, subdivision 1; 518.54, subdivisions 2 and 6, and by adding a subdivision; 518.551, subdivisions 1, 5, 5a, 5b, and by adding a subdivision; 518.57, subdivision 2; and 518.64, subdivisions 2 and 4.

Referred to the Committee on Judiciary.

**Ms. Berglin introduced--**

**S.F. No. 761:** A bill for an act relating to food stamps; creating a food stamp outreach program; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Family Services.

**Mr. Finn, Ms. Reichgott Junge, Messrs. Cohen and Knutson introduced--**

**S.F. No. 762:** A bill for an act relating to statutes of limitations; enacting the uniform conflict of laws-limitations act; proposing coding for new law in Minnesota Statutes, chapter 541.

Referred to the Committee on Judiciary.

**Mr. Mondale, Mses. Krentz, Pappas, Messrs. Janezich and Beckman introduced--**

**S.F. No. 763:** A bill for an act relating to education; increasing the general education formula allowance; appropriating money; amending Minnesota Statutes 1994, section 124A.22, subdivision 2.

Referred to the Committee on Education.

**Mr. Kelly introduced--**

**S.F. No. 764:** A bill for an act relating to public administration; providing St. Paul with additional authority in regard to the teacher training institute; amending Laws 1994, chapter 643, section 72.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Morse, Metzen and Stumpf introduced--**

**S.F. No. 765:** A bill for an act relating to retirement; increasing employer and employee contributions and annuities payable by the Minnesota state retirement system and the public employees retirement association; amending Minnesota Statutes 1994, sections 352.04, subdivisions 2 and 3; 352.115, subdivision 3; 353.27, subdivision 2; 353.29, subdivision 3; and 356.30, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Metzen and Morse introduced--**

**S.F. No. 766:** A bill for an act relating to retirement; state employees; contribution rates and annuity formulas for correctional employees; amending Minnesota Statutes 1994, sections 352.92, subdivisions 1 and 2; 352.93, subdivision 2; 352.95, subdivision 1; and 356.30, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Stumpf introduced--**

**S.F. No. 767:** A bill for an act relating to retirement; administrative changes in the law governing the Minnesota state retirement system; amending Minnesota Statutes 1994, sections 352.01, subdivision 2b; 352.113, subdivision 1; 352.12, subdivisions 1, 2, 2a, and 6; 352B.105; 352D.02, subdivisions 1d and 3; and 490.124, subdivision 12; repealing Minnesota Statutes 1994, section 352.021, subdivision 5.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Novak, Ms. Johnson, J.B.; Mr. Chandler, Ms. Anderson and Mr. Kroening introduced--**

**S.F. No. 768:** A bill for an act relating to economic security; providing funding to the foodshelf program; appropriating money.



Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Finn, Ms. Berglin, Mr. Vickerman and Ms. Piper introduced--**

**S.F. No. 769:** A bill for an act relating to the board on aging; creating a new position to develop a statewide service system for Indian elders, and also coordinate efforts with the National Indian Council on Aging; appropriating money; amending Minnesota Statutes 1994, section 256.976, by adding a subdivision.

Referred to the Committee on Family Services.

**Messrs. Finn; Moe, R.D.; Mses. Ranum and Berglin introduced--**

**S.F. No. 770:** A bill for an act relating to health; requiring preparation of a report on the adverse health and environmental effects of United States Army spraying of zinc cadmium sulfide and other chemicals in Minnesota; requiring certain findings by the attorney general.

Referred to the Committee on Health Care.

**Messrs. Price; Solon; Johnson, D.J. and Laidig introduced--**

**S.F. No. 771:** A bill for an act relating to taxation; sales and use; providing an exemption to cities or counties for certain adult and juvenile correctional facilities projects; appropriating money; amending Minnesota Statutes 1994, sections 297A.15, by adding a subdivision; and 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Johnson, D.J. introduced--**

**S.F. No. 772:** A bill for an act relating to state government; reducing appropriations to the legislature for fiscal year 1995; directing the governor to reduce certain appropriations for executive branch agencies.

Referred to the Committee on Finance.

**Mr. Chmielewski introduced--**

**S.F. No. 773:** A bill for an act relating to education; authorizing funding for the second and third year of the time and technology enhanced curriculum school pilot project; appropriating money.

Referred to the Committee on Education.

**Mr. Novak, Ms. Runbeck, Mr. Sams, Mrs. Pariseau and Ms. Flynn introduced--**

**S.F. No. 774:** A bill for an act relating to taxation; property; changing the class rate applied to manufactured home parks; amending Minnesota Statutes 1994, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Berglin, Kiscaden, Messrs. Terwilliger and Samuelson introduced--**

**S.F. No. 775:** A bill for an act relating to health care; alternative care program and waived service programs; appropriating money; amending Minnesota Statutes 1994, sections 256B.0913, subdivisions 1, 2, 4, 5, 8, and 12; and 256B.0915, subdivisions 3, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health Care.

**Messrs. Kramer and Neuville introduced--**

**S.F. No. 776:** A bill for an act relating to corrections; authorizing room and board charges from inmate wages; eliminating mandatory savings; amending Minnesota Statutes 1994, section 243.23, subdivision 3.

Referred to the Committee on Crime Prevention.

**Messrs. Vickerman; Moe, R.D.; Johnson, D.E.; Dille and Stumpf introduced--**

**S.F. No. 777:** A resolution memorializing the President and Congress to abandon the proposed sale of the Western Area Power Administration.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kelly, Limmer and Moe, R.D. introduced--**

**S.F. No. 778:** A bill for an act relating to crime prevention; changing reimbursement for soft body armor; providing for adjustment to the public safety officer's death benefit; amending Minnesota Statutes 1994, sections 299A.38, subdivision 2; and 299A.44.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Betzold, Samuelson, Mses. Robertson and Berglin introduced--**

**S.F. No. 779:** A bill for an act relating to human services; providing medical assistance coverage for inpatient psychiatric services for children; amending Minnesota Statutes 1994, section 256B.0625, by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Oliver, Terwilliger and Ms. Kiscaden introduced--**

**S.F. No. 780:** A bill for an act relating to taxation; property; changing the class rates applied to residential homesteads; amending Minnesota Statutes 1994, sections 273.13, subdivision 22; and 273.1398, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Oliver introduced--**

**S.F. No. 781:** A bill for an act relating to investments; selection of qualified insurance companies for purchase of tax-sheltered annuities; amending Minnesota Statutes 1994, section 356.24, subdivision 1.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Larson, Ms. Johnston and Mrs. Pariseau introduced--**

**S.F. No. 782:** A bill for an act relating to local government; requiring an election on the annexation of unincorporated land in certain circumstances; amending Minnesota Statutes 1994, section 414.031, subdivision 6, and by adding a subdivision.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Kramer, Mses. Berglin, Kiscaden, Messrs. Terwilliger and Samuelson introduced--**

**S.F. No. 783:** A bill for an act relating to human services; establishing pilot projects for mental health services; expanding the definition of "related condition"; establishing a consumer support

grant program; providing assessment and prior authorization for recipients of home care and waived services; allowing persons with mental retardation receiving home and community-based services to live in their own homes without licensure; amending Minnesota Statutes 1994, sections 252.27, subdivision 1a; 252.275, subdivisions 3, 4, and 8; 254B.02, subdivision 1; 254B.05, subdivision 1; 256B.0628, by adding a subdivision; and 256B.092, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 252; and 256; repealing Minnesota Statutes 1994, section 252.275, subdivisions 4a and 10.

Referred to the Committee on Health Care.

**Mr. Knutson and Ms. Robertson introduced--**

**S.F. No. 784:** A bill for an act relating to marriage dissolution; providing procedures and standards for allowing a custodial parent to move a child's residence to another state; amending Minnesota Statutes 1994, sections 518.175, subdivision 3; and 518.176, subdivision 1.

Referred to the Committee on Judiciary.

**Messrs. Pogemiller and Moe, R.D. introduced--**

**S.F. No. 785:** A bill for an act relating to state government; establishing a technical advisory council for the pollution control agency; establishing a task force to recommend a governmental structure for environmental and natural resource functions and services; requiring establishment of an employee participation committee before agency restructuring; abolishing the department of natural resources, the board of water and soil resources, the office of environmental assistance, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board; providing for appointments; amending Minnesota Statutes 1994, section 116.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1994, section 116.02, subdivisions 2, 3, and 4.

Referred to the Committee on Environment and Natural Resources.

**Mr. Scheevel, Mrs. Pariseau and Ms. Runbeck introduced--**

**S.F. No. 786:** A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in the city of Preston.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Chandler and Morse introduced--**

**S.F. No. 787:** A bill for an act relating to public employment; prohibiting the hiring of relatives of public officials in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations and Veterans.

**MEMBERS EXCUSED**

Mr. Cohen was excused from the Session of today from 11:00 to 11:45 a.m. Mr. Mondale was excused from the Session of today from 11:00 to 11:20 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, March 2, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWENTY-FIRST DAY

St. Paul, Minnesota, Thursday, March 2, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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 Saure Breckenridge.

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

Anderson	Frederickson	Krentz	Murphy	Riveness
Beckman	Hanson	Kroening	Neuville	Robertson
Belanger	Hottinger	Laidig	Novak	Runbeck
Berg	Janezich	Langseth	Oliver	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Bertram	Johnson, D.J.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Chmielewski	Kelly	Merriam	Piper	Stevens
Cohen	Kiscaden	Metzen	Pogemiller	Stumpf
Dille	Kleis	Moe, R.D.	Price	Terwilliger
Finn	Knutson	Mondale	Ranum	Vickerman
Flynn	Kramer	Morse	Reichgott Junge	Wiener

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 11, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### STATE UNIVERSITY BOARD

Daniel C. Parker, Sr., 507 W. Oak St., Stillwater, Washington County, effective January 15, 1995, for a term expiring on the first Monday in January, 1999.

William Ulland, 1831 S. Lake Ave., Duluth, St. Louis County, effective January 15, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Education.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT**

E. Peter Gillette, Jr., 192 Bank St. S.E., Minneapolis, Hennepin County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, IRON RANGE RESOURCES AND REHABILITATION**

James Gustafson, 1936 Woodhaven Ln., Duluth, St. Louis County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

February 1, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**COMMISSIONER, DEPARTMENT OF EDUCATION**

Linda Powell, 15705 - 17th Pl. N., Plymouth, Hennepin County, effective February 1, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Education.)

February 1, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA VETERANS HOMES BOARD OF DIRECTORS**

Wayne M. Sletten, 626 - 13th Ave., Two Harbors, Lake County, effective February 6, 1995, for a term expiring on the first Monday in January, 1999.

James H. Main, 1575 Crest Dr., Chaska, Carver County, effective February 6, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Governmental Operations and Veterans.)

February 22, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**BOARD OF INVENTION**

John Hawk, 840 - 10th St., Granite Falls, Yellow Medicine County, effective February 27, 1995, for a term expiring on the first Monday in January, 1999.

William Baker, 508 Edgewood Ave., Stillwater, Washington County, effective February 27, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

Warmest regards,  
Arne H. Carlson, Governor

February 24, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 75.

Warmest regards,  
Arne H. Carlson, Governor

February 27, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is 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 1995	Date Filed 1995
75		5	1:55 p.m. February 24	February 24

Sincerely,  
Joan Anderson Growe  
Secretary of State

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 554.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 27, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 554:** A bill for an act relating to securities; regulating enforcement actions against licensees; modifying the definition of investment metal; amending Minnesota Statutes 1994, sections 80A.07, subdivision 5; and 80A.14, subdivision 10.

Referred to the Committee on Commerce and Consumer Protection.

### REPORTS OF COMMITTEES

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 477:** A bill for an act relating to education; consolidating and restructuring certain higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 136E.01, subdivision 1; 136E.02, subdivisions 1 and 3; 136E.021, subdivision 2; 136E.03; 136E.04, subdivisions 1, 3, and 7; 136E.05; 136E.31; 136E.395; 136E.525, subdivisions 1 and 2; and 136E.692, subdivisions 1, 3, and 4; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 136.01; 136.015; 136.016; 136.017; 136.02; 136.03; 136.031; 136.034; 136.035; 136.036; 136.045; 136.06; 136.063; 136.065; 136.07; 136.08; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.148; 136.15; 136.16; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.26; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.508; 136.55; 136.56; 136.57; 136.58; 136.60; 136.601; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.64; 136.65; 136.651; 136.653; 136.66; 136.67; 136.70; 136.71; 136.72; 136.80; 136.81; 136.82; 136.821; 136.83; 136.84; 136.85; 136.86; 136.87; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26; 136C.27; 136C.28; 136C.29; 136C.31; 136C.32; 136C.33; 136C.34; 136C.35; 136C.36; 136C.37; 136C.38; 136C.41; 136C.411; 136C.42; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; and 136E.04, subdivisions 2, 4, 5, and 6; Laws 1994, chapter 532, article 6, section 12, paragraph (a).

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

Page 2, after line 1, insert:

"Section 1. Minnesota Statutes 1994, section 15.38, subdivision 3, is amended to read:

Subd. 3. [MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The ~~state university~~ board of trustees of the Minnesota state colleges and universities may purchase insurance coverage as it deems necessary and appropriate to protect buildings and contents and for activities ancillary to the programs of the state colleges and universities."



Pages 5 and 6, delete section 12 and insert:

"Sec. 13. [136F.12] [FOND DU LAC CAMPUS.]

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college. The board of trustees and the board of directors of Fond du Lac tribal college shall determine the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions and shall present a memorandum of understanding to the 1996 legislature for its approval. The memorandum of understanding dated December 13, 1994, is not approved."

Page 7, line 13, after the period, insert "The fee may be used to contract for health, medical, and hospitalization insurance for students."

Page 8, line 25, delete "sections" and insert "section" and delete "51,"

Page 10, after line 11, insert:

"Subd. 2. [ASSOCIATE DEGREE PLAN.] The board shall develop a plan for awarding associate degrees which reflects the mission of each campus it governs."

Page 10, line 12, delete "2" and insert "3"

Page 10, line 19, delete the colon

Page 10, line 20, delete everything before "award"

Page 10, line 21, delete "; and"

Page 10, delete lines 22 to 25

Page 10, line 26, delete "curriculum"

Page 11, after line 1, insert:

"Sec. 28. [136F.35] [MODEL SCHOOLS.]

The board may establish model schools in a state university for illustrating methods of teaching."

Page 14, line 20, after "system" insert ", the technical college system,"

Page 14, lines 22 and 26, after "university" insert ", technical college,"

Page 14, line 29, after "association" insert "or from the first class cities teachers retirement funds"

Page 18, line 7, strike "and" and insert "as"

Pages 19 and 20, delete section 34

Page 23, line 34, delete "either or"

Page 23, lines 35 and 36, delete "Lincoln's Birthday, Washington's Birthday" and insert "Presidents' Day"

Page 23, after line 36, insert:

"Sec. 44. [136F.591] [BOOKSTORES.]

The board may permit a state college or university to conduct a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a

person or corporation to conduct a bookstore therein without rent at the board's pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building."

Page 24, delete lines 4 to 17

Page 24, line 18, delete "Subd. 2." and insert "Subdivision 1." and after "PROPERTY" insert "; STATE UNIVERSITIES"

Page 24, line 34, delete "3" and insert "2"

Page 28, line 6, delete everything after "be"

Page 28, line 7, delete everything before "administered"

Page 30, after line 32, insert:

**"Sec. 61. [TRANSFER OF RETIREMENT FUND MEMBERSHIP FOR TECHNICAL COLLEGE EMPLOYEES; ELECTION TO RETAIN RETIREMENT FUND MEMBERSHIP.]**

A person who is employed by a technical college or by the technical college system on June 30, 1995, and who is transferred to state employment shall remain a member of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, unless the person affirmatively elects, in writing, retirement coverage by the general state employees retirement plan of the Minnesota state retirement system. The following provisions govern the election of a transfer or the retention of retirement benefit coverage:

(1) For a person who desires to transfer benefit coverage, the affirmative written election must be made within 120 days of the transfer of the employee to state employment.

(2) On behalf of transferred employees who retain retirement benefit coverage with the pretransfer retirement plan, the board shall make the applicable employer contributions to the public employees retirement association under Minnesota Statutes, section 353.27, subdivisions 3 and 3a, or the same percentage of covered payroll employer contribution to the Minneapolis employees retirement fund that special school district No. 1 is required to make for that school year under Minnesota Statutes, section 422A.101, subdivision 2.

(3) An employee who makes a retirement benefit coverage transfer election under this section may revoke that election at any time within the first six months after the person becomes a state employee. Once an employee revokes the retirement benefit coverage transfer election, the employee may not make another election. If the initial retirement benefit coverage transfer election is revoked, all retirement contributions made by or on behalf of the employee revoking a prior election must be transferred to the applicable retirement plan as though they were erroneous deductions or contributions, plus monthly interest at an annual rate of 8.5 percent, compounded monthly, and the balance remaining between any contribution amount transferred and the amount of contributions that otherwise would have been due are payable in the applicable proportions by the revoking employee and the board, plus monthly interest at an annual rate of 8.5 percent, compounded monthly.

(4) The executive directors of the Minnesota state retirement system, the public employees retirement association, and the Minneapolis employees retirement fund, and the chancellor of the higher education system, shall confer and jointly adopt appropriate procedures for making the retirement benefit coverage transfer elections under this section.

(5) The executive directors of the public employees retirement association, the Minnesota state retirement system, and the Minneapolis employees retirement fund, whichever applies, shall, upon request, provide appropriate benefit counseling to applicable affected employees on the effect of electing retirement benefit coverage by the general state employees retirement plan of the Minnesota state retirement system."

Page 31, line 28, delete "60" and insert "63"

Pages 31 and 32, delete section 60 and insert:

## "Sec. 63. [REPEALER.]

Minnesota Statutes 1994, sections 15.38, subdivision 4; 136.01; 136.015; 136.017; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136E.04, subdivisions 2, 4, 5, and 6; and Laws 1994, chapter 532, article 6, section 12, paragraph (a), are repealed."

Page 32, line 22, delete "60" and insert "63"

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 6, after "sections" insert "15.38, subdivision 3;"

Page 1, line 12, after "sections" insert "15.38, subdivision 4;"

Page 1, line 13, delete "136.016;"

Page 1, line 14, delete "136.034; 136.035;" and delete "136.06; 136.063;"

Page 1, line 15, delete "136.08;"

Page 1, line 17, delete "136.148;"

Page 1, line 18, delete "136.15; 136.16;"

Page 1, line 20, delete "136.26;"

Page 1, line 25, delete "136.508;"

Page 1, line 26, delete "136.601;"

Page 1, line 27, delete "136.64;"

Page 1, line 28, delete "136.66;"

Page 1, delete lines 29 and 30 and insert "136.72; 136.88; 136.90;"

Page 1, delete lines 34 to 37 and insert "136C.31; 136C.34; 136C.41;"

Page 1, line 38, delete "136C.42;"

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 404:** A bill for an act relating to tax increment financing; increasing the maximum increment for ethanol projects exempt from the state aid reductions; amending Minnesota Statutes 1994, section 273.1399, subdivision 6.

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 257:** A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, subdivision 1.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 557:** A bill for an act relating to employment; ratifying certain labor agreements.

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

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 1994, section 3.855, subdivision 3, is amended to read:

Subd. 3. [OTHER SALARIES AND COMPENSATION PLANS.] The commission shall also:

(a) (1) review and approve, reject, or modify a plan for compensation, and terms and conditions of employment prepared and submitted by the commissioner of employee relations under section 43A.18, subdivision 2, covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

(b) (2) review and approve, reject, or modify a plan for total compensation and terms and conditions of employment for employees in positions identified as being managerial under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A;

(c) (3) review and approve, reject, or modify recommendations for salaries submitted by the governor under section 43A.18, subdivision 5, covering agency head positions listed in section 15A.081;

(d) (4) review and approve, reject, or modify recommendations for salaries of officials of higher education systems under section 15A.081, subdivision 7b; and

(e) (5) review and approve, reject, or modify plans for compensation, terms, and conditions of employment proposed under section 43A.18, ~~subdivision~~ subdivisions 3a and 4."

Page 2, line 19, delete "1" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing the legislative commission on employee relations to modify compensation for certain managerial positions in the higher education board;"

Page 1, line 3, before the period, insert "; amending Minnesota Statutes 1994, section 3.855, subdivision 3"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 359:** A bill for an act relating to public safety; providing for state reimbursement for bomb squads in certain cases; clarifying tort claim and workers' compensation provisions for member of bomb squad or hazardous materials response team; appropriating money; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 176.192; and 299A.51, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Page 2, lines 7 and 34, delete "299F.70" and insert "299F.72"

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 759:** A bill for an act relating to economic development; changing certain departmental operating procedures; altering the corporate structure of Advantage Minnesota, Inc.; clarifying economic development authority powers; amending Minnesota Statutes 1994, sections 116J.58, subdivision 1; 116J.693, subdivisions 2, 3, 4, and 5; 116N.02, subdivision 1; 116N.06; 446A.03, subdivision 4; and 469.102, subdivision 2.

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

Page 4, line 5, delete the new language

Page 4, line 8, reinstate the stricken language

Page 4, lines 9 to 15, reinstate the stricken language

Page 4, line 16, reinstate the stricken "resulting from the program,"

Page 4, line 17, reinstate the stricken "and the number of projects approved"

Page 6, line 35, delete "other" and insert "fourth" and delete ", to"

Page 6, line 36, delete everything before the period

Page 7, delete section 9

Amend the title as follows:

Page 1, line 8, after "116N.06;" insert "and"

Page 1, line 9, delete "; and 469.102, subdivision 2"

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 218:** A bill for an act relating to children; providing for care of children by noncustodial parents in certain cases; amending Minnesota Statutes 1994, section 518.551, subdivision 5.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 518.175, is amended by adding a subdivision to read:

Subd. 8. [CARE OF CHILD BY NONCUSTODIAL PARENT.] The court may allow additional visitation to the noncustodial parent to provide child care while the custodial parent is

working if this arrangement is reasonable and in the best interests of the child, as defined in section 518.17, subdivision 1. In addition, the court shall consider:

- (1) the ability of the parents to cooperate;
- (2) methods for resolving disputes regarding the care of the child, and the parents' willingness to use those methods; and
- (3) whether domestic abuse, as defined in section 518B.01, has occurred between the parties."

Page 4, line 31, delete everything after "working"

Page 4, delete line 32 and insert ", as provided in section 518.175, subdivision 8."

Page 7, delete lines 10 and 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 518.175, by adding a subdivision; and"

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 293:** A bill for an act relating to debt; providing for prompt payment of subcontractors of municipal contractors; modifying certain provisions relating to liens and performance bonds; amending Minnesota Statutes 1994, sections 471.425, by adding a subdivision; 514.13; 574.28; 574.30; and 574.31, subdivisions 1 and 2.

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 303:** A bill for an act relating to real property; providing for the form and record of certain assignments; revising the common interest ownership act; changing the application of the curative and validating law for mortgage foreclosures; amending Minnesota Statutes 1994, sections 507.411; 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-104; 515B.2-105; 515B.2-109; 515B.2-110; 515B.3-112; 515B.3-115; 582.25; and 582.27.

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

Page 11, line 16, after the period, insert "In those counties which have a tract index,"

Page 23, line 36, strike "in the usual form"

Page 24, line 9, strike everything after "office"

Page 24, line 10, strike everything before "provided"

Page 24, line 24, strike everything after "registered"

Page 24, line 25, strike everything before the semicolon

Page 26, line 16, strike "the date specified in section 582.27" and insert "one year after the last day of the redemption period of the mortgagor, the mortgagor's personal representatives or assigns"

Page 26, line 17, strike "every" and insert "a holder of a"

Page 26, line 18, strike the first "by" and insert "was"

Page 26, line 19, after "before" insert "the foreclosure"

Page 26, line 21, strike "has been" and insert "were"

Page 26, line 24, strike everything after "force"

Page 26, strike line 25

Page 26, line 26, strike everything before the semicolon

Page 27, lines 13 and 14, strike "the date specified in section 582.27" and insert "the last day of the redemption period of the mortgagor, the mortgagor's personal representatives or assigns"

Page 27, line 20, strike "the date specified in section 582.27" and insert "one year after the last day of the redemption period of the mortgagor, the mortgagor's personal representatives or assigns"

Page 29, line 12, strike the period and insert a semicolon

Page 29, after line 12, insert:

"(22) That the notice of pendency of the foreclosure as required by section 580.032 was not filed for record before the first date of publication of the foreclosure notice, but was filed before the date of sale."

Page 30, after line 13, insert:

"Sections 2 to 10 are effective June 1, 1995."

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. 174:** A bill for an act relating to game and fish; continuing the authorization for residents under the age of 16 to take deer of either sex; amending Minnesota Statutes 1994, section 97B.301, subdivision 6.

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. 343:** A bill for an act relating to game and fish; requiring financial security in connection with certain fishing contests; amending Minnesota Statutes 1994, section 97C.081, subdivision 3.

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

Page 1, line 9, before "The" insert "(a)"

Page 1, line 10, strike "rule or"

Page 1, lines 12 to 16, delete the new language

Page 1, line 17, delete "offered." and strike "Permits must be issued without a fee and" and insert "The commissioner may charge a fee not to exceed \$50."

Page 1, after line 19, insert:

"(b) The applicant shall furnish the commissioner evidence of financial responsibility consisting of a surety bond, insurance policy, cash, or cash equivalent deposit in an amount not less than the total wholesale amount of prizes to be offered in the contest, if the applicant:

(1) has not previously conducted a fishing contest requiring a permit under this subdivision; or

(2) has ever failed to make required prize awards in a fishing contest conducted by the applicant."

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. 548:** A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20.

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

Page 2, line 5, delete "shall remain open to public hunting" and insert "are not game refuges"

Page 2, line 32, delete "T.H.61" and insert "U.S. Route No. 61"

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

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

**S.F. No. 514:** A bill for an act relating to taxation; making technical and administrative changes, corrections, and clarifications; amending Minnesota Statutes 1994, sections 151.48; 270.47; 270.48; 270.485; 270.494; 270.50; 270.52; 270.53; 270.69, subdivision 10; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivision 11; 272.121, subdivision 2; 273.11, subdivision 16; 273.1398, by adding a subdivision; 273.1399, subdivision 3; 273.17, subdivision 2; 275.065, subdivision 6; 276.04, subdivision 2; 284.28, subdivision 2; 289A.18, subdivision 4; 289A.50, subdivision 1; 290.032, subdivisions 1 and 2; 290.0671, subdivision 2; 290A.04, subdivisions 2h and 6; 295.50, subdivisions 1, 4, 7, and 13; 295.53, subdivisions 1, 2, and 5; 295.54, subdivision 1; 295.55, by adding a subdivision; 295.57; 296.01, subdivision 34; 296.025, subdivision 1; 296.12, subdivisions 3 and 4; 297A.01, subdivision 3; 297E.02, subdivisions 1, 6, and 11; 297E.031, subdivision 1; 297E.13, subdivision 5; 298.75, subdivision 2; 325D.33, subdivision 4; 349.163, subdivision 5; 428A.01, subdivision 5; 428A.03, by adding a subdivision; 428A.05; 469.177, subdivision 9; 473.446, subdivision 1; 473.711, subdivision 2; and 473F.02, subdivision 8; Laws 1994, chapter 587, article 1, section 27; repealing Minnesota Statutes 1994, sections 60A.15, subdivision 7; 270.49; and 270.493; Laws 1988, chapter 698, section 5; and Laws 1989, First Special Session chapter 1, article 7, section 9.

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

Page 2, delete section 3

Page 5, line 32, before "Laws" insert "Minnesota Statutes 1994, section 290A.04, subdivision 2i; and"

Page 5, line 33, delete "is" and insert "are"

Page 5, line 35, delete ", 2, and 3" and insert "and 2"

Page 5, line 36, delete "6" and insert "5"

Page 6, line 1, delete "7" and insert "6"

Page 6, line 2, delete "4 and 5" and insert "3 and 4"

Page 9, line 33, after "required" insert "under subdivision 1"

Page 14, line 18, strike "19"

Page 21, line 24, strike "the highways are" and insert "a public highway, road, or street is"



Page 21, line 26, after "imposed" insert "either" and after "sold," insert "or when it is"

Page 21, line 27, after "or" insert "when it is" and after the second "stockpile" insert ", whichever occurs first"

Page 26, line 1, after the period, insert paragraph coding

Page 29, line 3, strike "conscientiously" and insert "deliberately"

Pages 46 to 48, delete sections 2 and 3

Page 53, line 21, delete "9" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 7

Page 1, line 14, delete "290.0671, subdivision 2;"

Page 1, line 29, delete "and" and after "270.493;" insert "and 290A.04, subdivision 2i;"

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

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

**S.F. No. 513:** A bill for an act relating to taxation; making tax policy, collection, and administrative changes; imposing penalties; amending Minnesota Statutes 1994, sections 60A.15, subdivision 12; 60A.199, subdivisions 8 and 10; 116.07, subdivision 10; 168.012, subdivision 9; 270.06; 270.72, subdivisions 1, 2, and 3; 270B.02, subdivision 3; 270B.14, subdivision 1; 273.121; 273.124, subdivisions 3, 6, and 13; 274.14; 279.03, subdivision 1a; 289A.18, subdivision 2; 289A.20, subdivision 2; 289A.25, by adding a subdivision; 289A.26, subdivision 2a; 289A.38, subdivision 7; 289A.40, subdivision 1; 289A.43; 289A.55, subdivision 7; 289A.60, subdivisions 2, 12, and by adding a subdivision; 290.01, subdivision 7b; 290.015, subdivision 1; 290.191, subdivisions 1, 5, and 6; 290.92, subdivisions 1, 23, and by adding a subdivision; 290.9201, subdivision 3; 290A.03, subdivisions 6 and 13; 290A.04, subdivision 3; 290A.07, subdivision 2a; 294.09, subdivisions 1 and 4; 296.12, subdivisions 3, 4, and 11; 296.141, subdivisions 1, 2, and 6; 296.17, subdivisions 1, 3, 5, and 11; 296.18, subdivisions 1, 2, and 5; 297.08, subdivisions 1 and 3; 297.35, subdivision 1; 297.43, subdivision 2; 297A.25, subdivision 11; 297C.02, subdivision 2; 297C.07; 297C.09; 297C.13, subdivision 1; 297C.14, subdivision 2; 297E.11, subdivision 4; 297E.12, subdivision 2; 299F.26, subdivisions 1 and 4; and 477A.015; proposing coding for new law in Minnesota Statutes, chapters 270; 270B; 296; and 340A; repealing Minnesota Statutes 1994, sections 270.70, subdivisions 8, 9, and 10; 297A.212; and 297A.38; Laws 1994, chapter 510, article 6, section 1.

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

Page 4, lines 20 and 28, strike "90" and insert "180"

Page 7, after line 10, insert:

"Sec. 8. Minnesota Statutes, 1994, section 290.067, subdivision 1, as amended by Laws 1995, chapter 1, section 4, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code do not apply.

(b) If a child who is ~~six years of age or less~~ has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but ~~not older than six years of age~~ has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) \$2,400 will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse."

Page 15, delete section 12

Page 16, line 7, delete "10" and insert "11"

Page 16, line 8, delete "11" and insert "12"

Page 16, line 9, delete "Section 12 is effective for wages paid"

Page 16, line 10, delete "after December 31, 1990."

Pages 16 and 17, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1994, 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.

Property of a trustee, beneficiary, or grantor of a trust is not disqualified from receiving homestead benefits if the homestead requirements under this chapter are satisfied.

The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status. Notwithstanding any other law to the contrary, the department of revenue may, upon request from an assessor, verify whether an individual who is requesting or receiving homestead classification has filed a Minnesota income tax return as a resident for the most recent taxable year for which the information is available.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(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) Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, 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 when treatment under this paragraph would first apply shall continue to be classified as seasonal recreational residential property for the first four assessment years beginning after the date when the relative of the owner occupies the property as a homestead; 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. Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative. In the case of a residence located on agricultural land, only the house, garage, and immediately surrounding one acre of land shall be classified as a homestead under this paragraph, except as provided in paragraph (d).

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a son, daughter, father, or mother of the owner of the agricultural property or a son or daughter of the spouse of the owner of the agricultural property,

(2) the owner of the agricultural property must be a Minnesota resident,

(3) the owner of the agricultural property must not receive homestead treatment on any other agricultural property in Minnesota, and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative qualifying under this paragraph. For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met.

(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location as provided under subdivision 13, or (4) residence in a nursing home or boarding care facility."

Page 18, line 35, delete "total" and insert "local" and delete "capacity"

Page 19, line 18, delete everything after the period

Page 19, delete lines 19 to 21

Page 23, line 23, delete "total" and insert "local" and delete "capacity"

Page 24, line 6, delete everything after the period

Page 24, delete lines 7 to 9 and insert:

"Sec. 5. Minnesota Statutes 1994, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1 or class 2a or the value of the first tier of net class rates provided under section 273.13, subdivision 22, or 23, paragraph (a), is entitled to assessment as a homestead under section 273.13, subdivision 22 or 23. The limitation in this subdivision does not apply to buildings containing fewer than four residential units or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.

If the assessor has classified a property as both homestead and nonhomestead, ~~the homestead credit provided in section 273.13, subdivisions 22 and 23, and the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property.~~

Page 26, line 18, strike the first comma and insert "or" and after "transferred" insert "if no certificate of real estate value is filed under section 272.115"

Page 28, line 31, reinstate the stricken "during"

Page 28, line 32, delete "on each of"

Page 29, delete section 7 and insert:

"Sec. 8. Minnesota Statutes 1994, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be reduced by the aid received under ~~sections section 273.1398, subdivisions 2 and~~ subdivision 3. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

Sec. 9. Minnesota Statutes 1994, section 275.08, subdivision 1b, is amended to read:

Subd. 1b. The amounts certified under section 275.07 ~~after adjustment under section 275.07, subdivision 3,~~ by an individual local government unit, except for any amounts certified under sections 124A.03, subdivision 2a, and 275.61, shall be divided by the total net tax capacity of all

taxable properties within the local government unit's taxing jurisdiction. The resulting ratio, the local government's local tax rate, multiplied by each property's net tax capacity shall be each property's tax for that local government unit before reduction by any credits.

Any amount certified to the county auditor under section 124A.03, subdivision 2a, or 275.61, after the dates given in those sections, shall be divided by the total estimated market value of all taxable properties within the taxing district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by each property's estimated market value shall be each property's new referendum tax before reduction by any credits."

Page 30, line 4, after the stricken "knowingly" insert "without reasonable cause"

Page 33, line 9, delete "2, and 6" and insert "and 7"

Page 33, line 10, delete "5" and insert "6"

Page 33, line 11, delete everything after the period

Page 33, line 12, delete everything before "Section" and delete "8" and insert "10"

Page 33, line 14, delete "Section 9 to 12" and insert "Sections 11 to 14"

Page 33, line 16, delete "13" and insert "15"

Pages 33 to 37, delete section 1

Pages 39 to 41, delete section 4

Page 43, lines 3 and 4, delete "provided the bottles accompany a collector of commemorative bottles into this state"

Page 43, lines 6 and 7, delete "; and Laws 1994, chapter 510, article 6, section 1, are" and insert ", is"

Page 43, line 9, delete "2, 3, 5, 6, and 7" and insert "to 5"

Page 43, line 10, delete "Section 4 is effective July 1, 1995."

Pages 46 to 50, delete section 4

Page 54, after line 18, insert:

"Sec. 9. Minnesota Statutes 1994, section 270.79, subdivision 4, is amended to read:

Subd. 4. [REFUND PROCEDURES.] (a) If the commissioner determines that the cumulative refunds due all affected taxpayers will exceed \$50,000,000, the refund procedures in this subdivision apply.

(b) ~~The refunds due shall be paid in five installments beginning after July 1 of~~ The first installment will be paid during the calendar year following the later of the filing of the refund claim or the final judicial determination and ending in the fifth calendar year or at the time that the return for that calendar year is filed subsequent installments will be paid at any time during each of the four succeeding calendar years.

(c) ~~The refunds shall be paid in the form of refundable credits claimed on the tax return for the tax type giving rise to the refund.~~

(d) ~~In the case of annual returns the credit allowable must be claimed on the annual return. When returns are filed on other than an annual basis, the allowable credit must be claimed on the first return due after July 1 of a calendar year~~ The commissioner shall compute the annual refund installment due under this subdivision, and notify the taxpayer of the total amount of the claim for refund which has been allowed.

(e) ~~(d) The credit allowed for installment paid each year equals 20 percent of the claimed refund~~ allowed unless the commissioner determines that the cumulative refunds due for a

particular year under this section will exceed \$150,000,000. If the refunds payable will exceed that amount, ~~the claimed refunds they~~ will be reduced pro rata with any balance remaining due payable with the final refund installment.

(f) (e) Unless contrary to the provisions in this section, the provisions for refunds in the various tax types, including provisions related to the payment of interest, apply to the refunds subject to these provisions.

(g) (f) The commissioner may establish a de minimis individual refund amount below which the installment provisions do not apply. The amount established under this paragraph is not subject to the provisions of chapter 14.

(g) If the commissioner of finance determines that it is in the best interest of the state, refunds payable under this section may be paid in fewer than five installments."

Page 65, delete lines 6 and 7

Page 65, line 8, delete "5, 9" and insert "4, 8"

Page 65, line 10, delete "6 to 8" and insert "5 to 7"

Page 65, after line 10, insert:

"Section 9 is effective for payments of refunds resulting from final determinations made on or after April 26, 1994, including refunds resulting from appeals filed before that date but finally determined after that date."

Pages 65 to 69, delete article 5

Pages 69 to 71, delete sections 1 to 4

Page 81, line 36, delete "1 to 3, and 6 to 19" and insert "2 to 15"

Page 82, delete lines 2 and 3

Page 82, line 4, delete "5" and insert "1"

Renumber the articles and sections in sequence

Amend the title as follows:

Page 1, line 6, delete "116.07, subdivision 10;"

Page 1, line 7, delete "270.06;" and delete "270B.02," and insert "270.79, subdivision 4;"

Page 1, delete line 8

Page 1, line 9, after "subdivisions" insert "1," and after "6," insert "11," and delete "279.03," and insert "275.07, subdivision 1; 275.08, subdivision 1b;"

Page 1, line 10, delete "subdivision 1a;"

Page 1, line 16, after "1;" insert "290.067, subdivision 1, as amended;"

Page 1, lines 17 and 18, delete ", 23, and by adding a subdivision" and insert "and 23"

Page 1, line 25, delete "297A.25, subdivision 11;"

Page 1, line 26, delete "297C.09; 297C.13, subdivision"

Page 1, line 27, delete "1;"

Page 1, line 30, delete "; 270B;" and insert "and" and delete "and 340A;"

Page 1, line 32, delete "; Laws" and insert a period

Page 1, delete line 33

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 386:** A bill for an act relating to health; modifying provisions relating to nursing home moratorium exceptions; amending Minnesota Statutes 1994, sections 144A.071, subdivisions 1 and 1a; and 144A.073, subdivisions 1, 2, 3, 4, 8, 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 1994, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] The commissioner of health, in coordination with the commissioner of human services, shall deny each request for new licensed or certified nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or section 144A.073. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

In addition, the commissioner of health must not approve any construction project whose cost exceeds \$500,000, or 25 percent of the facility's appraised value, whichever is less, unless:

(a) any construction costs exceeding the lesser of \$500,000 or 25 percent of the facility's appraised value are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

(b) the project:

(1) has been approved through the process described in section 144A.073;

(2) meets an exception in subdivision 3 or 4a;

(3) is necessary to correct violations of state or federal law issued by the commissioner of health;

(4) is necessary to repair or replace a portion of the facility that was ~~destroyed~~ damaged by fire, lightning, or other hazards provided that the provisions of subdivision 4a, clause (a), are met;

(5) as of May 1, 1992, the facility has submitted to the commissioner of health written documentation evidencing that the facility meets the "commenced construction" definition as specified in subdivision 1a, clause (d), or that substantial steps have been taken prior to April 1, 1992, relating to the construction project. "Substantial steps" require that the facility has made arrangements with outside parties relating to the construction project and include the hiring of an architect or construction firm, submission of preliminary plans to the department of health or documentation from a financial institution that financing arrangements for the construction project have been made; or

(6) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

Prior to the final plan approval of any construction project, the commissioner of health shall be provided with an itemized cost estimate for the project construction costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioner and shall be considered as one construction project. Once the

construction project is completed and prior to the final clearance by the commissioner, the total project construction costs for the construction project shall be submitted to the commissioner. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in clauses (1) to (6), the dollar threshold is \$500,000 or 25 percent of appraised value, whichever is less. For projects authorized after July 1, 1993, under clause (1), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under clauses (2) to (4), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

The commissioner of health shall adopt emergency or permanent rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073. The authority to adopt emergency rules continues to December 30, 1992.

Sec. 2. Minnesota Statutes 1994, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. [EXCEPTIONS FOR REPLACEMENT BEDS.] It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged 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;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) 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; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds as defined in subdivision 3, paragraph (a).

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) 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 25 percent of the appraised value of the facility or \$500,000, whichever is less;



(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) 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;

(e) 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, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) 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 St. 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 paragraph;

(g) 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;

(h) 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;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly-constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1995;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass county and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (d). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; was not owned by a hospital corporation; had a licensed capacity of 64 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process; or

(r) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993

moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process.

Sec. 3. Minnesota Statutes 1994, section 144A.071, is amended by adding a subdivision to read:

Subd. 5a. [COST ESTIMATE OF A MORATORIUM EXCEPTION PROJECT.] For the purposes of this section and section 144A.073, the cost estimate of a moratorium exception project shall include the effects of the proposed project on the costs of the state subsidy for community-based services, nursing services, and housing in institutional and noninstitutional settings. The commissioner of health, in cooperation with the commissioner of human services, shall define the method for estimating these costs in the permanent rule implementing section 144A.073. The commissioner of human services shall prepare an estimate of the total state annual long-term costs of each moratorium exception proposal.

Sec. 4. Minnesota Statutes 1994, section 144A.073, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Relocation" means the movement of licensed nursing home beds or certified boarding care beds as permitted under subdivision 4, clause (3), and subdivision 5.

(c) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

~~(e)~~ (d) "Replacement" means the demolition ~~or, delicensure, reconstruction, or construction~~ of an addition to all or part of an existing facility.

~~(d)~~ (e) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility.

Sec. 5. Minnesota Statutes 1994, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules authorization by the legislature of additional medical assistance expenditures for exceptions to the moratorium on nursing homes, the interagency committee shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 4a, clause (c). The public notice of this funding and the request for proposals must specify how the approval criteria will be prioritized by the advisory review panel, the interagency long-term care planning committee, and the commissioner. The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency committee within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. If money is appropriated, the interagency committee shall initiate the application and review process described in this section at least twice each biennium and up to four times each biennium, according to dates established by rule. Authorized funds shall be allocated proportionally to the number of processes. Funds not encumbered by an earlier process within a biennium shall carry forward to subsequent iterations of the process. Authorization for expenditures does not carry forward into the following biennium. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, ~~or conversion, or relocation;~~

(2) a description of the problem the project is designed to address;

- (3) a description of the proposed project;
- (4) an analysis of projected costs of the nursing facility proposal, including initial construction and remodeling costs; site preparation costs; financing costs, including the current estimated long-term financing costs of the proposal, which consists of the amount and sources of money, reserves if required under the proposed funding mechanism, annual payments scheduled, interest rates, length of term, closing costs and fees, insurance costs, and any completed marketing study or underwriting review; and estimated operating costs during the first two years after completion of the project;
- (5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;
- (6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;
- (7) the proposed timetable for commencing construction and completing the project; and
- (8) a statement of any licensure or certification issues, such as certification survey deficiencies;
- (9) the proposed alternative disposition of current residents if beds are to be closed so that the department of human services can estimate the total costs of a proposal; and
- (10) other information required by permanent rule of the commissioner of health in accordance with subdivisions 4 and 8.

Sec. 6. Minnesota Statutes 1994, 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 long-term care planning committee 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 committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee 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 committee's recommendations. The advisory review panel, the committee, and the commissioner of health shall base their recommendations, approvals, or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4 and in emergency and permanent rules adopted by the commissioner. 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 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). The committee'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. 7. Minnesota Statutes 1994, section 144A.073, is amended by adding a subdivision to read:

Subd. 3c. [COST NEUTRAL RELOCATION PROJECTS.] Notwithstanding subdivision 3, the interagency committee may at any time accept proposals for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The committee shall review these applications and make recommendations to the commissioner within 90 days. The committee must evaluate proposals according to subdivision 4, clauses (1), (2), and (3), and other criteria established in rule. The commissioner shall approve or disapprove a project within 30 days of receiving the committee's recommendation.

Sec. 8. Minnesota Statutes 1994, section 144A.073, subdivision 4, is amended to read:

Subd. 4. [CRITERIA FOR REVIEW.] (a) The following criteria must shall be used in a consistent manner to compare and, evaluate, and rank all proposals submitted. Except for the criteria specified in clause (3), the application of criteria listed under this paragraph shall not reflect any distinction based on the geographic location of the proposed project:

~~(1) the extent to which the average occupancy rate of the facility supports the need for the proposed project;~~

~~(2) the extent to which the average occupancy rate of all facilities in the county in which the applicant is located, together with all contiguous Minnesota counties, supports the need for the proposed project;~~

~~(3) the extent to which the proposal furthers state long-term care goals, including the goals stated in section 144A.31, and including the goal of enhancing the availability and use of alternative care services and the goal of reducing the number of long-term care resident rooms with more than two beds;~~

~~(4) the cost effectiveness of the proposal, including (2) the proposal's long-term effects on the state costs of the medical assistance program, as determined by the commissioner of human services; and including the cost estimate of the project according to section 144A.071, subdivision 5a;~~

~~(5) other factors developed in rule by the commissioner of health that evaluate and assess how the proposed project will further promote or protect the health, safety, comfort, treatment, or well-being of the facility's residents.~~

~~(b) In addition to the criteria in paragraph (a), the following criteria must be used to evaluate, compare, and rank proposals involving renovation or replacement:~~

~~(3) the extent to which the proposal promotes equitable access to long-term care services in nursing homes through redistribution of the nursing home bed supply, as measured by the number of beds relative to the population 85 or older, projected to the year 2000 by the state demographer, and according to items (i) through (iv):~~

~~(i) reduce beds in counties where the supply is relatively high, and increase beds in counties where the supply is relatively low;~~

~~(ii) adjust the bed supply so as to create the greatest benefits in improving the distribution of beds;~~

~~(iii) adjust the existing bed supply in counties so that the bed supply in the counties, together with all contiguous Minnesota counties, moves toward the statewide mean; and~~

~~(iv) adjust the existing bed supply so that the distribution of beds as projected for the year 2020 would be consistent with projected need;~~

~~(1) (4) the extent to which the project improves conditions that affect the health or safety of residents, such as narrow corridors, narrow door frames, unenclosed fire exits, and wood frame construction, and similar provisions contained in fire and life safety codes and licensure and certification rules;~~

~~(2) (5) the extent to which the project improves conditions that affect the comfort or quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, day rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; narrow corridors; or other provisions contained in the licensure and certification rules;~~

~~(6) the extent to which the applicant demonstrates the delivery of quality care to residents as evidenced by the two most recent state agency certification surveys and the applicants' response to those surveys;~~

(7) the extent to which the project removes the need for waivers or variances previously granted by either the licensing agency, certifying agency, fire marshal, or local government entity; and

(8) other factors that may be developed in permanent rule by the commissioner of health that evaluate and assess how the proposed project will further promote or protect the health, safety, comfort, treatment, or well-being of the facility's residents.

Sec. 9. Minnesota Statutes 1994, section 144A.073, subdivision 8, is amended to read:

Subd. 8. [RULEMAKING.] The commissioner of health shall adopt ~~emergency or permanent~~ rules to implement this section. The permanent rules must be in accordance with and implement only the criteria listed in this section. The authority to adopt ~~emergency permanent~~ rules continues until ~~December 30, 1988~~ July 1, 1996.

Sec. 10. [REPEALER.]

Minnesota Statutes 1994, section 144A.073, subdivision 3a, is repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 3, 4, 7, and 8 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete "1 and" and insert "2,"

Page 1, line 5, delete "1a" and insert "4a, and by adding a subdivision"

Page 1, line 6, before the period, insert "; repealing Minnesota Statutes 1994, section 144A.073, subdivision 3a"

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

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 342:** A bill for an act relating to children; modifying liability provisions for child abuse investigations; providing for attorney fees in certain actions; providing for the establishment of protocols for investigations; prohibiting certain conflicts of interest; providing for access to data regarding determinations of maltreatment; amending Minnesota Statutes 1994, section 626.556, subdivisions 4, 10e, 11, and by adding subdivisions.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] (a) The following persons are immune from any civil or criminal liability that otherwise might result from their actions, if they are acting in good faith:

(1) any person making a voluntary or mandated report under subdivision 3 or under section 626.5561 or assisting in an assessment under this section or under section 626.5561;

(2) any ~~social worker~~ person with responsibility for performing duties under this section or supervisor employed by a local welfare agency complying with subdivision 10d ~~or the provisions of section 626.5561~~; and

(3) any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency or local law enforcement agency and assists in an investigation or assessment pursuant to subdivision 10 or under section 626.5561.

(b) A person who is a supervisor or ~~social worker~~ person with responsibility for performing duties under this section employed by a local welfare agency complying with subdivisions 10 and 11 or section 626.5561 or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care, or in accordance with the protocols established under subdivision 9a.

(c) This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

(d) If a person who makes a voluntary or mandatory report under subdivision 3 prevails in a civil action from which the person has been granted immunity under this subdivision, the court may award the person attorney fees and costs.

Sec. 2. Minnesota Statutes 1994, section 626.556, is amended by adding a subdivision to read:

Subd. 4b. [LIABILITY; COSTS AND ATTORNEY FEES.] If a person who is an alleged perpetrator prevails in a civil action arising out of an assessment, determination, or bad faith report made under this section, the person is entitled to costs and reasonable attorney fees in the action. This subdivision does not apply to criminal or juvenile court proceedings. This subdivision does not affect the immunity provisions of this section or other law.

Sec. 3. Minnesota Statutes 1994, section 626.556, is amended by adding a subdivision to read:

Subd. 9a. [PROTOCOL GOVERNING ABUSE AND NEGLECT ASSESSMENTS.] (a) The local welfare agency shall collect, if available, the information specified under this subdivision with regard to the person reporting the alleged maltreatment, the child allegedly being maltreated, the alleged perpetrator, and other collateral sources having relevant information related to the alleged maltreatment:

(1) the reporter's age, sex, educational background, and occupation; the nature of the relationship to the child and alleged perpetrator; the basis of knowledge for the report; a record check for prior reports of maltreatment, mental health treatment and related hospitalization, civil commitments, and criminal charges and convictions;

(2) the child's sex and age; prior reports of maltreatment and exposure to educational programs describing maltreatment; mental health treatment and related hospitalization, civil commitments, and criminal charges and convictions; the nature of the relationship to the reporter and the alleged perpetrator; information relating to intellectual and developmental functioning, memory capacity, ability to distinguish fact from fantasy, appreciation of honesty, and indications of coaching; and whether the information provided under this paragraph is consistent with the collateral source information under clause (4);

(3) the alleged perpetrator's age, a record check for prior reports of maltreatment, mental health treatment and related hospitalization, civil commitments, and criminal charges and convictions. The local welfare agency must provide the alleged perpetrator with an opportunity to make a statement and submit affidavits, letters, psychological data and reports, medical data and reports, and psycho-physiologic data and reports to the local welfare agency; and

(4) collateral source information, which includes: (i) a medical examination if sexual abuse is alleged; (ii) prior medical records relating to the allegation and an interview with the prior treating professional; (iii) psychological testing if the local agency is uncertain, under clause (2), of the child's intellectual or developmental functioning or where there is a possible presence of thought disorder; (iv) prior psychological records and an interview with the prior treating professional; (v) an interview with the child's caretakers, including the child's parent, guardian, foster parent, day care provider, preschool and school teachers, and counselors; (vi) an interview with the child's family members who may have information related to the allegation, such as the child's siblings, aunts, uncles, cousins, and grandparents; and (vii) an interview with the witnesses to the alleged maltreatment.

(b) The local welfare agency shall use the following interviewing methods, procedures, and format when collecting the information under paragraph (a):

(1) a written summary of all interviews with adult witnesses and collateral sources and, if possible, audio recordings of each interview, which must be maintained for one year;

(2) audio-video recordings of each interview with the child witnesses and the alleged victim, in which the camera lens must capture both the child and the questioner throughout the entire interview; however, if use of audio-video equipment is not practical, the entire interview must be audio taped and recordings must be maintained for one year;

(3) a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. If open-ended questions are not productive, more directive questioning should follow. The number of times such witness has previously been questioned, the time and date of said prior questioning, and the participants in said prior questioning should be established. Audio-visual aids, such as anatomical dolls and drawings, should be used only after verbal questioning has proven unsuccessful and they should not be used for diagnostic purposes.

(c) A potential conflict of interest related to assisting in an assessment resulting in a direct or shared financial interest with a child abuse and neglect treatment provider must be considered by the county agency in an effort to prevent unethical relationships.

Sec. 4. Minnesota Statutes 1994, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed. Determinations under this subdivision must be made based on a preponderance of the evidence.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

- (1) physical abuse as defined in subdivision 2, paragraph (d);
- (2) neglect as defined in subdivision 2, paragraph (c);
- (3) sexual abuse as defined in subdivision 2, paragraph (a); or
- (4) mental injury as defined in subdivision 2, paragraph (k).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

Sec. 5. Minnesota Statutes 1994, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] Except as provided in subdivisions 10b, 10d, 10g, and 11b, and 11d, all records concerning individuals maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Reports maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners. Section 13.82, subdivisions 5, 5a, and 5b, apply to law enforcement data other than the reports. The local social services agency shall make available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners or their professional delegates, any



records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of ten who is the alleged victim of abuse or neglect. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

Sec. 6. Minnesota Statutes 1994, section 626.556, is amended by adding a subdivision to read:

Subd. 11d. [DISCLOSURE OF INFORMATION TO SUBJECT OF REPORT.] If a determination is made that maltreatment has occurred or that child protective services are needed, the person determined to be maltreating the child and the director of the facility, if applicable, may request, and the local welfare agency shall provide, a summary of the specific reasons for the determination and certification that the protocols under subdivision 9a were followed. Data otherwise prohibited from disclosure under chapters 13, 626, and applicable federal laws shall not be disclosed under this subdivision.

Sec. 7. Minnesota Statutes 1994, section 626.556, is amended by adding a subdivision to read:

Subd. 14. [CONFLICT OF INTEREST.] A person who conducts an assessment under this section or section 626.5561 may not have any direct or shared financial interest or referral relationship resulting in a direct shared financial gain with a child abuse and neglect treatment provider. If an independent assessor is not available, the person responsible for making the determination under this section may use the services of an assessor with a financial interest or referral relationship, as authorized under rules adopted by the commissioner of human services.

Sec. 8. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1996."

Delete the title and insert:

"A bill for an act relating to children; modifying liability provisions for child abuse investigations; providing for attorney fees in certain actions; providing for the establishment of protocols for investigations; prohibiting certain conflicts of interest; providing for access to data regarding determinations of maltreatment; amending Minnesota Statutes 1994, section 626.556, subdivisions 4, 10e, 11, and by adding subdivisions."

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

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 1:** A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive AFDC; providing an exception to the AFDC overpayment statute for recipients who have become employed; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job searches; allowing vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for the community work experience program; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with

some exceptions; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote self-sufficiency; expanding the parent's fair share pilot project in Ramsey county and requiring a study to expand the pilot project statewide; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1994, sections 256.031, subdivision 3; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 5, 10, and by adding a subdivision; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.03, subdivision 4; 256D.05, subdivision 6; and 256D.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1994, section 256.734.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 256.035, subdivision 6d, is amended to read:

Subd. 6d. ~~[LENGTH OF JOB SEARCH OBLIGATION TO SEEK AND OBTAIN FULL-TIME EMPLOYMENT.]~~ (a) When the family support agreement specifies a date when job search should begin, the parental caregiver must participate in employment search activities. If, after three months of search, the parental caregiver does not find a job that is consistent with the parental caregiver's employment goal, the parent must accept any suitable employment. The search may be extended for up to three months if the parental caregiver seeks and needs additional job search assistance.

(b) When the family support agreement specifies job search consistent with the overall employment goal, the caregiver is expected to seek and accept full-time employment. For this purpose, full-time employment means 30 or more hours a week. Caregivers who are single parents with a child under six satisfy this requirement by working 20 or more hours a week.

(c) A caregiver currently enrolled in the Minnesota family investment plan who voluntarily quits suitable employment without good cause or without agreement of the case manager, or who is terminated for nonperformance, must notify the case manager or designee within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to notify the case manager or designee within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the revised family support agreement specifies job search, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction. A caregiver who voluntarily quits suitable employment with good cause or who is laid off must notify the case manager or designee within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to notify the case manager or designee within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the family support agreement specifies job search, the search is limited to three months to find a job related to the caregiver's overall employment goal. After three months, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction.

Sec. 2. [256.047] [EXPANSION OF MFIP TO RAMSEY COUNTY (MFIP-R).]

Subdivision 1. [MISSION STATEMENT.] The goal of MFIP-R employment and pre-employment services is to help caregivers increase their family income in a timely manner through paid employment.

Subd. 2. [SERVICE PROVIDING AGENCIES.] Employment and pre-employment services must be offered by providers certified by the commissioner of economic security who meet the standards in section 268.871, subdivision 1. County agencies must ensure that all services, including contracted services, meet the requirements of MFIP-R services according to section 256.048, subdivision 6.

Subd. 3. [STAFFING.] County agencies may hire MFIP-R staff, which includes employment specialists, job developers, and vocational counselors to provide pre-employment and employment

services described in section 256.048, subdivision 6, and coordinate social and support services. County agencies are expected to ensure that staff providing employment and pre-employment services have the necessary training and experience to perform the specific services which they are assigned to do.

Sec. 3. [256.0475] [DEFINITIONS.]

Subdivision 1. [EMPLOYABILITY PLAN.] "Employability plan" means the plan developed by MFIP-R staff and the caregiver under section 256.048.

Subd. 2. [FAMILY SUPPORT AGREEMENT.] "Family support agreement" means the subsection of the employability plan which is limited to employment, education, employment and training services, and scheduled meetings with MFIP-R staff. For mandatory caregivers, noncompliance with the family support agreement may result in sanction.

Subd. 3. [MANDATORY CAREGIVER.] "Mandatory caregiver" means a caregiver who is required to develop a family support agreement under section 256.048, and is not exempt under that section.

Subd. 4. [MFIP-R.] "MFIP-R" means the pre-employment and employment program under section 256.048 provided to caregivers assigned to the Minnesota family investment plan in Ramsey county who receive financial assistance under sections 256.033, 256.034, and 256.036.

Sec. 4. [256.048] [INCOME SUPPORT AND TRANSITION.]

Subdivision 1. [EXPECTATIONS.] The requirement for a caregiver to develop a family support agreement is tied to the structure of the family and the length of time on assistance according to paragraphs (a) to (c).

(a) In a family headed by a single adult parental caregiver who has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for 12 or more months within the preceding 24 months, the parental caregiver must be developing and complying with the terms of the family support agreement commencing with the 13th month of assistance.

(b) For a family with a minor parental caregiver or a family whose parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the parental caregiver must be developing and complying with a family support agreement concurrent with the receipt of assistance. The terms of the family support agreement must include compliance with section 256.736, subdivision 3b. If the parental caregiver fails to comply with the terms of the family support agreement, the sanctions in subdivision 4 apply. When the requirements in section 256.736, subdivision 3b, have been met, a caregiver has fulfilled the caregiver's obligation. County agencies must continue to offer MFIP-R services if the caregiver wants to continue with an employability plan. Caregivers who fulfill the requirements of section 256.736, subdivision 3b, are subject to the expectations of paragraphs (a) and (c).

(c) In a family with two adult parental caregivers, at least one of whom has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for six or more months within the preceding 12 months, one parental caregiver must be developing and complying with the terms of the family support agreement commencing with the seventh month of assistance. The family and MFIP-R staff will designate the parental caregiver who will develop the family support agreement based on which parent has the greater potential to increase family income through immediate employment.

Subd. 2. [EXEMPTIONS.] A caregiver is exempt from expectations as provided in paragraphs (a) and (b).

(a) Except for clause (4), which applies only for a single-parent family, a caregiver in a single-parent or two-parent family is exempt from the expectations of MFIP-R if the caregiver is:

(1) ill, incapacitated, or 60 years of age or older;

(2) needed in the home because of the illness or incapacity of another family member;

(3) the parent of a child under one year of age and is personally providing care for the child. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year old parents as provided in section 256.736, subdivision 3b, paragraphs (f) and (g);

(4) the parent of a child under six years of age and is employed or participating in education or employment and training services for 20 or more hours per week. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year-old parents as provided in section 256.736, subdivision 3b, paragraph (f), clause (5);

(5) working 30 hours or more per week or, if the number of hours cannot be verified, earns weekly, at least the federal minimum hourly wage rate multiplied by 30;

(6) in the second or third trimester of pregnancy; or

(7) not the natural parent, adoptive parent, or stepparent of a minor child in the assistance unit.

(b) In a two-parent household, only one parent may be exempt under paragraph (a), clause (2) or (3). If paragraph (a), clause (5), applies to either parent in a two-parent family, the other parent is exempt. In a two-parent household, if the parent designated to develop a family support agreement becomes exempt and the exemption is expected to last longer than six months, then the second parent is required to develop a family support agreement unless otherwise exempt under paragraph (a).

Subd. 3. [GOOD CAUSE FOR FAILURE TO COMPLY.] Caregivers may claim the following reasons as good cause for failure to comply with the expectations of MFIP-R employment and pre-employment services:

(1) needed child care is not available;

(2) the job does not meet the definition of suitable employment according to section 256.736, subdivision 1a, paragraph (h);

(3) the parental caregiver is ill, incapacitated, or injured;

(4) a family member is ill and needs care by the parental caregiver;

(5) the parental caregiver is unable to secure the necessary transportation;

(6) the parental caregiver is in an emergency situation;

(7) the schedule of compliance with the family support agreement conflicts with judicial proceedings;

(8) the parental caregiver is already participating in acceptable activities;

(9) the family support agreement requires an educational program for a parent under the age of 20, but the educational program is not offered in the school district;

(10) activities identified in the family support agreement are not available;

(11) the parental caregiver is willing to accept suitable employment but employment is not available;

(12) the parental caregiver documents other verifiable impediments to compliance with the family support agreement beyond the parental caregiver's control; or

(13) the family support agreement requires an educational program for a parent under the age of 20, but the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

Subd. 4. [SANCTION.] The county agency must reduce an assistance unit's assistance payment by ten percent of the transitional standard for the applicable family size when a caregiver, who is not exempt from the expectations in this section, fails to attend a mandatory briefing, fails

to attend scheduled meetings with MFIP-R staff, or fails to develop or comply with the terms of the caregiver's family support agreement. MFIP-R staff must send caregivers a notice of intent to sanction. For the purpose of this section, "notice of intent to sanction" means MFIP-R staff must provide written notification to the caregiver that the caregiver is not fulfilling the requirement to develop or comply with the family support agreement. This notification must inform the caregiver of the right to request a conciliation conference within ten days of the mailing of the notice of intent to sanction or the right to request a fair hearing under section 256.045. If a caregiver requests a conciliation conference, the county agency must postpone implementation of the sanction pending completion of the conciliation conference. If the caregiver does not request a conciliation conference within ten calendar days of the mailing of the notice of intent to sanction, the MFIP-R staff must notify the county agency that the assistance payment should be reduced.

Upon notification from MFIP-R staff that an assistance payment should be reduced, the county agency must send a notice of adverse action to the caregiver stating that the assistance payment will be reduced in the next month following the ten-day notice requirement and state the reason for the action. For the purpose of this section, "notice of adverse action" means the county agency must send a notice of sanction, reduction, suspension, denial, or termination of benefits before taking any of those actions. The caregiver may request a fair hearing under section 256.045, upon notice of intent to sanction or notice of adverse action, but the conciliation conference is available only upon notice of intent to sanction.

Subd. 5. [ORIENTATION.] The county agency must provide a financial assistance orientation which supplies information to caregivers about the MFIP-R and must encourage parental caregivers to engage in activities to stabilize the family and lead to employment and self-support.

Subd. 6. [PRE-EMPLOYMENT AND EMPLOYMENT SERVICES.] The county agency must provide services identified in clauses (1) to (10). Services include:

(1) a required briefing for all nonmandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services, an overview of job search techniques, and the opportunity to volunteer for MFIP-R job search activities and basic education services;

(2) a briefing for all mandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services;

(3) an MFIP assessment that meets the requirements of section 256.736, subdivision 10, paragraph (a), clause (14), and addresses caregivers' skills, abilities, interests, and needs;

(4) development, together with the caregiver, of an employability plan and family support agreement according to subdivision 7;

(5) coordination of services including child care, transportation, education assistance, and social services necessary to enable caregivers to fulfill the terms of the employability plan and family support agreement;

(6) provision of full-time English as a second language (ESL) classes;

(7) provision of a broad range of employment and pre-employment services including basic skills testing, interest and aptitude testing, career exploration, job search activities, community work experience program under section 256.737, or on-the-job training under section 256.738;

(8) evaluation of the caregiver's compliance with the employability plan and family support agreement and support and recognition of progress toward employment goals;

(9) provision of postemployment follow-up for up to six months after caregivers become exempt or exit MFIP-R due to employment if requested by the caregiver; and

(10) approval of education and training program activities.

Subd. 7. [EMPLOYABILITY PLAN AND FAMILY SUPPORT AGREEMENT.] (a) The

caregiver and MFIP-R staff will develop an employability plan and family support agreement. The employability plan includes the caregiver's overall employment goal, activities necessary to reach that goal, a timeline for each activity, and the support services provided by the agency. All activities in the employability plan must contribute to the caregiver's overall employment goal.

(b) The family support agreement is the enforceable section of an employability plan for mandatory caregivers. The family support agreement must be limited to employment, education, or employment and training services, and scheduled meetings with MFIP-R staff. The family support agreement must be signed by both an MFIP-R staff and the parental caregiver.

(1) In developing an employability plan and family support agreement, MFIP-R staff must discuss with the caregiver the economic benefits under MFIP of taking available employment. MFIP-R staff must provide examples of how different levels of earnings increase available income.

(2) Activities in the family support agreement must enhance the family's opportunities to increase its income in a timely manner through paid employment.

(3) Each step of the family support agreement shall build upon prior steps and facilitate progress toward the caregiver's overall employment goal.

(4) Social services, such as mental health or chemical dependency services, parenting education, or budget management, can be included in the employability plan but not in the family support agreement and are not subject to sanctions under subdivision 4.

(5) The family support agreement must state the parental caregiver's obligations and the standards for satisfactory compliance with the requirements of MFIP-R.

Subd. 8. [REQUIREMENT TO ATTEND BRIEFING.] All MFIP-R caregivers are required to attend a mandatory briefing which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services.

Subd. 9. [REQUIREMENT TO PARTICIPATE IN JOB SEARCH.] The family support agreement for mandatory caregivers will include 30 hours per week of job search activity. The family support agreement for single parental caregivers with a child under the age of six may require no more than 20 hours of job search activity. Job search requirements do not apply to minor parental caregivers and parental caregivers under the age of 20 who must meet the educational requirement under section 256.736, subdivision 3b.

Subd. 10. [LENGTH OF JOB SEARCH.] Caregivers participating in job search shall have eight weeks to find employment which is consistent with the employment goal in the family support agreement. If after eight weeks of job search the parental caregiver does not find employment consistent with the overall employment goal, the caregiver must accept any suitable employment.

Subd. 11. [LEVEL OF EMPLOYMENT.] Caregivers participating in job search are expected to seek and accept full-time employment. Any caregiver satisfies this requirement by working at least 30 hours per week. Single parents with a child under the age of six satisfy the requirement by working at least 20 hours per week.

Subd. 12. [CESSATION OF EMPLOYMENT.] Mandatory caregivers who quit a job, are laid off, or are terminated must contact MFIP-R staff within ten calendar days of the date the employment ended to schedule a meeting to revise the family support agreement to incorporate job search activities to obtain suitable employment. A caregiver who fails to contact MFIP-R staff within ten calendar days, fails to attend a scheduled meeting to revise the family support agreement, or fails to accept an offer of suitable employment is subject to sanctions under subdivision 4.

Subd. 13. [EDUCATION AND TRAINING ACTIVITIES; BASIC EDUCATION.] Basic education, including adult basic education, high school or general equivalency diploma, or ESL may be included in the family support agreement when a caregiver is actively participating in job search activities as specified in the family support agreement, or employed at least 12 hours per

week. Six months of basic education activities may be included in the family support agreement, and extension of basic education activities is contingent upon review and approval by MFIP-R staff.

Non-English speaking caregivers have the option to participate in full-time ESL activities for up to six months prior to participation in job search with approval of MFIP-R staff.

Subd. 14. [EDUCATION AND TRAINING ACTIVITIES; POST-SECONDARY EDUCATION.] (a) Mandatory caregivers who become exempt, and caregivers converted from STRIDE or ACCESS may have post-secondary education included in the family support agreement. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased in proportion to the number of credit hours being taken, up to a maximum of 12 hours weekly of work.

(b) Conditions for approval of a post-secondary education program include demonstration by the caregiver that:

(1) there is a market for full-time employees with this education or training where the caregiver will or is willing to reside upon completion of the program;

(2) the average wage level for employees with this education or training is significantly greater than the caregiver can earn without this education or training;

(3) the caregiver can meet the requirements for admission into the program; and

(4) there is a reasonable expectation that the caregiver will complete the training program based on such factors as the caregiver's current MFIP assessment; previous education, training, and work history; current motivation; and changes in previous circumstances.

(c) A comparison must be made between income foregone by delaying immediate entry into full-time paid employment while in pursuit of education or training and the probable income which will be earned following the education or training. The advantages and disadvantages to the family must be discussed with respect to both options.

(d) Activities under this subdivision are limited to the equivalent of two years of full-time education, with the following exceptions:

(1) caregivers in subdivision 15;

(2) caregivers who have already obtained a post-secondary degree. These caregivers are limited to course work necessary to upgrade skills, or obtain licensure or certification;

(3) extenuating circumstances that prohibit the caregiver from completing the program within the equivalent of two years.

(e) Caregivers in education or training programs must maintain satisfactory progress. "Satisfactory progress" in an education or training program means the caregiver remains in good standing as defined by the education or training institution and meets the requirements in the caregiver's MFIP-R employability plan. MFIP-R staff may withdraw approval of the caregiver's employability plan when the caregiver does not maintain satisfactory progress in the education or training program.

Subd. 15. [CONVERTED STRIDE AND ACCESS CASES.] Caregivers with an employability plan from STRIDE or ACCESS must develop an MFIP-R employability plan. With approval of the MFIP-R staff, the family support agreement for caregivers under this section may include continuation of educational activities, up to a baccalaureate degree, if initiated under STRIDE or ACCESS. Caregivers who continue these activities must also participate in job search or work at least 12 hours per week.

Subd. 16. [REVISIONS TO FAMILY SUPPORT AGREEMENT.] The caregiver may revise the family support agreement with approval of MFIP-R staff.

Subd. 17. [VOLUNTEERS FOR MFIP-R PRE-EMPLOYMENT AND EMPLOYMENT SERVICES.] (a) Upon request, local agencies must continue to offer MFIP-R services to:

(1) caregivers with a signed family support agreement who become exempt under subdivision 2; and

(2) caregivers randomly assigned to MFIP during the conversion period who have an active STRIDE or ACCESS plan.

(b) County agencies must also service the following caregivers, as funding allows:

(1) second parent in a two-parent family; and

(2) caregivers who have not reached the timing for mandatory participation.

(c) Volunteers under paragraph (a) may access all MFIP-R services. Volunteers under paragraph (b), clause (1), may access MFIP-R job search and basic education services only. Volunteers under paragraph (b), clause (2), may access only MFIP-R job search services.

(d) Caregivers identified in this subdivision are voluntary participants for MFIP-R pre-employment and employment services and may not be sanctioned for failure to cooperate unless they reach the timing of MFIP-R pre-employment and employment services under subdivision 6, or are no longer exempt under subdivision 2.

Subd. 18. [CONCILIATION.] The county agency must inform the mandatory parental caregiver of the option of a conciliation conference when the mandatory parental caregiver receives a notice of intent to sanction or cannot reach agreement with MFIP-R staff about the contents or interpretation of the family support agreement.

Conciliation procedures shall be available as provided in section 256.736, subdivision 11, paragraph (c). Upon receiving a notice of intent to sanction, a caregiver may request a hearing under section 256.045 without exercising the option of a conciliation conference.

Subd. 19. [CHILD CARE.] The commissioner shall ensure that each MFIP caregiver who is employed or is developing or is engaged in activities identified in an employability plan under subdivision 7, and who needs assistance with child care costs to be employed or to develop or comply with the terms for an employability plan, receives a child care subsidy through child care money appropriated for the MFIP. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under section 256H.15. A caregiver who is in the assistance unit and leaves the program as a result of increased earnings from employment, and needs child care assistance to remain employed, is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(a)(ii), on a copayment basis.

Subd. 20. [HEALTH CARE.] A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended, and Public Law Number 101-239, section 8015(b)(7).

#### Sec. 5. [256.049] [APPLICABILITY.]

Section 256.035 will not apply to the expansion of MFIP into Ramsey county (MFIP-R). Sections 256.047 to 256.048 will substitute for section 256.035 for the purposes of MFIP-R. Sections 256.031 to 256.034, and 256.036, 256.0361, and 268.871 are applicable to MFIP-R insofar as they are not inconsistent with sections 256.047 to 256.048. Minnesota Rules, part 9500.4220, does not apply to MFIP-R. Minnesota Rules, parts 9500.4000 to 9500.4210, and 9500.4230 to 9500.4340, are applicable to the expansion of MFIP into Ramsey county insofar as they are not inconsistent with sections 256.047 to 256.048.

Sec. 6. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 3b. [ELIGIBILITY NOT BARRED BY WORKING OVER 99 HOURS; PAST EMPLOYMENT HISTORY; 30-DAY WAITING PERIOD.] An individual receiving assistance may work over 99 hours per month and remain eligible for assistance, provided all other requirements of the aid to families with dependent children-unemployed parent program are met.



The applicant is not required to demonstrate past employment history or 30 days of prior unemployment to be eligible for AFDC-unemployed parent. This subdivision is effective upon federal approval and implementation of the waiver under section 33, subdivision 4.

Sec. 7. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 5a. [PARENTING OR PREGNANT MINORS; RESTRICTION ON ASSISTANCE WITH FEDERAL EXCEPTIONS.] (a) The definitions in this paragraph only apply to this subdivision.

(1) "Minor parent" means an individual who:

(i) is under the age of 18;

(ii) has never been married or otherwise legally emancipated; and

(iii) is either the natural parent of a dependent child living in the same household or eligible for assistance paid to a pregnant woman under subdivision 5.

(2) "Household of a parent, legal guardian, or other adult relative" means the place of residence of:

(i) a natural or adoptive parent;

(ii) a legal guardian pursuant to appointment or acceptance under section 260.242, 525.615, or 525.6165, and related laws; or

(iii) another individual who is age 18 or over and related to the minor parent as specified in Code of Federal Regulations, title 45, section 233.90(c)(1)(v), provided that the residence is maintained as a home for the minor parent and child under Code of Federal Regulations, title 45, section 233.90(c)(1)(v)(B).

(3) "Adult-supervised supportive living arrangement" means a private family setting which assumes responsibility for the care and control of the minor parent and dependent child, or other living arrangement, not including a public institution, licensed by the commissioner of human services which ensures that the minor parent receives adult supervision and supportive services, such as counseling, guidance, independent living skills training, or supervision in a family-like setting.

(b) A minor parent and the dependent child who is in the care of the minor parent must reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC unless:

(1) the minor parent has no living parent or legal guardian whose whereabouts is known;

(2) no living parent or legal guardian of the minor parent allows the minor parent to live in the parent's or legal guardian's home;

(3) the minor parent lived apart from the minor parent's own parent or legal guardian for a period of at least one year before either the birth of the dependent child or the minor parent's application for AFDC;

(4) the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if the minor parent and the dependent child resided in the same residence with the minor parent's parent or legal guardian;

(5) the minor parent and dependent child have, on the effective date of this section, been living independently as part of an approved social services plan for less than one year; or

(6) an adult supervised supportive living arrangement is not available for the minor parent and the dependent child in the county in which the minor currently resides. If an adult supervised supportive living arrangement become available within the county, the minor parent and child must reside in that arrangement in order to continue receiving AFDC.

(c) Minor applicants must be informed orally and in writing about the eligibility requirements and their rights and obligations under the AFDC program. The county must advise the minor of the possible exemptions and specifically ask whether one or more of these exemptions is applicable. If the minor alleges one or more of these exemptions, then the county must assist the minor in obtaining the necessary verifications to determine whether or not these exemptions apply.

(d) If a minor parent alleges or the county worker suspects that paragraph (b), clause (4), applies, the county worker must make a referral to child protective services, and child protective services must determine that the home is not safe due to alleged maltreatment or that protective services are needed in order for the minor parent to fall under the exception in paragraph (b), clause (4). A new determination by the county worker is not necessary if one has been made within the last six months, unless there has been a significant change in circumstances which justifies a new referral and determination.

(e) If a minor parent is not living with a parent or legal guardian due to paragraph (b), clause (1), (2), or (4), the minor parent must reside in a living arrangement that meets the standards of paragraph (a), clause (3).

(f) AFDC must be paid in the form of a protective payment on behalf of the minor parent and dependent child to the minor parent's parent, legal guardian, or other adult relative, when the minor parent is living with the minor parent's parent, legal guardian, or other adult relative, in accordance with Code of Federal Regulations, title 45, section 234.60.

Sec. 8. Minnesota Statutes 1994, section 256.73, subdivision 8, is amended to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] (a) Except as provided in subdivision 8a, if an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent. In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 9. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 8a. [START WORK OFFSET.] An overpayment resulting from earned income received in the first month of employment is not recoverable by the county agency provided the aid to families with dependent children assistance unit has not voluntarily quit employment, without good cause under section 268.09, subdivision 1, paragraph (a), in the past two years. A "start work offset" for purposes of this subdivision is the amount of the overpayment the assistance unit would otherwise be required to repay to the county under subdivision 8. This subdivision is effective upon federal approval and implementation of the waiver under section 33, subdivision 3.

Sec. 10. [256.7355] [TEMPORARY PUBLIC SERVICE OR COMMUNITY SERVICE JOBS.]

A participant working in a temporary public service or community service job for a public employer for more than 67 working days in a calendar year as part of a work program established under this chapter is a public employee under chapter 179A.

Sec. 11. Minnesota Statutes 1994, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time;

(2) ill, incapacitated, or age 60 or older;

(3) a person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of three who personally provides full-time care for the child. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(6) a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(7) a pregnant woman, if it has been medically verified that the child is expected to be born within the next six months; or

(8) employed at least 30 hours per week; or

(9) a person for whom lack of proficiency in English is a barrier to employment, provided the person is attending an available intensive program which lasts no longer than six months and is designed to remedy the language deficiency. Individuals who, because of advanced age and lack of ability, are incapable of gaining proficiency in English, as determined by the county social worker, shall continue to be exempt under this subdivision and are not subject to the requirement that they be participating in a language program.

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 12. Minnesota Statutes 1994, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) custodial parents under the age of 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;

(6) recipients who have received AFDC for 36 or more months out of the last 60 months;

(7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate family services committee, the house health and human services committee, the family services division of the senate family services and health care committees, and the human services division of the house health and human services committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

(1) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

(d) Participants who are eligible to enroll in the STRIDE program under one of the categories of this subdivision are required to cooperate with the assessment and employability plan development, and to meet the terms of their employability plan. Failure to comply, without good cause, shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

Sec. 13. Minnesota Statutes 1994, section 256.736, subdivision 4a, is amended to read:

Subd. 4a. [NOTICE, CONCILIATION, AND RIGHT OF APPEAL.] If the employment and training service provider determines that the caretaker has failed or refused, without good cause, to cooperate or accept employment, the employment and training service provider shall issue to the caretaker a written notice of its determination of noncooperation or refusal to accept employment. The notice must include a detailed explanation of the reason for the determination and must specify the consequences for failure or refusal to cooperate or accept employment, the actions which the employment and training service provider believes are necessary for the caretaker to comply with the employment and training program, and the right to request, within ten days of receipt of the date the notice was mailed or hand delivered, a conciliation conference. The employment and training service provider or the county agency must conduct a conciliation conference within five days of a timely request. If the dispute between the employment and training service provider and the caretaker is not resolved in the conciliation conference or a

request for a conciliation conference is not made within the required time, ~~then~~ the employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Unless the county agency has evidence to the contrary, the county agency shall implement the sanction provisions of subdivision 4. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736 is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 14. Minnesota Statutes 1994, section 256.736, subdivision 5, is amended to read:

Subd. 5. [EXTENSION OF EMPLOYMENT AND TRAINING OPPORTUNITIES.] The commissioner of human services shall cooperate with the commissioner of economic security and the commissioner of trade and economic development to extend the availability of training and employment opportunities on a statewide basis and to assist local employment advisory groups convened under this subdivision. The county welfare agency may convene an employment advisory group which may consist of representatives from the local chamber of commerce, from major area employers, from private and public collective bargaining units, from secondary and post-secondary educational institutions in the community, and from job services offices operated by the commissioner of economic security under chapter 268. The county welfare agency shall work with the local employment advisory group to maximize the job opportunities for welfare clients. In a county where a private industry council has been established, the county welfare agency may work with the council to maximize job opportunities in lieu of or in addition to convening an employment advisory group.

Sec. 15. Minnesota Statutes 1994, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers permitted to participate under subdivision 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the target groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nontarget caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;

(11) ensure that orientation, job search, services to custodial parents under the age of 20, educational activities and work experience for AFDC-UP families, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that target caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14, a community work experience program as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. A county is not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in grant diversion or on-the-job training program;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; ~~and~~ (viii) includes a written agreement between the county agency and the caretaker that outlines a reasonable schedule for completing the plan, including specific completion deadlines, and confirms that (A) there is a market for full-time employees with this education or training where the caretaker will or is willing to reside upon completion of the program; (B) the average wage level for employees with this education or training is greater than the caretaker can earn without this education or training; (C) the caretaker has the academic ability to successfully complete the program; and (D) there is a reasonable expectation that the caretaker will complete the training program based on such factors as the caretaker's previous education, training, work history, current motivation, and changes in previous circumstances; and (ix) specifies the recipient's long-term employment goal which shall lead to self-sufficiency;

(16) provide written notification to and obtain the written or oral concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements to and assure that no work assignment under this section or sections 256.737, 256.738, and 256.739, or the Minnesota parents' fair share mandatory community work experience program results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy. If an exclusive bargaining representative and a county or public service employer disagree regarding whether job duties are covered under a collective bargaining agreement, the exclusive bargaining representative or the county or public service employer may petition the bureau of mediation services, and the bureau shall determine if the job duties are covered by a collective bargaining agreement; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a target caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nontarget caretaker relocates to another county or when a target caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 16. Minnesota Statutes 1994, section 256.736, is amended by adding a subdivision to read:

Subd. 14a. [JOB SEARCH FOR AFDC RECIPIENTS.] (a) Each county may establish and operate a job search program as provided under this subdivision. Unless exempt, a caretaker who has received AFDC for at least 36 months or more out of the last 60 months must be referred to and begin participation in the job search program under this subdivision, but is not required to participate in the following programs under subdivision 14, paragraph (d): the work experience program under section 256.737, the on-the-job training program under section 256.738, or the grant diversion program under section 256.739.

The caretaker is exempt from job search participation if:

(1) the caretaker is exempt from registration under subdivision 3; or

(2) the caretaker is under age 25, has not completed a high school diploma or an equivalent program, and is participating in a secondary education program as defined in subdivision 10, paragraph (a), clause (17), which is approved by the employment and training service provider in the employability development plan.

(b) The commissioners of human services and economic security shall develop a job search program which must include a maximum of 32 hours of training for participants in how to search for employment, develop a personal resume, use job banks and other employer identification methods, learn and practice effective interviewing skills, become familiar with appropriate work behaviors, find specific job openings, and apply for the openings. The employment and training service provider shall report to the county agency if the caretaker fails to cooperate with the job search requirement.

Sec. 17. Minnesota Statutes 1994, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as specified in paragraphs (b) to ~~(j)~~ (l).

(b) For purposes of this subdivision, "targeted caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) One hundred percent of the money appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of cases in each county described in clause (1). Money appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which either have been open for 36 or more consecutive months or have a caretaker who is under age 24 and who has no high school or general equivalency diploma. The average number of cases must be based on counts of these cases as of March 31, June 30, September 30, and December 31 of the previous year.

(2) Twenty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which are not counted under clause (1). The average number of cases must be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous year.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for target group members in each county.

(d) No more than 15 percent of the money allocated under paragraph (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) At least 55 percent of the money allocated to counties under paragraph (c) must be used for employment and training services for caretakers in the target groups, and up to 45 percent of the money may be used for employment and training services for nontarget caretakers. One hundred percent of the money allocated to counties for case management services must be used to provide those services to caretakers in the target groups.

(f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(g) Counties, the department of economic security, and entities under contract with either the department of economic security or the department of human services for provision of ~~Project~~ STRIDE related services shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of economic security that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to



the county, the department of economic security, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the third quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

(j) One hundred percent of the money appropriated for an unemployed parent work experience program under section 256.737 must be allocated to counties based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(k) The commissioner may waive the requirement of paragraph (e) that case management funds be spent only on case management services in order to permit the development of a unified STRIDE funding allocation for each county agency. The unified allocation may be expended by the county agency for case management and employment and training activities in the proportion determined necessary to streamline administrative procedures and enhance program performance. The commissioner, in consultation with the commissioner of economic security, may also grant a waiver from program spending limits in paragraphs (d) and (e) to any county which can demonstrate increased program effectiveness through a written request to the department. Counties which request a waiver of the spending limits in paragraphs (d) and (e) shall amend their local service unit plans and receive approval of the plans prior to commencing the waiver. The commissioners of human services and economic security shall annually evaluate the effectiveness of all waivers approved under this subdivision.

(l) Effective July 1, 1995, the commissioner of human services shall begin developing a performance model for the purpose of analyzing each county's performance in the provision of STRIDE employment and training services. Beginning February 1, 1997, and each year thereafter, the commissioner of human services shall inform each county of the county's performance based upon the following measures:

(1) employment rate at termination of STRIDE eligibility;

(2) wage rate at termination of STRIDE eligibility;

(3) average annual cost per placement calculated by dividing the total STRIDE expenditures by the number of participants placed in unsubsidized employment;

(4) AFDC-UP participation rate;

(5) percentage of 18- and 19-year-old custodial parents subject to secondary education requirements of subdivision 3b who complete secondary education or equivalent course of study; and

(6) achievement of federally mandated JOBS participation rate.

Performance measures (1), (2), and (3) shall be adjusted to reflect local conditions.

County agencies must take the results of these performance measures into consideration when selecting employment and training service providers.

Sec. 18. Minnesota Statutes 1994, section 256.736, is amended by adding a subdivision to read:

Subd. 20. [SPECIAL PROVISIONS FOR PERSONS PARTICIPATING IN EDUCATIONAL PROGRAMS.] The provisions of this subdivision are applicable to all STRIDE participants, including those subject to subdivision 3b and section 256.737.

(a) When a high school equivalency program is selected as the appropriate educational option for any recipient eligible to participate under subdivision 3a, the recipient must participate in high school equivalency classroom instruction for at least six hours per week, meet the attendance and satisfactory progress requirements as defined by the employment and training service provider in consultation with the provider of the high school equivalency program, and concurrently work a monthly average of not less than 64 hours in employment paying at least minimum wage or in documented volunteer work. Hours spent assisting at a licensed day care center shall count toward the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes. Failure to comply, without good cause, with this requirement shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

(b) Concurrent with participation in post-secondary education or training approved in an employability development plan under subdivision 10, paragraph (a), clause (15), the participant must work at a minimum the number of hours per month prescribed by this subdivision in employment paying at least minimum wage or in documented volunteer work for a public or nonprofit agency and agree to search for and accept any offer of suitable employment upon completion of the education or training. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased in proportion to the number of credit hours being taken, up to a maximum of eight hours weekly of work.

During vacation periods of one month or more, the 16-hour per week minimum work requirement shall apply. Persons who are subject to this vacation work requirement shall retain STRIDE eligibility if they comply with the terms of their employability development plan. If the required employment results in temporary AFDC ineligibility due to increased earnings and the person becomes eligible again for AFDC at the end of the vacation period, STRIDE eligibility shall be reinstated. Hours spent assisting at a licensed day care center shall count towards the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes. Failure to work the required number of hours per month, to search for employment, or to accept a suitable offer of employment after completing education or training will result in the imposition of sanctions as specified in subdivision 4, clause (6).

Sec. 19. Minnesota Statutes 1994, section 256.737, subdivision 4, is amended to read:

Subd. 4. [GOOD CAUSE.] A caretaker shall have good cause for failure to cooperate if:

(1) the worksite participation adversely affects the caretaker's physical or mental health as verified by a physician, licensed or certified psychologist, physical therapist, vocational expert, or by other sound medical evidence; or

(2) the caretaker does not possess the skill or knowledge required for the work; or

(3) the caretaker's lack of proficiency in English is a barrier to employment, provided the caretaker is participating in an available intensive program which lasts no longer than six months and is designed to remedy the language deficiency. Individuals who, because of advanced age and lack of ability, are incapable of gaining proficiency in English, as determined by the county social worker, shall continue to be exempt under this subdivision and are not subject to the requirement that they be participating in a language program.

Sec. 20. Minnesota Statutes 1994, section 256.737, is amended by adding a subdivision to read:

Subd. 7. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] (a) Payment of any claims resulting from an alleged injury or death of a recipient participating in a community work experience program established and operated by a county pursuant to this section shall be determined in accordance with paragraph (b). This determination method applies to work

experience programs established under aid to families with dependent children, work readiness, Minnesota parents' fair share, and to obligors participating in community services pursuant to section 518.551 in a county with an approved community investment program.

(b) Claims of \$1,000 or less that are subject to this section shall be investigated by the county agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance.

The investigating county agency shall submit all valid claims to the department of human services. The department shall pay the portion of an approved claim that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each legislative session, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the department to operate this program. Any unspent money from this appropriation shall carry over to the second year of the biennium, and any unspent money remaining at the end of the second year shall be returned to the state general fund.

A claim in excess of \$1,000 and a claim that was not paid by the department may be presented to, heard, and determined by the appropriate committees of the senate and house of representatives and, if approved, shall be paid under the legislative claims procedure.

(c) Claims for permanent total disability, permanent partial disability, and death claims shall be referred to the commissioner of labor and industry for assessment. The commissioner of labor and industry shall verify the validity of the claim and recommend compensation. The compensation recommended must afford the same protection for on-site injuries at the same level and to the same extent as provided in chapter 176.

(d) Compensation paid under this section is limited to reimbursement for medical expenses and compensation for disability as impairment compensation or death. No compensation shall be paid under this section for pain and suffering or lost wages. Payments made under this section shall be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(e) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant shall not be entitled to seek damages from any state or county insurance policy or self-insurance program.

(f) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards. A claim that is not valid because of failure to verify safety training or compliance with safety standards will not be paid by the department of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

(g) This program is effective July 1, 1995. Claims may be submitted on or after November 1, 1995.

Sec. 21. Minnesota Statutes 1994, section 256.81, is amended to read:

256.81 [COUNTY AGENCY, DUTIES.]

(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency unless paid by the state agency. Payment must be by check or electronic means except in those instances in which the county agency, subject to the rules of the state agency, determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child. There is a presumption of mismanagement of funds whenever a recipient is more than 30 days in arrears on payment of rent, except when the recipient has withheld rent to enforce the recipient's right to withhold the rent in accordance with federal, state, or local housing laws. In cases of mismanagement based solely on failure to pay rent, the county may vendor the rent payments to the landlord. At the request of a recipient, the state or county may make payments directly to vendors of goods and services, but only for goods and services appropriate to maintain the health and safety of the child, as determined by the county.

(3) The state or county may ask the recipient to give written consent authorizing the state or county to provide advance notice to a vendor before vendor payments of rent are reduced or terminated. Whenever possible under state and federal laws and regulations and if the recipient consents, the state or county shall provide at least 30 days notice to vendors before vendor payments of rent are reduced or terminated. If 30 days notice cannot be given, the state or county shall notify the vendor within three working days after the date the state or county becomes aware that vendor payments of rent will be reduced or terminated. 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) A vendor payment arrangement is not a guarantee that a vendor will be paid by the state or county for rent, goods, or services furnished to a recipient, and the state and county are not liable for any damages claimed by a vendor due to failure of the state or county to pay or to notify the vendor on behalf of a recipient, except under a specific written agreement between the state or county and the vendor or when the state or county has provided a voucher guaranteeing payment under certain conditions.

(5) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(6) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made except as provided for in section 256.017.

(7) The affected county may require that assistance paid under the AFDC emergency assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to pay for property damage, be returned to the county when the assistance unit vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 22. Minnesota Statutes 1994, section 256.979, is amended by adding a subdivision to read:

Subd. 9. [ACCRUAL OF SUPPORT OBLIGATIONS.] The commissioner shall seek a waiver from the secretary of the Department of Health and Human Services to enable the agency to accrue child support payments received on behalf of both AFDC and non-AFDC clients until the sum total of the money owed by the state agency to the client is at least \$10. Obligors shall be assessed a processing fee of \$10 to be retained by the county agency in every instance when both of the following conditions exist:

(1) the obligor pays less than the required monthly support obligation; and

(2) that reduced payment would result in a child support payment to an AFDC or non-AFDC client of less than \$10 for that month.

Sec. 23. Minnesota Statutes 1994, section 256.983, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS ESTABLISHED.] Within the limits of available appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall require the establishment of fraud prevention investigation programs in the seven counties participating in the fraud prevention investigation pilot project established under section 256.983, and in 11 additional Minnesota counties with the largest aid to families with dependent children program caseloads as of July 1, 1991. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to: (1) other counties that have welfare fraud control programs already in place based on enhanced funding contracts covering the fraud investigation function; and (2) counties that have the largest AFDC caseloads as of July 1, 1994, and are not currently participating in the fraud prevention investigation pilot project. The pilot project may be expanded provided the expansion is budget neutral to the state.

Sec. 24. [256.986] [COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.]

(a) The county agency shall prepare and submit to the commissioner of human services by January 1 of each year a plan to coordinate county duties related to the prevention, investigation, and prosecution of fraud in public assistance programs. Plans may be submitted on a voluntary basis prior to January 1, 1996. Each county must submit its first annual plan prior to January 1, 1997.

(b) Within the limits of appropriations specifically made available for this purpose, the commissioner may make grants to counties submitting plans under paragraph (a) to implement coordination activities.

Sec. 25. Minnesota Statutes 1994, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; and

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

(e) For the purposes of paragraph (a), clauses (2) and (3), the county agency may divide the

monthly assistance standard as follows: \$25 the first week, \$50 each of the second and third weeks, and the remainder the fourth week.

Sec. 26. Minnesota Statutes 1994, 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 ~~six~~ one calendar month 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 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; 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. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, 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 (15), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half-time in an institution of higher education or a post-secondary program is ineligible for the work readiness program. Post-secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill-specific technical training that has a course of study of less than three months, that is not paid for using work readiness funds, and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.

(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. 27. [256D.0511] [LUMP-SUM PAYMENTS.]

A person who is temporarily ineligible for AFDC due to a lump-sum payment is also ineligible for general assistance and work readiness benefits for the same duration unless the person demonstrates that the lump-sum payment was used for basic needs, which includes education, training and work expenses necessary to become economically self-sufficient, and medical expenses.

Sec. 28. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 5. [VENDOR PAYMENTS TO LANDLORDS.] The affected county may require that assistance paid under the emergency general assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to pay for property damage, be returned to the county when the recipient vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 29. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 6. [RECOVERY OF OVERPAYMENTS.] (a) If an amount of general assistance, family general assistance, or work readiness assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. The amount of this reduction is ten percent if the overpayment is due solely to having wrongfully obtained assistance whether based on:

(1) a court order;

(2) the finding of an administrative fraud disqualification hearing or the waiver of such a hearing; or

(3) a confession of judgment containing an admission of an intentional program violation.

In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

#### **Sec. 30. [JOINT EFFORT; INCENTIVES TO WORK.]**

The commissioners of human services and revenue, in consultation with the commissioner of economic security, must jointly design a plan to provide the following monetary supplements on a monthly basis to eligible working families: federal earned income tax credit, Minnesota working family credit under Minnesota Statutes, section 290.0671, property tax refund under Minnesota Statutes, section 290A.04, and dependent care credit under Minnesota Statutes, section 290.067. The commissioners of human services and revenue shall report the recommendations for implementation to the chairs of the human services policy and funding committees of the legislature by January 1, 1996.

#### **Sec. 31. [EARLY REFUND OF REFUNDABLE TAX CREDITS.]**

Notwithstanding any law to the contrary, the commissioner of revenue may, beginning after July 1, 1996, refund on a monthly basis to taxpayers selected by the commissioner of human services an amount based on an estimate of how much the refundable credits of Minnesota Statutes, sections 290.067, 290.0671, and 290A.04, generated in a month exceed the estimated tax imposed under Minnesota Statutes, section 290.06, for the month. Refunds issued under this program will be considered a tax on the taxpayer for the year in which the credits are generated for the purposes of assessing and collecting overpayments of the credits.

#### **Sec. 32. [MINNESOTA PARENTS' FAIR SHARE; MANDATORY COMMUNITY WORK EXPERIENCE.]**

The Minnesota parents' fair share pilot project shall include a mandatory community work experience component for participants who fail to comply with the requirements of the pilot project.

#### **Sec. 33. [FEDERAL WAIVER PACKAGE.]**

Subdivision 1. [REQUEST.] The commissioner of human services shall make a single request for the waivers listed in this section to the United States Department of Health and Human Services. The waivers in the package support and encourage AFDC recipients to move from reliance on welfare to self-sufficiency. The commissioner shall explore alternatives to the federally required waiver evaluation process in an effort to reduce evaluation costs and develop a cost-effective evaluation process for the waiver package in this section. While also exploring other possible alternatives, the commissioner shall investigate the feasibility of the following: (1) one evaluation for the entire waiver package; (2) consolidation of evaluation efforts for the same or similar waiver with another state; and (3) completion of the evaluation internally, possibly by the office of legislative auditor. The commissioner shall notify the revisor of statutes when each waiver is approved by the federal government.

Subd. 2. [WAIVER TO DISALLOW PARENTAL INCOME OF A PREGNANT OR PARENTING MINOR LIVING WITH PARENTS.] The commissioner shall seek the following waivers: (1) from the filing unit requirement in Code of Federal Regulations, title 45, section 206.10(a)(1)(vii), for minor parents living with a parent on AFDC with other dependent children, resulting in the minor parent receiving the same separate need standard available if the minor parent's parent was not on AFDC; (2) to disregard all parental income if the parent is on AFDC with other children; and (3) if the parent is not on AFDC with other children, to disregard income equal to 150 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child and deem the remainder of income under Code of Federal Regulations, title 45, section 233.20(a)(3)(xviii). If the commissioner experiences barriers or complications in preparing the waiver under this subdivision, the commissioner shall report back to the legislature for clarification without delaying the requests for other waivers under this section. The commissioner shall also explore the impact of waivers under this subdivision on other programs and report to the legislature potential waivers necessary to provide consistency across programs. The general policy in requesting these waivers is to keep the family intact and give the minor parent, the dependent child, and the grandparent an incentive to continue living together as a family.

Subd. 3. [WAIVER TO ALLOW START WORK OFFSET.] The commissioner shall seek a waiver of the federal regulation which requires the state to recover AFDC overpayments from the assistance unit if the overpayment occurred in the month the assistance unit started working and the overpayment resulted from the assistance unit's increased earnings. This "start work offset" is available to an assistance unit every two years.

Subd. 4. [WAIVER OF THE 100-HOUR RULE; WORK HISTORY REQUIREMENT; 30-DAY WAITING PERIOD REQUIREMENT.] The commissioner shall seek a waiver to eliminate the 100-hour rule under Code of Federal Regulations, title 45, section 233.100(a)(1)(i); the eligibility requirement for past employment history under Code of Federal Regulations, title 45, section 233.100(a)(3)(iii); and the requirement for a 30-day waiting period under Code of Federal Regulations, title 45, section 233.100(a)(3)(i).

Subd. 5. [WAIVER OF MOTOR VEHICLE RESOURCE LIMIT.] The commissioner shall seek a waiver to increase the maximum equity value of a licensed motor vehicle, which can be excluded as a resource under the federal regulations, from \$1,500 to the level permitted under the federal Food Stamp Program. This waiver is essential for AFDC recipients who need reliable transportation to participate in education, work, and training to become self-sufficient.

Subd. 6. [WAIVER TO ALLOW STUDENTS TO EARN INCOME.] The commissioner shall seek a waiver of the federal regulation which includes the earned income of dependent children and minor caretakers who are attending school at least half time when determining eligibility for AFDC. The commissioner shall also seek a waiver which allows savings set aside in a separate account designated specifically for future education or employment needs to be excluded from the AFDC resource limits.

Subd. 7. [WAIVER OF GUARANTEED CHILD CARE FOR AFDC RECIPIENTS AND RELATED STUDY.] The commissioner shall seek a waiver of the requirement that child care be guaranteed to an AFDC recipient under Minnesota Statutes, section 256H.05, for the purposes of the program being evaluated under this section which will allow an AFDC recipient to earn income without terminating AFDC eligibility. The commissioner shall examine, within the



commissioner's existing budget, the feasibility of allowing public assistance recipients to work part-time, up to a certain level, without affecting the AFDC grant, which will provide the recipient with work experience, confidence in the employment environment, and an opportunity to earn money in order to move from AFDC and to self-sufficiency. The commissioner shall examine "fill-the-gap" budgeting and other possibilities that allow a recipient to earn income without terminating the AFDC grant. The commissioner shall also explore the ancillary issues related to allowing the earned income exception, and report the different options available, the feasibility of implementing each option, and the costs and savings associated with the implementation of each option to the 1996 legislature.

Subd. 8. [IMPLEMENTATION.] The commissioner shall implement the program changes authorized under this subdivision promptly upon approval of the waiver, provided all conditions are met under Minnesota Statutes, section 256.01, subdivision 2, clause (12).

Subd. 9. [EVALUATION.] If any of the federal waivers are granted, the commissioner shall evaluate the program changes according to federal waiver requirements and, if necessary, submit reports to the legislature within a time frame consistent with the evaluation criteria that are established.

Subd. 10. [ADDITIONAL WAIVER REQUEST FOR EMPLOYED DISABLED PERSONS.] The commissioner shall seek a federal waiver in order to implement a work incentive for disabled persons eligible for medical assistance who are not residents of long-term care facilities. The waiver shall request authorization to establish a medical assistance earned income disregard for employed disabled persons equivalent to 200 percent of the federal poverty guideline, except that when a disabled person's earned income reaches 200 percent of the poverty level, the person shall retain medical assistance eligibility and must contribute to the costs of medical care on a sliding fee basis. This subdivision can be implemented only if there is federal financial participation available for the waiver, and this subdivision is subject to the conditions in Minnesota Statutes, section 256.01, subdivision 2, clause (12).

#### Sec. 34. [MAXIMIZING MAXIS; FRAUD RECOVERY EFFORTS.]

The commissioner of human services shall submit a plan to the legislature by December 1, 1995, to maximize the capability of the MAXIS system to aid in fraud control. The commissioner shall explore ways of using the MAXIS system to establish or expand recovery efforts, certify debts, and collect overpayments due to fraud, client error, or agency error in all state and federally funded public assistance programs. The commissioner shall also make recommendations for sharing recovered revenues under this program with counties to provide incentives to both the state and county to begin or maintain aggressive recovery efforts.

#### Sec. 35. [COUNTY DESIGN; WORK FOCUSED PROGRAM.]

The commissioner of human services shall issue a request for proposals from counties to submit a plan for developing and implementing a county-designed program. The plan shall be for first-time applicants for aid to families with dependent children (AFDC) and family general assistance (FGA) and must emphasize the importance of becoming employed and oriented into the work force in order to become self-sufficient. If the plan is cost-neutral to the state and approved by the commissioner, the county may implement the plan. If the plan is approved by the commissioner, but a federal waiver is necessary to implement the plan, the commissioner shall apply for the necessary federal waivers. If the plan is approved but is not cost-neutral to the state, the commissioner shall report to the 1996 legislature the cost implications related to the county-designed plan.

#### Sec. 36. [RESTRUCTURING OF PUBLIC ASSISTANCE.]

(a) The commissioners of human services and economic security shall develop a plan for first-time applicants for aid to families with dependent children (AFDC) and family general assistance (FGA) in order to assure that, during the first six months of eligibility, first-time applicants for AFDC and FGA receive the following in lieu of AFDC or FGA benefits:

- (1) immediate and enhanced job search and placement activities;

(2) subsidized employment in the private or public sector or a placement in a community service job that pays wages up to the value of AFDC or FGA is required if an unsubsidized job is not located within the first 60 days, or at an earlier date recommended by the commissioners;

(3) priority help in establishing child support enforcement;

(4) child care assistance for job search activities and employment;

(5) eligibility for medical care; and

(6) vendor payments for need items included in the AFDC consolidated standard of assistance under the state plan.

(b) The commissioners shall consider to what extent exceptions should be made for:

(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 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 section 256D.05, 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; and

(8) a pregnant woman, if there is medical verification that the child is expected to be born within the next six months.

(c) The commissioners shall present to the 1996 legislature a statewide implementation plan, which includes employability assessment criteria, feasibility of colocation of services, and a description of the modifications that the commissioners recommend, and will be phased in starting in counties designated by the commissioners. The plan must identify needed federal waivers, evaluation criteria, state plan amendments, and other approvals necessary under the AFDC and job opportunities and basic skills (JOBS) programs. The commissioners' plan must include implementation of the project by October 1, 1996, or after the necessary waivers are approved, whichever is later.

### Sec. 37. [RESTRUCTURING OF PROJECT STRIDE.]

The commissioners of human services and economic security shall develop recommendations to restructure the program entitled "success through reaching individual development and employment" (STRIDE), under Minnesota Statutes, sections 256.73 to 256.739, to effectively and efficiently employ AFDC recipients. The commissioners shall identify modifications necessary to implement the following principles:

(1) employment as the expected program outcome;

- (2) training and education used primarily to enhance job skills of employed participants;
- (3) adequate support services available until the recipient achieves employment that provides wages that enable the recipient to be self-sufficient;
- (4) aggressive development of job markets;
- (5) extended post-placement follow-up to retain current employment or move to better jobs;
- (6) concurrent services which combine education and employment;
- (7) certain categories of AFDC recipients shall be required to participate in STRIDE services after two years within the limits of available funding; and
- (8) failure to participate will result in termination of assistance for noncompliant participants under the Family Support Act of 1988.

The commissioners shall present to the 1996 legislature a plan which includes specific categories of mandatory participants and a description of the modifications that the commissioners recommend within existing appropriations. The proposal must identify needed federal waivers, state plan amendments, and other approvals necessary under the AFDC and JOBS programs.

#### Sec. 38. [CHILD CARE COOPERATIVES.]

A county may collaborate and coordinate efforts with school districts, local youth centers, and other organizations to provide cooperative child care services at a convenient location and provide a low-cost alternative to day care services. The county may collaborate with the local school district or an organization near a school. The county is encouraged to explore other nontraditional suitable locations for community day care services and consult with parents and others who are interested in establishing a day care cooperative.

Parents must be given an opportunity to participate in the child care cooperatives. Incentives offered to parents to participate in the cooperative may include reduced day care costs for an appropriate amount of time or a few hours of free child care that provides a parent with a short respite.

For purposes of the collaborative effort, the county may request a waiver of Minnesota Rules, part 9565.5025, subpart 2, to implement the program. This waiver would reduce the barriers the applicant faces when applying for child care by specifically allowing the applicant to initially declare income, instead of being required to document income. The county may also request a waiver of rules related to day care requirements to provide more flexibility in developing and implementing the cooperative.

#### Sec. 39. [SEAMLESS CHILD CARE SYSTEM.]

The commissioner of human services shall examine the feasibility of implementing a seamless child care system statewide by July 1, 1996. The seamless child care system must provide a consistent approach to administering child care by consolidating the different child care programs under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, streamlining all child care funding available under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, and making consistent the laws and rules to govern the child care system.

The commissioner shall report to the legislature by November 1995. The report must contain recommendations as to how to develop and implement the system statewide, proposed uniform eligibility criteria, a list of necessary federal waivers, a list of the statutes and rules that must be repealed or amended, and an estimate of state and county savings resulting from the reduction in administrative duties.

#### Sec. 40. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS.] The appropriations in this section are from the general fund to the commissioner of human services and are available for the biennium ending June 30, 1997.

Subd. 2. [MINNESOTA PARENTS' FAIR SHARE PILOT PROJECT.] \$..... is appropriated for the following purposes:

(a) \$..... for a grant to Ramsey county to enable the county to expand the Minnesota parents' fair share pilot project. As a condition of this grant, the commissioner may require a local match from the county.

(b) \$..... each is added to the appropriations to Anoka and Dakota counties for costs associated with the Minnesota parents' fair share pilot project.

(c) \$..... for costs associated with the mandatory community work experience component of the Minnesota parents' fair share pilot project.

Subd. 3. [BASIC SLIDING FEE PROGRAM.] \$..... is added to the appropriation for the basic sliding fee program established under Minnesota Statutes, section 256H.03.

Subd. 4. [STRIDE.] \$..... is appropriated for purposes of Minnesota Statutes, section 256.736, subdivision 14.

Subd. 5. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] \$..... is appropriated to pay for costs associated with the claims arising from the injury protection program, established under Minnesota Statutes, section 256.737.

Subd. 6. [SOCIAL SERVICES EVALUATION.] \$..... is appropriated to pay for county costs associated with minor caretaker evaluations.

Subd. 7. [AFDC CHILD CARE.] \$..... is added to the appropriation to pay for child care costs incurred by job search participants.

Subd. 8. [FRAUD PREVENTION INVESTIGATION PROGRAM.] \$..... is added to the appropriation to expand the number of counties participating in the fraud prevention investigation program.

Subd. 9. [AFDC GRANTS.] \$..... is added to the appropriation for the aid to families with dependent children program.

Subd. 10. [COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.] \$..... is appropriated for grants to counties to implement plans submitted under Minnesota Statutes, section 256.986.

Subd. 11. [HUMAN SERVICES ADMINISTRATION.] \$..... is appropriated to pay for administrative costs.

Sec. 41. [REPEALER.]

Minnesota Statutes 1994, section 256.734, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Sections 6 (99 Hour Rule), 9 (Start Work Offset), and 22 (Accrual of Child Support) are effective upon federal approval of the applicable waivers. Section 7 (Parenting Minors) is effective October 1, 1995. Section 16 (Job Search) is effective January 1, 1996. Sections 2, 3, 4, and 5 (MFIP-R) are effective either July 1, 1996, or when the federal waiver is approved, whichever is later. Sections 11 (Registration) and 19 (Good Cause) are effective July 1, 1996. Section 33, subdivision 10 (Employed Disabled Persons), is effective July 1, 1996."

Delete the title and insert:

"A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive AFDC; providing an exception to the AFDC overpayment statute for recipients who have become employed; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job searches; allowing vendor emergency assistance payments for damage deposit; providing injury protection for work experience participants; expanding cost-neutral fraud prevention programs; allowing emergency

assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; reducing work readiness eligibility to one month; requiring the departments of human services and revenue to implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote self-sufficiency; expanding the parents' fair share pilot project in Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1994, sections 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 16, and by adding subdivisions; 256.737, subdivision 4, and by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.051, subdivision 1; and 256D.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1994, section 256.734."

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. 257, 218, 293, 303, 174, 548, 514, 513 and 386 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that his name be stricken as a co-author to S.F. No. 174. The motion prevailed.

Mr. Lessard moved that the name of Mr. Laidig be added as a co-author to S.F. No. 174. The motion prevailed.

Mr. Berg moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 404. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Marty be added as a co-author to S.F. No. 413. The motion prevailed.

Mr. Betzold moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 663. The motion prevailed.

Mr. Moe, R.D. moved that his name be stricken as a co-author to S.F. No. 694. The motion prevailed.

Mr. Johnson, D.E. moved that his name be stricken as a co-author to S.F. No. 714. The motion prevailed.

Mr. Price moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 755. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 761. The motion prevailed.

### **Mr. Johnson, D.E. introduced--**

**Senate Resolution No. 29:** A Senate resolution commending Major General Clayton A. Hovda for his many years of dedicated and effective service in the Minnesota Army National Guard.

Referred to the Committee on Rules and Administration.

### **Mr. Neuville introduced--**

**Senate Resolution No. 30:** A Senate resolution congratulating the Northfield Road Runners on achieving their walking goal.

Referred to the Committee on Rules and Administration.

**Ms. Reichgott Junge introduced--**

**Senate Resolution No. 31:** A Senate resolution congratulating Sonnesyn Elementary School of New Hope, Minnesota, for being selected as a National School of Excellence.

Referred to the Committee on Rules and Administration.

**CALENDAR**

**S.F. No. 3:** A bill for an act relating to elections; providing for election judges who are not members of a major political party; amending Minnesota Statutes 1994, sections 204B.21, subdivision 1; 204B.25, subdivision 3; and 204C.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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Novak	Sams
Beckman	Hanson	Laidig	Oliver	Samuelson
Belanger	Hottinger	Langseth	Olson	Scheevel
Berg	Janezich	Larson	Pappas	Spear
Berglin	Johnson, D.E.	Lesewski	Pariseau	Stevens
Bertram	Johnson, D.J.	Limmer	Piper	Stumpf
Betzold	Johnson, J.B.	Marty	Pogemiller	Terwilliger
Chandler	Johnston	Merriam	Price	Vickerman
Chmielewski	Kelly	Metzen	Ranum	Wiener
Cohen	Kiscaden	Moe, R.D.	Reichgott Junge	
Dille	Kleis	Mondale	Riveness	
Finn	Kramer	Murphy	Robertson	
Flynn	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 74:** 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 1994, sections 84.911, subdivision 7; 86B.335, subdivision 13; 115B.42, subdivision 1; 260.185, subdivision 6; 325F.692, subdivision 3; 326.71, subdivision 4; and 340A.503, subdivision 1; Laws 1994, chapter 527, section 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Robertson
Beckman	Frederickson	Kroening	Novak	Runbeck
Belanger	Hanson	Laidig	Oliver	Sams
Berg	Janezich	Langseth	Olson	Samuelson
Berglin	Johnson, D.E.	Larson	Pappas	Scheevel
Bertram	Johnson, D.J.	Limmer	Pariseau	Solon
Betzold	Johnson, J.B.	Marty	Piper	Spear
Chandler	Johnston	Merriam	Pogemiller	Stevens
Chmielewski	Kelly	Metzen	Price	Stumpf
Cohen	Kiscaden	Moe, R.D.	Ranum	Terwilliger
Dille	Kleis	Mondale	Reichgott Junge	Vickerman
Finn	Kramer	Morse	Riveness	Wiener

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Mr. Morse moved that S.F. No. 719 be withdrawn from the Committee on Education and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

### CONSENT CALENDAR

**S.F. No. 281:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; amending Minnesota Statutes 1994, sections 275.066; 473.121, subdivision 11; 473.13, subdivisions 1 and 2; 473.164, subdivision 3; 473.375, subdivisions 9 and 13; 473.385, subdivision 2; 473.386, subdivisions 1, 2, and 5; 473.388, subdivision 4; 473.39, subdivision 1b; 473.446, subdivision 8; 473.448; 473.505; 473.595, subdivision 3; and Laws 1994, chapter 628, article 2, section 5; repealing Minnesota Statutes 1994, section 473.394.

Was read the third time 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:

Anderson	Frederickson	Laidig	Novak	Sams
Beckman	Hottinger	Langseth	Oliver	Samuelson
Belanger	Janezich	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Pappas	Solon
Berglin	Johnson, D.J.	Limmer	Pariseau	Spear
Bertram	Johnson, J.B.	Marty	Piper	Stevens
Betzold	Johnston	Merriam	Pogemiller	Stumpf
Chandler	Kelly	Metzen	Price	Terwilliger
Chmielewski	Kiscaden	Moe, R.D.	Ranum	Vickerman
Cohen	Kleis	Mondale	Reichgott Junge	Wiener
Dille	Kramer	Morse	Riveness	
Finn	Krentz	Murphy	Robertson	
Flynn	Kroening	Neuville	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 323:** A bill for an act relating to housing; clarifying provisions relating to retaliatory conduct and manufactured home parks; amending Minnesota Statutes 1994, section 327C.12.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Pappas	Solon
Bertram	Johnson, D.J.	Limmer	Pariseau	Spear
Betzold	Johnson, J.B.	Marty	Piper	Stevens
Chandler	Johnston	Merriam	Pogemiller	Stumpf
Chmielewski	Kelly	Metzen	Price	Terwilliger
Cohen	Kiscaden	Moe, R.D.	Ranum	Vickerman
Dille	Kleis	Mondale	Reichgott Junge	Wiener
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S.F. Nos. 335, 64 and 194, which the committee recommends to pass.

S.F. No. 315, which the committee recommends to pass with the following amendments offered by Messrs. Sams, Merriam and Mrs. Pariseau:

Mr. Sams moved to amend S.F. No. 315 as follows:

Page 5, line 14, delete "charitable" and after "nonprofit" insert "charitable, civic, public service, fraternal, or veterans"

Page 5, line 15, delete from "is" through page 5, line 16, to "1986" and insert "does not engage in lobbying and does not support or oppose the nomination or election of a candidate for political office or the passage of a ballot question"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 315 as follows:

Page 3, delete lines 8 to 10

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 315 as follows:

Page 7, line 26, delete "400" and insert "100"

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.

**Mses. Robertson, Kiscaden, Krentz, Mr. Knutson and Ms. Pappas introduced--**

**S.F. No. 788:** A bill for an act relating to education; authorizing school districts to levy for insurance costs; amending Minnesota Statutes 1994, sections 124.912, subdivision 1; and 466.06.

Referred to the Committee on Education.

**Ms. Pappas, Mr. Finn, Mses. Ranum, Robertson and Mr. Dille introduced--**

**S.F. No. 789:** A bill for an act relating to education; modifying staff development and teacher preparation curriculum to include American Indian tribal history, government, and culture; modifying the graduation rule to include an understanding of American Indians; amending Minnesota Statutes 1994, section 126.70, subdivision 2a; and Laws 1994, chapter 647, article 7, section 15.

Referred to the Committee on Education.

**Ms. Johnson, J.B.; Messrs. Dille and Novak introduced--**



**S.F. No. 790:** A bill for an act relating to utilities; allowing exemption from rate regulation for small electric utility franchise; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Johnson, J.B.; Runbeck and Mr. Novak introduced--**

**S.F. No. 791:** A bill for an act relating to utilities; clarifying that public utilities commission may extend deadline for rate suspension period by 20 days when necessary to first make final determination on another, previously filed rate case; amending Minnesota Statutes 1994, section 216B.16, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Johnson, J.B.; Lesewski and Mr. Novak introduced--**

**S.F. No. 792:** A bill for an act relating to utilities; allowing longer review time for granting petition for rehearing by public utilities commission; amending Minnesota Statutes 1994, section 216B.27, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Dille, Bertram, Stevens, Scheevel and Vickerman introduced--**

**S.F. No. 793:** A bill for an act relating to agriculture; eliminating requirements for certain periodic reports by the department of agriculture; amending Minnesota Statutes 1994, sections 18.0228, subdivision 3; and 42.04, subdivision 2; repealing Minnesota Statutes 1994, sections 18.023, subdivision 11; 32.73, subdivision 7; 40A.17; and 41.53, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

**Mses. Ranum, Berglin, Robertson, Messrs. Knutson and Merriam introduced--**

**S.F. No. 794:** A bill for an act proposing an amendment to the Minnesota Constitution, article XIV, sections 5, 6, 7, and 8; permitting the highway user tax distribution fund to be used for public highways, bicycle and pedestrian paths, and public transit; apportioning the trunk highway fund between the metropolitan area and greater Minnesota.

Referred to the Committee on Transportation and Public Transit.

**Mses. Anderson, Piper, Messrs. Marty, Betzold and Ms. Kiscaden introduced--**

**S.F. No. 795:** A bill for an act relating to shelter facilities for battered women; requiring payments to be made directly to shelters; clarifying the definition of battered women; specifying that requests for payment and appeals be directed to the commissioner of human services; amending Minnesota Statutes 1994, section 256D.05, subdivisions 3 and 3a.

Referred to the Committee on Family Services.

**Mr. Knutson, Ms. Olson, Mr. Scheevel and Ms. Robertson introduced--**

**S.F. No. 796:** A bill for an act relating to education; eliminating the state board of education; creating a state education advisory council; transferring certain state board of education duties to the department of education; amending Minnesota Statutes 1994, sections 16B.43, subdivision 2; 120.064, subdivisions 3, 4, 8, 10, 14, 17, 21, and 24; 120.17, subdivisions 1, 3, 3b, and 7a; 120.65; 120.66; 121.02; 121.05; 121.14; 121.148, subdivision 3; 121.16, subdivision 1, and by adding subdivisions; 121.48; 121.585, subdivisions 2 and 8; 121.612, subdivisions 2, 3, 6, 7, and 9; 121.914, subdivision 3; 122.23, subdivision 3; 122.242, subdivisions 1 and 2; 123.38, subdivision 3; 123.39, subdivision 8a; 123.58, subdivision 9; 123.933, subdivision 1; 123.947; 124.14,

subdivisions 1 and 4; 124.15, subdivisions 2, 2a, 4, 5, and 7; 124.223, subdivision 11; 124.41, subdivision 2; 124.431, subdivision 7; 124.48; 124.573, subdivisions 3 and 3a; 124.574, subdivisions 4 and 5; 124.625; 124C.12, subdivisions 1, 4, and 5; 124C.46, subdivision 3; 125.05, subdivisions 1, 1c, 2, and 4; 125.09, subdivisions 1 and 4; 125.121, subdivisions 1 and 2; 125.1885, subdivisions 1, 4, and 5; 125.702, subdivision 2; 126.019; 126.36, subdivision 4; 126.49, subdivision 4; 126.52, subdivision 5; 126.531; 126.82; 127.44; 128A.02; 128A.022; 128A.023; 128A.024, subdivision 2; 128A.025, subdivision 2; 128A.026, subdivision 1; 128A.05, subdivision 3; 128A.07, subdivision 2; 128A.09, subdivision 3; 134.201, subdivision 1; 134.22; 134.32, subdivision 8; 134.34, subdivision 3; 134.351, subdivision 1; 134.36; 136A.041; 136D.75; 138.054, subdivision 2; 169.448, subdivision 2; 169.974, subdivision 2; 171.04, subdivision 1; 216C.13; 248.07, subdivision 3; 465.797, subdivision 1; and 471.18; repealing Minnesota Statutes 1994, sections 15.014, subdivision 3; 121.02, subdivision 4; 121.03; 121.04; 121.06; 121.11; 121.15, subdivision 5; 123.78, subdivision 3; 124.431, subdivision 6; 126.22, subdivision 5; 126.665; and 128A.023, subdivision 1.

Referred to the Committee on Education.

**Messrs. Pogemiller, Metzen, Terwilliger, Stumpf and Riveness introduced--**

**S.F. No. 797:** A bill for an act relating to retirement; public employees retirement association police and fire fund; changing early retirement reduction factors; amending Minnesota Statutes 1994, section 353.651, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Murphy and Vickerman introduced--**

**S.F. No. 798:** A bill for an act relating to taxation; allowing the city of Lake City to extend the duration of a tax increment financing district.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Ranum, Anderson, Messrs. Kelly and Knutson introduced--**

**S.F. No. 799:** A bill for an act relating to crime prevention; clarifying the reasonable person standard for manslaughter in the first degree; clarifying certain acts that constitute murder in the first degree; amending Minnesota Statutes 1994, sections 609.185; and 609.20.

Referred to the Committee on Crime Prevention.

**Mr. Frederickson introduced--**

**S.F. No. 800:** A bill for an act relating to retirement; public employees retirement association; exempting physicians employed by Springfield community hospital and medical clinic from coverage.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Berglin introduced--**

**S.F. No. 801:** A bill for an act relating to health; recodifying and modifying provisions relating to lead abatement law; appropriating money; amending Minnesota Statutes 1994, sections 16B.61, subdivision 3; 116.87, subdivision 2; 144.99, subdivision 1; 268.92, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, and by adding a subdivision; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 115C.082, subdivision 2; 144.871; 144.872; 144.873; 144.874; 144.876; 144.877; 144.8771; 144.878; 144.8781; 144.8782; and 144.879.

Referred to the Committee on Health Care.

**Ms. Berglin introduced--**

**S.F. No. 802:** A bill for an act relating to alcoholic beverages; authorizing the issuance of an on-sale liquor license; amending Minnesota Statutes 1994, section 340A.404, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Pogemiller introduced--**

**S.F. No. 803:** A bill for an act relating to retirement; modifying administrative provisions relating to the Minneapolis employees retirement fund; amending Minnesota Statutes 1994, section 422A.05, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Samuelson introduced--**

**S.F. No. 804:** A bill for an act relating to the disposition of proceeds from a local lodging tax imposed by the city of Breezy Point.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Chmielewski, Ms. Ranum, Messrs. Murphy, Price and Kelly introduced--**

**S.F. No. 805:** A bill for an act relating to health; giving the commissioner of administration authority to negotiate contract prices for all prescription drugs sold in Minnesota; allowing correction orders to be issued; establishing a statewide drug formulary; requiring a pharmacy to post a sign on generic substitution; amending Minnesota Statutes 1994, sections 151.21, subdivisions 2, 3, and by adding a subdivision; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; and 256.

Referred to the Committee on Health Care.

**Messrs. Morse, Finn, Hottinger and Kleis introduced--**

**S.F. No. 806:** A bill for an act relating to retirement; higher education supplemental retirement and individual retirement plans; revising laws governing certain faculty in the state university and community college systems who return to teaching part time after retirement; part-time faculty program participation; investment options; amending Minnesota Statutes 1994, sections 136.90; 354.445; 354.66, by adding a subdivision; 354B.05, subdivisions 2 and 3; 354B.07, subdivisions 1 and 2; and 354B.08, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Novak and Ms. Johnson, J.B. introduced--**

**S.F. No. 807:** A bill for an act relating to utilities; allowing small gas utility franchises an exemption from rate regulation for incidental utility service; amending Minnesota Statutes 1994, section 216B.16, subdivision 12.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Merriam, Lessard, Morse, Ms. Olson and Mr. Novak introduced--**

**S.F. No. 808:** A bill for an act relating to utilities; exempting cogeneration plants from the certificate of need process; requiring exempted cogeneration plants to waive federal rights which force utilities to purchase power generated by the exempted plant; amending Minnesota Statutes 1994, section 216B.243, subdivision 8.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Merriam, Lessard, Morse, Ms. Olson and Mr. Novak introduced--**

**S.F. No. 809:** A bill for an act relating to utilities; energy; excepting cogeneration plants from the requirements of the power plant siting act; preempting local siting regulations for cogeneration plants; amending Minnesota Statutes 1994, sections 116C.52, subdivision 5; and 116C.61, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Metzen introduced--**

**S.F. No. 810:** A bill for an act relating to local government; excluding certain fire and police department employees from civil service in the city of South St. Paul.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Hottinger, Terwilliger, Pogemiller, Mses. Runbeck and Flynn introduced--**

**S.F. No. 811:** A bill for an act relating to the municipal board; providing for the composition of the board; amending Minnesota Statutes 1994, section 414.01, subdivisions 2, 3a, 5, and 6a.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Hottinger, Terwilliger, Pogemiller, Mses. Runbeck and Flynn introduced--**

**S.F. No. 812:** A bill for an act relating to local government; transferring authority for incorporations, detachments, and annexations to the office of strategic and long-range planning and the office of administrative hearings; appropriating money; amending Minnesota Statutes 1994, sections 14.03, subdivision 2; 414.01, subdivisions 1, 14, 15, 16, 17, and by adding a subdivision; 414.011, subdivisions 7 and 8; 414.012; 414.02; 414.031; 414.0325; 414.033; 414.035; 414.036; 414.041; 414.051; 414.06; 414.061; 414.063; 414.067; 414.07; and 414.09; repealing Minnesota Statutes 1994, sections 414.01, subdivisions 2, 3, 3a, 4, 5, 6a, 7a, 8, 10, 11, and 12; and 414.08.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Solon; Johnson, D.J.; Janezich and Chmielewski introduced--**

**S.F. No. 813:** A bill for an act relating to the city of Duluth; appropriating money from the bond proceeds fund for improvements to the Lake Superior Zoological Gardens.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 814:** A bill for an act relating to education; establishing a rural psychiatry program at the University of Minnesota Duluth; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

**Mrs. Pariseau, Messrs. Kramer and Kleis introduced--**

**S.F. No. 815:** A bill for an act relating to health; requiring planning for a program to promote the long-term development of children and to prevent abuse; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Messrs. Vickerman, Murphy, Bertram and Johnson, D.J. introduced--**

**S.F. No. 816:** A bill for an act relating to taxation; providing for the establishment of tax increment financing districts in the city of Lakefield; providing that the districts are exempt from the state aid offset; defining regional tax capacity.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Scheevel, Ms. Ranum, Messrs. Knutson, Larson and Ms. Krentz introduced--**

**S.F. No. 817:** A bill for an act relating to education; adding education aid programs to be used to adjust state aid payments for property tax shift adjustment; discontinuing reserved revenue for student examination fees for advanced placement and international baccalaureate programs; modifying procedure for district transportation of a nonresident pupil; allowing for transportation of pupils from home or secondary school to post-secondary institution; providing criteria of use for certain school buses; modifying early levy recognition of late activity levy; modifying timelines to file objections to school district decisions regarding children with a disability; providing for immunity from liability for hearing officers for decisions regarding children with a disability; providing for reasonable accommodations for students with a disability attending post-secondary institutions under the post-secondary enrollment option program; modifying grant program to assist American Indians to become teachers; modifying requirements for teaching licenses in American Indian language and culture education; allocating money among special education aid programs; requiring one-year expulsion of a pupil who brings a firearm to school; modifying allocation of capital expenditure facilities revenue to exclude allocation to debt redemption fund; allowing consolidating districts to make fund transfers; making combination proceedings equivalent to consolidation; limiting eligibility for consolidation transition revenue; permitting the department to employ school district personnel working on the graduation rule for up to five years; discontinuing department of education school finance study requirement; extending Pine Point schools; extending administrative licensure rules; modifying librarians of color program; providing option under which multicounty, multitype library systems can be governed; clarifying law governing the state academy for the deaf and the state academy for the blind; amending Minnesota Statutes 1994, sections 120.062, subdivision 9; 120.17, subdivision 3b; 121.11, subdivision 7c; 121.912, subdivision 6; 122.21, subdivision 4; 123.3514, subdivisions 7, 8, and by adding a subdivision; 123.39, subdivision 6; 124.155, subdivision 2; 124.225, subdivision 1; 124.226, subdivision 9; 124.2726, subdivision 1; 125.62, subdivision 7; 126.49, by adding a subdivision; 128A.02, subdivisions 1, 3, 5, and by adding a subdivision; 128A.021; 128A.022, subdivisions 1 and 6; 128A.024, subdivision 4; 128A.025, subdivisions 1 and 2; 128A.026; 128A.05, subdivisions 1 and 2; 128B.10, subdivision 1; 134.155; and 134.351, subdivision 4; Laws 1993, chapter 224, article 12 sections 39 and 41; Laws 1994, chapter 587, article 3, section 19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 127; repealing Minnesota Statutes 1994, sections 124.243, subdivision 9; 124A.27, subdivision 11; 128A.02, subdivisions 2 and 4; and 128A.03; Laws 1992, chapter 499, article 7, section 27.

Referred to the Committee on Education.

**Ms. Anderson, Messrs. Morse, Novak, Ms. Lesewski and Mr. Kroening introduced--**

**S.F. No. 818:** A bill for an act relating to economic development; providing funding to Minnesota Project Innovation for its government marketing assistance and small business innovation research partnering programs; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Vickerman, Ms. Lesewski, Messrs. Johnson, D.E.; Bertram and Sams introduced--**

**S.F. No. 819:** A bill for an act relating to agriculture; creating a "Passing on the Farm Center"; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Metzen, Stumpf, Spear, Terwilliger and Limmer introduced--**

**S.F. No. 820:** A bill for an act relating to retirement; correctional employees retirement plan of the Minnesota state retirement system; transferring various employment positions in the departments of corrections and human services from coverage by the general state employees retirement plan or the teachers retirement association to the correctional employees retirement plan; amending Minnesota Statutes 1994, sections 352.91, by adding subdivisions; and 352.92, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Janezich introduced--**

**S.F. No. 821:** A bill for an act relating to education; providing for state aid payments for costs for school district retired employee health benefits; appropriating money; amending Minnesota Statutes 1994, section 124.916, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

**Messrs. Solon, Stumpf, Ms. Piper, Messrs. Johnson, D.J. and Sams introduced--**

**S.F. No. 822:** A bill for an act relating to health; requiring managed care plans to provide certain enrollees with expanded geographic access to primary care physician services; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Health Care.

**Mr. Chmielewski introduced--**

**S.F. No. 823:** A bill for an act relating to higher education; appropriating money for Fond du Lac community college.

Referred to the Committee on Education.

**Ms. Johnson, J.B.; Messrs. Johnson, D.J.; Kelly; Chmielewski and Frederickson introduced--**

**S.F. No. 824:** A bill for an act relating to economic development; establishing a microenterprise support program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Spear introduced--**

**S.F. No. 825:** A bill for an act relating to paternity; providing for paternity of certain children conceived by artificial insemination after death of father; amending Minnesota Statutes 1994, section 257.56, by adding a subdivision.

Referred to the Committee on Judiciary.

**Messrs. Kelly, Merriam, Ms. Anderson, Messrs. Frederickson and Kroening introduced--**

**S.F. No. 826:** A bill for an act relating to economic development; appropriating money for contamination cleanup grants under Minnesota Statutes, sections 116J.551 to 116J.558.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Marty and Hottinger introduced--**

**S.F. No. 827:** A bill for an act relating to state government; revising certain requirements related to consultant contracts; transferring duties from the commissioner of administration to the commissioner of finance; amending Minnesota Statutes 1994, sections 3.98, by adding a subdivision; and 16B.17, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Laidig introduced--**

**S.F. No. 828:** A bill for an act relating to appropriations; providing funds to rehabilitate the statue of Leif Erikson.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Reichgott Junge introduced--**

**S.F. No. 829:** A bill for an act relating to game and fish; requiring a trout and salmon stamp to possess trout and salmon taken by angling; amending Minnesota Statutes 1994, section 97C.305, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Finn introduced--**

**S.F. No. 830:** A bill for an act relating to state lands; requiring the commissioner of natural resources to convey certain land to the city of Akeley for public purposes.

Referred to the Committee on Environment and Natural Resources.

**Mr. Merriam introduced--**

**S.F. No. 831:** A bill for an act relating to crime; expanding the definition of "value" in the theft statute; amending Minnesota Statutes 1994, section 609.52, subdivision 1.

Referred to the Committee on Crime Prevention.

**Ms. Flynn, Messrs. Belanger and Langseth introduced--**

**S.F. No. 832:** A bill for an act relating to taxation; changing the gasoline excise tax rate; indexing the rate of taxation on gasoline; removing metropolitan council transit bonding limitation; allowing metropolitan council to impose a metropolitan area sales tax; limiting metropolitan council transit taxing authority; requiring continued study of road pricing; requiring study of trunk highway turnback; amending Minnesota Statutes 1994, sections 296.02, subdivision 1b, and by adding a subdivision; 473.39, subdivision 1; and 473.446, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.39, subdivisions 1a and 1b; and 473.446, subdivision 3.

Referred to the Committee on Transportation and Public Transit.

**Mses. Flynn and Berglin introduced--**

**S.F. No. 833:** A bill for an act relating to the city of Minneapolis; authorizing the city to determine the method for the sale of unclaimed property; repealing Laws 1919, chapter 396.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Pappas, Messrs. Price, Belanger, Hottinger and Johnson, D.J. introduced--**

**S.F. No. 834:** A bill for an act relating to taxation; updating references to the Internal Revenue Code; amending Minnesota Statutes 1994, section 290.01, subdivision 19.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Pappas, Messrs. Belanger, Novak, Chmielewski and Vickerman introduced--**

**S.F. No. 835:** A bill for an act relating to metropolitan government; authorizing financing for transit and paratransit facilities and equipment; removing the limitation on metro mobility funding for capital costs; amending Minnesota Statutes 1994, section 473.39, subdivision 1b.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Solon, Metzen, Belanger, Janezich and Larson introduced--**

**S.F. No. 836:** A bill for an act relating to commerce; rental-purchase agreements; regulating the cost of lease services; providing for the application of certain other law; amending Minnesota Statutes 1994, sections 325F.84, by adding a subdivision; 325F.85; and 325F.91, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Pappas, Flynn, Messrs. Chmielewski and Mondale introduced--**

**S.F. No. 837:** A bill for an act relating to transportation; requiring transit symbol on licenses and identification cards for senior citizens; establishing an employer payroll tax to support transit programs; requiring consultation for route and schedule changes; establishing route and schedule planning review process; requiring a study and report by the metropolitan council concerning coordination of transit services; requiring assessment of electric vehicle technology; authorizing issuance of free bus passes; appropriating money; amending Minnesota Statutes 1994, sections 171.07, subdivisions 1 and 3a; 473.375, by adding subdivisions; and 473.408, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Solon; Johnson, D.J. and Ms. Piper introduced--**

**S.F. No. 838:** A bill for an act relating to barbers; exempting persons performing barbering services for charitable purposes from registration and other requirements; amending Minnesota Statutes 1994, section 154.04.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Dille, Bertram, Ms. Hanson and Mr. Berg introduced--**

**S.F. No. 839:** A bill for an act relating to agriculture; changing certain pesticide dealer requirements; changing expiration of pesticide applicator certifications; requiring consideration of passive bioremediation in certain cases; amending Minnesota Statutes 1994, sections 18B.31; 18B.36, subdivision 2; and 18D.105, subdivision 3a.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Cohen introduced--**

**S.F. No. 840:** A bill for an act relating to elections; campaign finance; changing the treatment of spending limits and public subsidy in certain cases; amending Minnesota Statutes 1994, section 10A.25, subdivision 10.

Referred to the Committee on Ethics and Campaign Reform.



**Mr. Mondale, Ms. Flynn, Messrs. Terwilliger and Novak introduced--**

**S.F. No. 841:** A bill for an act relating to local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2, and by adding a subdivision; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; and 473.864, subdivision 2.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Betzold and Sams introduced--**

**S.F. No. 842:** A bill for an act relating to occupations and professions; board of psychology; modifying board duties; changing types of licensure; changing licensure provisions; providing for discipline; providing penalties; amending Minnesota Statutes 1994, sections 147.09; 148.88; 148.881; 148.89, subdivisions 2a, 5, and by adding a subdivision; 148.90, subdivisions 1 and 2; 148.905, subdivision 1; 148.911; 148.925; 148.941, subdivisions 2, 4, and by adding subdivisions; 148.96; 148.975; 148.98; 253B.02, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1994, sections 148.89, subdivisions 6, 7, and 8; 148.91; 148.921; 148.93; 148.951; and 148.97.

Referred to the Committee on Health Care.

**Mses. Kiscaden, Robertson, Messrs. Kelly, Merriam and Ms. Runbeck introduced--**

**S.F. No. 843:** A bill for an act relating to health; requiring certain consent procedures before an abortion; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Messrs. Dille and Kelly introduced--**

**S.F. No. 844:** A bill for an act relating to marriage; increasing the marriage license fee and allowing the fee to be waived in certain circumstances; providing health care coverage for marriage and family counseling; allowing a judge to order counseling if one of the parties contests the separation or dissolution of the marriage; amending Minnesota Statutes 1994, sections 62A.152, subdivision 2; 62D.102; 256.9353, subdivision 1; 256B.0625, by adding a subdivision; 517.08, subdivisions 1b and 1c; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

**Mses. Berglin, Kiscaden, Piper, Messrs. Sams and Oliver introduced--**

**S.F. No. 845:** A bill for an act relating to health; MinnesotaCare; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; delaying the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; establishing prescription drug coverage for low-income Medicare beneficiaries; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily insured; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivision 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.48; 62J.55; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62P.03; 62P.05, by adding a subdivision; 62P.07,

subdivision 4; 62P.31; 62Q.01, subdivisions 2, 3, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.25; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, by adding a subdivision; 256B.057, subdivision 3; 270.101, subdivision 1; 290.01, subdivision 19a; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, section 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; and 62Q.27; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

Referred to the Committee on Health Care.

**Messrs. Neville; Solon; Chandler; Johnson, D.E. and Vickerman introduced--**

**S.F. No. 846:** A bill for an act relating to commerce; regulating videotape distributions, sales, and rentals; requiring captioning for deaf or hearing-impaired persons; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325I.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Berglin and Mr. Johnson, D.J. introduced--**

**S.F. No. 847:** A bill for an act relating to taxation; gross revenues tax on wholesale drug distributors; exempting payments from federal agencies and instrumentalities; amending Minnesota Statutes 1994, section 295.53, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**MEMBERS EXCUSED**

Messrs. Day and Lessard were excused from the Session of today. Mr. Knutson was excused from the Session of today from 9:00 to 9:30 a.m. Mr. Ourada was excused from the Session of today from 9:00 to 9:40 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, March 6, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-SECOND DAY

St. Paul, Minnesota, Monday, March 6, 1995

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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 Ambrose V. Hayden.

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:

Anderson	Frederickson	Kroening	Murphy	Runbeck
Beckman	Hanson	Laidig	Neuville	Sams
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Betzold	Johnson, D.J.	Lessard	Ourada	Spear
Chandler	Johnson, J.B.	Limmer	Pappas	Stevens
Chmielewski	Johnston	Marty	Piper	Stumpf
Cohen	Kelly	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	
Flynn	Krentz	Morse	Robertson	

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: Department of Human Services, Pine County Intergovernmental Contract and Grant Application Process, 1994; Department of Health, Home Visiting Program to Prevent Child Abuse and Neglect, 1995; Board of Investment, Investment Performance Activities and Post-Retirement Adjustment Calculations of the Minnesota Post Retirement Investment Fund, 1994; Department of Commerce, Farm Liability Pollution Coverage, 1995; Department of Economic Security, Juvenile Justice Advisory Committee, 1995; Department of Economic Security, YouthBuild Program Overview, 1994; Department of Natural Resources, Comprehensive Recreational Use Plan Off-Highway Motorized Recreation in Minnesota, 1995; Department of Economic Security, Summer Youth Employment Training Program Overview, 1994; Metropolitan Council, Metropolitan Agencies Consolidated Financial Report, 1994; Office of Dakota County Attorney, Adult Criminal Diversion Program, 1994; Department of Economic Security, Youth Intervention Program Review, 1994; Department of Human Services, Regional Treatment Centers Chemical Dependency Treatment Network,

1995; Department of Public Safety, Emergency Response Plan for High-Level Radioactive Waste Transportation Accidents/Incidents, 1994; Department of Public Safety, School Bus Safety Advisory Committee, Annual Report, 1994; Office of the State Auditor, Revenues, Expenditures, and Debt of Minnesota Cities Over 2500 in Population, 1993; Office of the State Auditor, Revenues, Expenditures, and Debt of Minnesota Cities Under 2500 in Population, 1993; University of Minnesota, Intercollegiate Athletic Coaching Salaries and Compliance with Title IX, and the Equal Pay Act, 1995; Probation Standards Task Force, Probation in Minnesota: Putting the Pieces Together, 1994; Department of Human Services, Interpretive Memoranda Study, 1995; Department of Administration, Evaluation of the Affirmative Enterprise Program, 1994; Department of Administration, Public Agency Corridor Study, 1994; Department of Human Services, Medical Care Surcharge, 1995; Legislative Commission on Minnesota Resources, Biennial Report, 1995; Department of Administration, Electronic Services, Licensing, Permitting, and the State Lottery Network, 1995; Department of Trade and Economic Development, Annual Report of Advantage Minnesota, Inc., 1994; Department of Public Safety, Minnesota Crime Alert Network, 1995; Department of Natural Resources, Financial Assurance for Minnesota's Iron Mining Industry, 1994; Anoka County Attorney, Operation of the Anoka County Adult Criminal Pre-Trial Diversion Program, 1995; Department of Trade and Economic Development, Minnesota Public Facilities Authority, Annual Report, 1994; Department of Administration, Status Report on the Interstate Compact for Industrialized and Modular Buildings, 1994; Swift County Attorney, Operation of the Swift County Adult Pre-Trial Diversion Program, 1995; Washington County Job Training Center, Annual Report, July 1, 1993 - June 30, 1994; Department of Agriculture, Biennial Report, 1993-94; Department of Finance, Actions Taken by the Legislative Advisory Commission, January 1, 1993 - January 1, 1995; Office of the Governor, Compulsive Gambling, 1995; Department of Administration, 1996-97 Information Resource Funding Recommendations, 1995; Capitol Area Architectural and Planning Board, Biennial Report; Board of Social Work, Biennial Report, July 1, 1992 - June 30, 1994; Minnesota Planning, Children's Cabinet, 1995; Department of Public Safety, Crime Victim and Witness Advisory Council and Crime Victims Reparations Board, Biennial Report, 1994; Department of Public Safety, Bureau of Criminal Apprehension, 1994; Department of Public Safety, Child Passenger Restraint and Education Account, 1995; Department of Finance, Matching Money, 1995; Department of Corrections, Prairie Correctional Facility, 1995; Department of Human Services, Child Support Payment Center, 1995; Department of Employee Relations, Local Government Pay Equity Compliance Report, 1995; Department of Administration, State Agency Report on Consultants and Services, 1995; Ombudsman for Corrections, Biennial Report, 1993-94; Department of Human Services, Child Support Assurance Program, 1995; Department of Transportation, Metropolitan Council and the Federal Highway Administration, 35W Final Environmental Impact Statement, 1995; Department of Human Services, Status of Demonstration Projects to Incorporate the Alternative Use of CARF Standards and Methods, 1995; Office of Lac qui Parle County Attorney and Swift, Chippewa and Yellow Medicine County Attorneys, Joint Adult Diversion Program, 1995; Bureau of Criminal Apprehension, Semiautomatic Military-Style Assault Weapon, 1995; Department of Public Safety, Law Enforcement Legislative Buy Fund Activity Report, 1992-93; Department of Public Safety, Emergency Response Plan for Use of Administrative Penalty Order Authority, 1994; Department of Public Safety, Biennial Report, 1994; Department of Human Services, Children's Trust Fund, Biennial Report, 1995; Board on Judicial Standards, Annual Report, 1994; Board of Pardons, Annual Report, 1995; Department of Finance, Prompt Payment Report, 1995; Minnesota Zoo, Annual Report, 1994; Department of Health and the Department of Human Services, Prepaid Medical Assistance Cost Study, 1995; Yellow Medicine County Attorney, Adult Diversion Report, 1995; Board of Dentistry, Biennial Report, July 1, 1992 - June 30, 1994; Department of Human Services, Consolidated Chemical Dependency Treatment Fund, Fiscal Years 1989-1994; Metropolitan Council, Major Airport Planning Activities, 1994; Metropolitan Council, Annual Contingency Assessment, Major Airport Strategy, 1994; Department of Natural Resources, Dams in Minnesota, 1995; Office of Todd County Attorney, Adult Diversion Report, 1995; Department of Trade and Economic Development, Competitiveness Task Force, Annual Report, 1995; Office of Cook County Attorney, Adult Diversion Report, 1995; Board of Peace Officer Standards and Training, Biennial Report, July 1, 1992 - June 30, 1994; Board on Aging, Resident and Family Advisory Council Education Program, 1995; Minnesota Planning, Plan for Storing Essential Data Elements for Family Service Centers, 1995; Office of Blue Earth County Attorney, Adult Diversion Report, 1995; Department of Human Services, Recommendations for Improving the Adult Mental Health System, 1995; Department of Human Services, Minnesota State Operated Residential and Related Programs and Services, 1995; Department of Human

Services, Mental Health Screening and Treatment of Children, 1995; Department of Human Services, Payment for Exceptionally High Cost Hospital Admissions Under the Medical Assistance and General Assistance Medical Care Programs, 1995; Department of Human Services, Contested Hearings in the Administrative Process, 1995; Department of Human Services, Minnesota Compulsive Gambling Treatment Program, 1995; Board of Architecture, Engineering, Land Surveying, Landscape Architecture and Interior Design, Biennial Report, July 1, 1992 - June 30, 1994; Department of Human Services, Medical Assistance (Title XIX) Annual Report, Fiscal Year 1992; Department of Human Services, General Assistance Medical Care Annual Report, Fiscal Year 1992; Office of the Attorney General, Analysis of Proposed Lawsuit Challenging the Constitutionality of the Professional and Amateur Sports Protection Act, 1995; Department of Human Services and the Department of Economic Security, Work Readiness Work Experience Pilot Projects, 1995; Department of Health, Anesthesia Practices Study, 1995; Department of Health, Implementation Report for Integrated Service Networks (ISNs) and a Regulated All-Payer Option (RAPO), 1995; Department of Health and the Department of Commerce, Risk Adjustment, 1995; Department of Health, Universal Standard Benefits Set, Enrollee Cost Sharing and Affordability Report, 1995; Legislative Commission on Children Youth and Their Families, Annual Report, 1995; Department of Health, Distribution and Scope of Specialized Health Care for Children and the Role of Children's Hospitals in the Context of Health Care Reform, 1995.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 1, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### TAX COURT

Diane L. Kroupa, 330 Zircon Ln., Plymouth, Hennepin County, effective March 10, 1995, for a term expiring on the first Monday in January, 2001.

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

Warmest regards,  
Arne H. Carlson, Governor

March 1, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 33.

Warmest regards,  
Arne H. Carlson, Governor

March 1, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	137	6	9:52 a.m. March 1	March 1
33		7	9:53 a.m. March 1	March 1

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 2, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 141.

Warmest regards,  
Arne H. Carlson, Governor

March 2, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is 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 1995	Date Filed 1995
141		8	11:04 a.m. March 2	March 2

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 125, 305, 362, 399, 457, 749 and 5.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 2, 1995

**FIRST READING OF HOUSE BILLS**

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

**H.F. No. 125:** A bill for an act relating to corrections; prohibiting correctional inmates from applying for name changes more than once during an inmate's confinement; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 197, now on General Orders.

**H.F. No. 305:** A bill for an act relating to local government; clarifying provisions for financial audits in certain circumstances; amending Minnesota Statutes 1994, sections 367.36, subdivision 1; 412.02, subdivision 3; and 412.591, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 265, now on General Orders.

**H.F. No. 362:** A bill for an act relating to local government; towns; authorizing the town board to set up a petty cash fund; amending Minnesota Statutes 1994, section 366.01, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 266, now on General Orders.

**H.F. No. 399:** A bill for an act relating to the secretary of state; regulating filings and related matters; providing for service of process; amending Minnesota Statutes 1994, sections 5.22, subdivision 1; 48.185, subdivision 7; 79A.06, subdivision 5; 168.27, subdivision 19a; 221.67; 302A.115, subdivision 1; 302A.121, subdivision 1; 302A.701; 302A.901, subdivision 1; 303.03; 303.06, subdivision 1; 303.13, subdivision 1; 303.14, subdivision 3; 308A.121, subdivision 1; 309.56, subdivision 1; 317A.115, subdivision 2; 317A.823, subdivision 1; 317A.901, subdivision 1; 319A.03; 319A.06, subdivision 2; 322A.02; 322A.761; 322B.12, subdivision 1; 322B.80, subdivision 1; 322B.876, subdivision 1; 322B.955; 322B.960, subdivisions 1 and 3; 323.02, by adding a subdivision; 323.44, subdivisions 2, 4, 5, and 6; 323.45, subdivisions 1 and 5; 323.46; 323.47, subdivision 1; 325F.70, subdivision 2; 330.11, subdivision 3; 333.001; 333.01; 333.055, subdivision 4; 333.21, subdivision 1; 336.9-403; 336A.11, subdivision 2; 540.152; and 543.08; proposing coding for new law in Minnesota Statutes, chapters 5; and 323; repealing Minnesota Statutes 1994, sections 302A.901, subdivisions 2, 2a, 3, and 4; 303.13, subdivisions 2, 3, 4, and 5; 317A.901, subdivisions 2, 3, and 4; 322B.876, subdivisions 2, 3, and 4; 322B.901; and 323.47, subdivisions 2, 3, and 4.

Referred to the Committee on Judiciary.

**H.F. No. 457:** A bill for an act relating to commerce; real estate; regulating certain licensees and registrants and recovery fund actions; amending Minnesota Statutes 1994, sections 82.18; 82.19, subdivision 7; 82.195, subdivision 1; 82.20, subdivision 13; 82.34, subdivision 7; 82A.11, subdivision 3; 83.28, subdivision 5; 386.65, subdivision 1; 386.66; 386.67; 386.68; and 386.69.

Referred to the Committee on Commerce and Consumer Protection.

**H.F. No. 749:** A bill for an act relating to housing; modifying eligibility for transitional housing services; amending Minnesota Statutes 1994, section 268.38, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 350, now on General Orders.

**H.F. No. 5:** A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds; coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, subdivision 11,

and by adding subdivisions; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 10a, 16, and by adding a subdivision; 256.737, subdivisions 1a and 2; 256.74, by adding a subdivision; 256.81; 256.87, subdivisions 1, 1a, and 5; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.09, subdivision 2a, and by adding subdivisions; and 518.575; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; 256D; and 268; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.065; 256D.091; 256D.101; 256D.111; and 256D.113.

Referred to the Committee on Finance.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 304 and the report pertaining to the appointment. The motion prevailed.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 368:** A bill for an act relating to agriculture; clarifying the employment status of certain farm crisis assistance personnel; amending Minnesota Statutes 1994, section 17.03, subdivision 9.

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 443:** A bill for an act relating to tax increment financing; exempting districts established for purpose of constructing or expanding an agricultural processing facility from certain aid reductions; amending Minnesota Statutes 1994, section 273.1399, by adding a subdivision.

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

Page 1, line 18, delete "and"

Page 1, after line 18, insert:

"(3) the district is located outside of the seven-county metropolitan area, as defined in section 473.121;

(4) the tax increment financing plan was approved by a resolution of the county board;

(5) the total amount of increment for the district does not exceed \$1,500,000; and"

Page 1, line 19, delete "(3)" and insert "(6)"

Page 1, line 23, after "means" insert "land,"

Page 1, line 26, after the comma, insert "and including livestock products, poultry products, and wood products."

Page 2, delete lines 1 and 2 and insert "the raising of livestock or poultry."

Page 2, line 4, delete "1995" and insert "1996"



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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 537:** A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; amending Minnesota Statutes 1994, section 171.06, by adding a subdivision.

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

Page 1, line 15, after "card" insert " , other than the temporary license, permit, or card issued at the time of application,"

Page 1, line 16, after the period, insert "No refund shall be made to an applicant if the applicant has, within six weeks of having filed an application, received from the department a notification of ineligibility or a notification that the application lacks information. Receipt by the applicant is deemed to take place when the department mails the license, permit, card, or notification to the address on the application. The department shall retain record of the date of mailing of the license, permit, card, or notification for one year after the date of mailing."

Page 1, line 18, after "writing" insert "within one year after filing the application" and delete "county" and insert "portion of a"

Page 1, line 19, delete "court administrator of a district court" and insert "deputy registrar"

Page 1, line 20, delete "court administrator" and insert "deputy registrar"

Page 1, line 21, delete the first "county" and insert "deputy registrar" and delete "a county fee" and insert "the portion"

Page 1, line 22, after the period, insert "The department shall not refund a fee paid by an applicant if a requirement of federal law or a court order imposed or entered after July 1, 1995, prevents the department from issuing a license, permit, or card within six weeks of the application."

Page 1, after line 22, insert:

"Sec. 2. Minnesota Statutes 1994, section 171.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE; CONTENTS.] The department shall, upon the payment of the required fee, regardless of a subsequent refund of the fee under section 171.06, subdivision 6, issue to every applicant qualifying therefor a license designating the type or class of vehicles the applicant is authorized to drive as applied for, which license shall bear thereon a distinguishing number assigned to the licensee, the full name, date of birth, residence address and permanent mailing address if different, a description of the licensee in such manner as the commissioner deems necessary, and a space upon which the licensee shall write the usual signature and the date of birth of the licensee with pen and ink. No license shall be valid until it has been so signed by the licensee. Except in the case of an instruction permit, every license shall bear thereon a colored photograph or an electronically produced image of the licensee. Every license issued to an applicant under the age of 21 shall be of a distinguishing color and plainly marked "Under-21." The department shall use such process or processes in the issuance of licenses that prohibits as near as possible, the ability to alter or reproduce the licenses, or prohibit the ability to superimpose a photograph or electronically produced image on such licenses without ready detection. A license issued to an applicant of age 65 or over shall be plainly marked "senior" if requested by the applicant.

Sec. 3. Minnesota Statutes 1994, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] Upon payment of the required fee, regardless of a

subsequent refund of the fee under section 171.06, subdivision 6, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, or to a physically disabled person, as defined in section 169.345, subdivision 2, is 50 cents.

**Sec. 4. [EVALUATION OF DRIVER'S LICENSE AND IDENTIFICATION CARD PROGRAM.]**

The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of the improved security driver's license and identification card program and report to the legislature by January 1, 1996, concerning its findings. The evaluation of the program must focus on the following:

- (1) consistency between Minnesota Statutes, section 171.07, subdivision 9, and specifications in the invitation to bid documents and contract;
- (2) bidding process leading to the award of the contract;
- (3) evaluation of bids and samples submitted;
- (4) authorization to begin work under the contract;
- (5) incurring of costs before execution of the contract;
- (6) administration of the contract, with specific reference to decisions and actions concerning the unsatisfactory performance penalty clause;
- (7) causes of delays in issuing drivers' licenses and identification cards to applicants; and
- (8) role of the department of public safety and the department of administration in the foregoing areas."

Page 1, line 24, delete "Section 1 is" and insert "Sections 1, 2, and 3 are" and after "effective" insert "with respect to applications filed on or after"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "weeks;" insert "requesting legislative audit commission evaluation of driver's license and identification card program;"

Page 1, line 6, delete "section" and insert "sections"

Page 1, line 7, before the period, insert "; and 171.07, subdivisions 1 and 3"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**H.F. No. 383:** A bill for an act relating to traffic regulations; clarifying conditions when covering motor vehicle head lamp, tail lamp, or reflector is unlawful; providing that only certain

trailers required to have brakes are also required to have break-away brakes; requiring inspector of commercial motor vehicle to retain report for at least 14 months; prohibiting the covering of a license plate with any material or substance; amending Minnesota Statutes 1994, sections 169.64, by adding a subdivision; 169.67, subdivision 3; 169.781, subdivision 4; and 169.79.

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

Page 5, line 1, delete "covering" and insert "colorless"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 224:** A bill for an act relating to motor vehicles; allowing option to register recreational trailers for three years; amending Minnesota Statutes 1994, section 168.013, subdivision 1g.

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

Page 1, line 18, after the comma, insert "trailers with gross weight of 15,000 pounds or less and"

Amend the title as follows:

Page 1, line 3, after "trailers" insert "and other trailers"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**H.F. No. 464:** A bill for an act relating to motor vehicles; limiting license plate impoundment provisions to self-propelled motor vehicles; amending Minnesota Statutes 1994, sections 168.041, subdivisions 1, 2, and 3; and 168.042, subdivisions 2, 3, 5, 13, and 14.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 264:** A bill for an act relating to drivers' licenses; abolishing separate review process for commercial driver's license disqualification; amending Minnesota Statutes 1994, section 171.166, subdivision 3; repealing Minnesota Statutes 1994, section 171.166, subdivision 4.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 528:** A bill for an act relating to traffic regulations; requiring adult motorcycle rider to wear eye protection device; amending Minnesota Statutes 1994, section 169.974, subdivision 4.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 522:** A bill for an act relating to traffic regulations; allowing school authorities to appoint nonpupil adults to school safety patrols; amending Minnesota Statutes 1994, section 126.15, subdivision 2.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 348:** A bill for an act relating to motor vehicles; clarifying power to appoint motor vehicle deputy registrars; amending Minnesota Statutes 1994, section 373.35, subdivision 1.

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 123:** A bill for an act relating to civil actions; providing for recovery of damages and injunctive relief for victims of bias offenses; imposing parental liability; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

Delete everything after the enacting clause and insert:

"Section 1. [611A.78] [CIVIL DAMAGES FOR BIAS OFFENSES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "bias offense" means conduct that would constitute a crime and was committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin.

Subd. 2. [CAUSE OF ACTION; DAMAGES AND FEES; INJUNCTION.] A person who is damaged by a bias offense has a civil cause of action against the person who committed the offense. The plaintiff is entitled to recover:

(1) the greater of \$500 or actual general and special damages, including damages for emotional distress;

(2) punitive damages; and

(3) reasonable costs and attorney fees.

A plaintiff also may obtain an injunction or other appropriate relief.

Subd. 3. [RELATION TO CRIMINAL PROCEEDING; BURDEN OF PROOF.] A person may bring an action under this section regardless of the existence or outcome of criminal proceedings involving the bias offense that is the basis for the action. The burden of proof in an action under this section is preponderance of the evidence.

Subd. 4. [PARENTAL LIABILITY.] Section 540.18 applies to actions under this section, except that the parent or guardian is liable for all types of damages awarded under this section in an amount not exceeding \$5,000.

Subd. 5. [OTHER RIGHTS PRESERVED.] The remedies under this section do not affect any rights or remedies of the plaintiff under other law.

Sec. 2. [EFFECTIVE DATE.]

This act is effective August 1, 1995, and applies to bias offenses committed on or after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; providing for recovery of damages and injunctive relief for victims of bias offenses; imposing parental liability; proposing coding for new law in Minnesota Statutes, chapter 611A."

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 139:** A bill for an act relating to insurance; life; regulating living benefits settlements; adopting the NAIC viatical settlements model act; prescribing powers and duties; 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. Minnesota Statutes 1994, section 13.71, is amended by adding a subdivision to read:

Subd. 18. [VIATICAL SETTLEMENTS DATA.] Viatical settlements data provided to the commissioner of commerce is classified under section 60A.968, subdivision 2.

Sec. 2. [60A.961] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 60A.961 to 60A.973, the definitions in this section have the meanings given them.

Subd. 2. [PERSON.] "Person" means a natural or artificial entity, including individuals, partnerships, associations, trusts, limited liability companies, or corporations.

Subd. 3. [VIATICAL SETTLEMENT BROKER.] "Viatical settlement broker" means an individual, partnership, limited liability company, corporation, or other entity who or which for another and for a fee, commission, or other valuable consideration, offers or advertises the availability of viatical settlements, introduces viators to viatical settlement providers, or offers or attempts to negotiate viatical settlements between a viator and one or more viatical settlement providers. "Viatical settlement broker" does not include an attorney, accountant, or financial planner retained to represent the viator whose compensation is not paid by the viatical settlement provider.

Subd. 4. [VIATICAL SETTLEMENT CONTRACT.] "Viatical settlement contract" means a written agreement entered into between a viatical settlement provider and a person owning a life insurance policy or who owns or is covered under a group policy insuring the life of a person who has a catastrophic or life threatening illness or condition. The agreement must establish the terms under which the viatical settlement provider will pay compensation or anything of value, which compensation or value is less than the expected death benefit of the insurance policy or certificate, in return for the policy owner's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the insurance policy or certificate to the viatical settlement provider.

Subd. 5. [VIATICAL SETTLEMENT PROVIDER.] "Viatical settlement provider" means an individual, partnership, limited liability company, corporation, or other entity that enters into an agreement with a person owning a life insurance policy or who owns or is covered under a group policy insuring the life of a person who has a catastrophic or life threatening illness or condition, under the terms of which the viatical settlement provider pays compensation or anything of value, which compensation or value is less than the expected death benefit of the insurance policy or certificate, in return for the policy owner's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the insurance policy or certificate to the viatical settlement provider. Viatical settlement provider does not include:

(1) a bank, savings bank, savings association, credit union, or other licensed lending institution that takes an assignment of a life insurance policy as collateral for a loan;

(2) the issuer of a life insurance policy providing accelerated benefits under section 61A.072; or

(3) a natural person who enters into no more than one agreement in a calendar year for the transfer of life insurance policies for any value less than the expected death benefit.

Subd. 6. [VIATOR.] "Viator" means the owner or certificate holder of a life insurance policy insuring the life of a person with a catastrophic or life threatening illness or condition who enters into an agreement under which the viatical settlement provider will pay compensation or anything of value, which compensation or value is less than the expected death benefit of the insurance policy or certificate, in return for the viator's assignment, transfer, sale, devise, or bequest of the death benefit or ownership of the insurance policy or certificate to the viatical settlement provider.

**Sec. 3. [60A.962] [LICENSE REQUIREMENTS.]**

Subdivision 1. [LICENSE.] No individual, partnership, limited liability company, corporation, or other entity may act as a viatical settlement provider or enter into or solicit a viatical settlement contract without first having obtained a license from the commissioner of commerce.

Subd. 2. [FORM.] An applicant for a viatical settlement provider license shall submit an application to the commissioner of commerce on a form prescribed by the commissioner.

Subd. 3. [CONTENTS.] The applicant shall provide information that the commissioner requires on forms prepared by the commissioner. The commissioner may, at any time, require the applicant to fully disclose the identity of all shareholders, members, partners, officers, and employees. The commissioner may, in the exercise of discretion, refuse to issue a license in the name of a firm, partnership, limited liability company, or corporation if not satisfied that an officer, employee, shareholder, member, or partner who may materially influence the applicant's conduct meets the requirements of sections 60A.961 to 60A.973.

Subd. 4. [NAMED PERSONS.] A license issued to a partnership, limited liability company, corporation, or other entity authorizes all members, officers, partners, and designated employees to act as viatical settlement providers under the license, and all those persons must be named in the application and any supplements to the application.

Subd. 5. [INVESTIGATION.] Upon the filing of an application and the payment of the license fee, the commissioner shall investigate each applicant and may issue a license if the commissioner finds that the applicant:

(1) has provided a detailed plan of operation;

(2) is competent and trustworthy and intends to act in good faith in the capacity involved in the license applied for;

(3) has a good business reputation and has had experience, training, or education so as to be qualified in the business for which the license is applied for; and

(4) if a corporation, is a corporation incorporated under the laws of this state or a foreign corporation authorized to transact business in this state.

**Sec. 4. [60A.963] [SERVICE OF PROCESS; NONRESIDENT LICENSING.]**

Subdivision 1. [LICENSE.] A nonresident of this state may be licensed as a viatical settlement provider upon compliance with all provisions of sections 60A.961 to 60A.973.

Subd. 2. [SERVICE OF PROCESS.] Section 45.028 applies to service of process upon a viatical settlement provider.

**Sec. 5. [60A.964] [FEES.]**

Subdivision 1. [AMOUNT.] The licensing fee for a viatical settlement provider license is \$750 for initial licensure and \$250 for each annual renewal. The commissioner may adjust the fees as provided under section 16A.1285 to recover the costs of administration and enforcement. The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury, credited to the general fund, and appropriated to the commissioner.

Subd. 2. [AUTOMATIC REVOCATION.] A license is automatically revoked for failure to pay the licensing fee within the terms prescribed by the commissioner.

**Sec. 6. [60A.965] [LICENSE REVOCATION.]**

Subdivision 1. [REVOCACTION.] The commissioner may suspend, revoke, or refuse to renew the license of a viatical settlement provider if the commissioner finds that:

- (1) there was any misrepresentation in the application for the license;
- (2) the holder of the license has been found guilty of fraudulent or dishonest practices, is subject to a final administrative action or is otherwise shown to be untrustworthy or incompetent to act as a viatical settlement provider;
- (3) the licensee demonstrates a pattern of unreasonable payments to policy owners;
- (4) the licensee has been convicted of a felony or a misdemeanor of which criminal fraud is an element; or
- (5) the licensee has violated any of the provisions of sections 60A.961 to 60A.973.

Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 60A.961 to 60A.973.

Sec. 7. [60A.966] [APPROVAL OF VIATICAL SETTLEMENTS CONTRACTS.]

A viatical settlement provider may not use a viatical settlement contract form in this state unless it has been filed with and approved by the commissioner. A viatical settlement contract form filed with the commissioner is considered to have been approved if it has not been disapproved within 60 days of the filing. The commissioner shall disapprove a viatical settlement contract form if, in the commissioner's opinion, the contract or contract provisions are unreasonable, contrary to the interests of the public, or otherwise misleading or unfair to the policy owner.

Sec. 8. [60A.967] [REPORTING REQUIREMENTS.]

Each licensee shall file with the commissioner on or before March 1 of each year an annual statement containing the following information:

- (1) for each policy viaticated, the date that the viatical settlement was entered into; the life expectancy of the viator at the time of the contract; the face amount of the policy; the amount paid by the viatical settlement provider to viaticate the policy; and if the viator has died, the date of death and the total insurance premiums paid by the viatical settlement provider to maintain the policy in force;
- (2) a breakdown of applications received, accepted, and rejected, by disease category;
- (3) a breakdown of policies viaticated by issuer and policy type;
- (4) the number of secondary market versus primary market transactions;
- (5) the portfolio size; and
- (6) the amount of outside borrowings.

Sec. 9. [60A.968] [EXAMINATION.]

Subdivision 1. [AUTHORIZATION.] The commissioner may, when the commissioner considers it reasonably necessary to protect the interests of the public, examine the business and affairs of a licensee or applicant for a license. The commissioner may order a licensee or applicant to produce records, books, files, or other information reasonably necessary to determine whether or not the licensee or applicant is acting or has acted in violation of the law or otherwise contrary to the interests of the public. The licensee or applicant shall pay the expenses incurred in conducting an examination.

Subd. 2. [PRIVATE DATA.] Names and individual identification data for all viators is private information and must not be disclosed by the commissioner, unless required by law.

Subd. 3. [RECORDS.] The licensee shall maintain records of all transactions of viatical

settlement contracts and shall make them available to the commissioner for inspection during reasonable business hours.

Sec. 10. [60A.969] [DISCLOSURE.]

A viatical settlement provider shall disclose the following information to the viator no later than the date the viatical settlement contract is signed by all parties:

(1) possible alternatives to viatical settlement contracts for persons with catastrophic or life threatening illnesses, including accelerated benefits offered by the issuer of the life insurance policy;

(2) the fact that some or all of the proceeds of the viatical settlement may be taxable and that assistance should be sought from a personal tax advisor;

(3) the fact that the viatical settlement may be subject to the claims of creditors;

(4) the fact that receipt of a viatical settlement may adversely affect the recipients' eligibility for Medicaid or other government benefits or entitlements, and that advice should be obtained from the appropriate agencies;

(5) the policy owner's right to rescind a viatical settlement contract within 30 days of the date it is executed by all parties or 15 days of the receipt of the viatical settlement proceeds by the viator, whichever is less, as provided in section 60A.970, subdivision 3; and

(6) the date by which the funds will be available to the viator and the source of the funds.

Sec. 11. [60A.970] [GENERAL REQUIREMENTS.]

Subdivision 1. [REQUIRED DOCUMENTS.] A viatical settlement provider entering into a viatical settlement contract with a person with a catastrophic or life threatening illness or condition shall first obtain:

(1) a written statement from a licensed attending physician that the person is of sound mind and under no constraint or undue influence; and

(2) a witnessed document in which the person consents to the viatical settlement contract, acknowledges the catastrophic or life threatening illness, represents that the person has a full and complete understanding of the viatical settlement contract, acknowledges that the person has a full and complete understanding of the benefits of the life insurance policy, releases the person's medical records, and acknowledges that the person has entered into the viatical settlement contract freely and voluntarily.

Subd. 2. [CONFIDENTIALITY OF MEDICAL INFORMATION.] All medical information solicited or obtained by a licensee is subject to the applicable provisions of state law relating to confidentiality of medical information.

Subd. 3. [UNCONDITIONAL REFUND PROVISION.] All viatical settlement contracts entered into in this state must contain an unconditional refund provision of at least 30 days from the date that the viator signs an agreement to transfer an insurance policy, or 15 days from the receipt of the viatical settlement proceeds, whichever is less.

Subd. 4. [PAYMENT OF PROCEEDS.] Immediately upon receipt from the viator of documents to effect the transfer of the insurance policy, the viatical settlement provider shall pay the proceeds of the settlement to an escrow or trust account managed by a trustee or escrow agent in a bank approved by the commissioner, pending acknowledgment of the transfer by the issuer of the policy. The trustee or escrow agent must transfer the proceeds due to the viator immediately upon receipt of acknowledgment of the transfer from the insurer. Payment of the proceeds must be made by means of wire transfers to the viator or by certified check or cashier's check.

Subd. 5. [LUMP SUM PAYMENT.] Payment of the proceeds under a viatical settlement must be made in a lump sum. Retention of a portion of the proceeds by the viatical settlement provider or escrow agent is not permissible. Payment must not be made by installments unless the viatical



settlement company has purchased an annuity or similar financial instrument issued by a licensed insurance company or bank.

Subd. 6. [ADDITIONAL PAYMENT.] With respect to policies containing a provision for double or other additional indemnity for accidental death, the additional payment must remain payable to the beneficiary last named by the viator before entering into the viatical settlement agreement, or to a beneficiary designated by the viator, other than the viatical settlement provider, or in the absence of a designation, to the estate of the viator.

Subd. 7. [PROHIBITED PAYMENTS.] A viatical settlement provider or broker must not pay or offer to pay a finder's fee, commission, or other compensation to a viator's physician, attorney, accountant, or other person providing medical, legal, or financial planning services to the viator, or to any other person acting as an agent of the viator with respect to the viatical settlement.

Subd. 8. [DISCRIMINATION PROHIBITED.] A viatical settlement provider or broker must not discriminate in the making of viatical settlements on the basis of race, age, sex, national origin, creed, religion, occupation, marital or family status, or sexual orientation, or discriminate between viators with dependents and without.

Subd. 9. [HEALTH STATUS CONTACTS.] Contacts for the purpose of determining the health status of the viator by the viatical settlement provider or broker after the viatical settlement has occurred must not exceed one every three months for viators with a life expectancy of more than one year, and must not exceed one per month for viators with a life expectancy of one year or less. The provider or broker must explain the procedure for these contacts at the time the viatical settlement contract is entered into.

Subd. 10. [PROHIBITED INVESTOR SOLICITATION.] Viatical settlement providers and brokers shall not solicit investors who may influence the treatment of the illness of the viators whose coverage is the subject of the investment.

Subd. 11. [CONTRACT NULL AND VOID.] Failure to tender the viatical settlement by the date disclosed to the viator renders the contract null and void.

Sec. 12. [60A.971] [STANDARDS FOR EVALUATIONS OF REASONABLE PAYMENTS.]

In order to assure that viators receive a reasonable return for viaticating an insurance policy, the following are the minimum permitted discounts:

<u>Insured's Life Expectancy</u>	<u>Minimum Percentage of Face Value Less Outstanding Loans Received by Viator</u>
<u>Less than 6 months</u>	<u>80%</u>
<u>At least 6 but less than 12 months</u>	<u>70%</u>
<u>At least 12 but less than 18 months</u>	<u>65%</u>
<u>At least 18 but less than 24 months</u>	<u>60%</u>
<u>Twenty-four months or more</u>	<u>50%</u>

The percentage may be reduced by five percent for viaticating a policy written by an insurer rated lower than the highest four categories by A.M. Best, or a comparable rating by another rating agency.

Sec. 13. [60A.972] [VIATICAL SETTLEMENT BROKERS.]

Subdivision 1. [LICENSE.] A viatical settlement broker may not solicit a viatical settlement contract without first obtaining a license from the commissioner of commerce.

Subd. 2. [FORM.] An applicant for a viatical settlement broker license shall submit an application to the commissioner on a form prescribed by the commissioner.

Subd. 3. [FEES.] The licensing fee for a viatical settlement broker is \$750 for initial licensure and \$250 for each annual renewal. Failure to pay the renewal fee within the time required by the commissioner results in an automatic revocation of the license. The commissioner may adjust the fees as provided under section 16A.1285 to recover the costs of administration and enforcement. The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury, credited to the general fund, and appropriated to the commissioner.

Subd. 4. [LICENSE LIMITATION.] The license is a limited license which allows solicitation only of viatical settlements.

Subd. 5. [LICENSE REVOCATION.] The commissioner may suspend, revoke, or refuse to renew the license of a viatical settlement broker if the commissioner finds that:

(1) there was any misrepresentation in the application for a license;

(2) the broker has been found guilty of fraudulent or dishonest practices, has been found guilty of a felony or a misdemeanor of which criminal fraud is an element, or is otherwise shown to be untrustworthy or incompetent;

(3) the licensee has placed or attempted to place a viatical settlement with a viatical settlement provider not licensed in this state; or

(4) the licensee has violated any of the provisions of sections 60A.961 to 60A.973.

Subd. 6. [AGENT.] In the absence of a written agreement making the broker the viator's agent, viatical settlement brokers are presumed to be agents of viatical settlement providers.

Subd. 7. [COMPENSATION PROHIBITED.] A viatical settlement broker must not, without the written agreement of the viator obtained before performing any services in connection with a viatical settlement, seek or obtain any compensation from the viator.

Sec. 14. [60A.973] [ADVERTISING STANDARDS.]

Subdivision 1. [GENERALLY.] Advertising by viatical settlement providers or brokers must be truthful and not misleading by fact or implication.

Subd. 2. [AVERAGE TIME.] If the advertiser emphasizes the speed with which the viatication will occur, the advertising must disclose the average time frame from completed application to the date of offer and from acceptance of the offer to receipt of the funds by the viator.

Subd. 3. [AVERAGE PURCHASE PRICE.] If the advertising emphasizes the dollar amounts available to viators, the advertising shall disclose the average purchase prices as a percent of face value obtained by viators contracting with the advertiser during the previous six months.

Sec. 15. [60A.974] [UNFAIR TRADE PRACTICES.]

A violation of sections 60A.961 to 60A.973 is an unfair trade practice under chapter 72A.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective January 1, 1996, and apply to viatical settlement agreements entered into on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; life; regulating living benefits settlements; adopting the NAIC viatical settlements model act; prescribing powers and duties; amending Minnesota Statutes 1994, section 13.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A."

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 34:** A bill for an act relating to insurance; health; requiring plans issued to supplement Medicare to provide coverage for equipment and supplies for the management and treatment of diabetes; amending Minnesota Statutes 1994, section 62A.45.

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

Page 1, line 23, delete "August 1, 1995" and insert "January 1, 1996"

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 318:** A bill for an act relating to insurance; changing the date on which crop hail insurance rates must be filed with the commissioner; amending Minnesota Statutes 1994, section 60A.32.

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

Page 1, line 13, delete "February" and insert "March"

Page 1, after line 13, insert:

"Sec. 2. [REPEALER.]

Minnesota Statutes 1994, section 70A.06, subdivision 5, is repealed."

Amend the title as follows:

Page 1, line 5, before the period, insert "; repealing Minnesota Statutes 1994, section 70A.06, subdivision 5"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 678:** A bill for an act relating to human services; extending welfare fraud penalties to the Minnesota family investment plan; providing a method of lien enforcement in the AFDC program; authorizing voluntary vendor payments in the AFDC program; expanding the fraud prevention investigation project on a regional basis into counties with smaller AFDC caseloads; establishing the program integrity reinvestment project based on statewide guidelines and performance standards; providing for disqualification in diverted cases; authorizing voluntary vendor payments in the GA and MSA programs; expanding the timeframe for establishing food stamp claims; modifying recovery incentives to allow state sharing in recoveries received through the federal tax revenue offset program; authorizing the use of affidavits of collection without the appointment of a personal representative; revising the protections from income attachments; creating an automated statewide fraud data system; amending Minnesota Statutes 1994, sections 256.034, subdivision 1; 256.73, subdivision 2; 256.98, subdivisions 1 and 8; 256.983, subdivision 4, and by adding a subdivision; 393.07, subdivision 10; 524.6-207; and 550.37, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Page 4, line 32, delete the second "or"

Page 4, line 33, after "program" insert ", or the work readiness program"

Page 11, line 2, delete "nutrition" and insert "consumer"

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete "AFDC program;"

Page 1, delete line 12

Page 1, line 13, delete "MSA programs;"

Page 1, line 19, delete everything after the semicolon

Page 1, line 20, delete everything before "amending"

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

**Ms. Piper from the Committee on Family Services, to which was re-referred**

**S.F. No. 521:** A bill for an act relating to adoption; requiring the listing of all children freed for adoption on the state adoption exchange within 20 days; amending Minnesota Statutes 1994, section 259.75, subdivision 2, and by adding a subdivision.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1994, section 259.75, subdivision 1, is amended to read:

Subdivision 1. The commissioner of human services shall establish an adoption exchange, which shall include but not be limited to a book, updated monthly, that contains a photograph and description of each child who has been legally freed for adoption. The exchange service shall be available to all authorized local social service agencies and licensed child-placing agencies whose purpose is to assist in the adoptive placement of children, and the exchange book shall be distributed to all such agencies."

Page 1, after line 22, insert:

"Sec. 4. Minnesota Statutes 1994, section 259.75, subdivision 3, is amended to read:

Subd. 3. Changes in the status of a child listed in the state adoption exchange shall be reported by the authorized local social service agency and the licensed child-placing agency to the exchange within ten working days after the change occurs.

Sec. 5. Minnesota Statutes 1994, section 259.75, subdivision 4, is amended to read:

Subd. 4. Children remaining registered for 12 months shall have their photographs and written descriptions updated by the authorized local social service agency and the licensed child-placing agency within ten working days of the expiration of the 12 months, and every 12 months thereafter.

Sec. 6. Minnesota Statutes 1994, section 259.75, subdivision 5, is amended to read:

Subd. 5. A child's registration shall be withdrawn when the exchange service has been notified in writing by the authorized local social service agency and the licensed child-placing agency that the child has been adopted, has become 14 years old and will not consent to an adoption plan, or has died.

Sec. 7. Minnesota Statutes 1994, section 259.75, subdivision 7, is amended to read:

Subd. 7. ~~An authorized~~ A local social service agency and a licensed child-placing agency may voluntarily refer any child legally freed for adoption to the exchange service; or the exchange service may determine that the recruitment of an adoptive family through the exchange book is appropriate for a child not registered with the service and require the child to be registered with the exchange service within ten working days."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "subdivision 2" and insert "subdivisions 1, 2, 3, 4, 5, 7"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 304:** A bill for an act relating to the state lottery; prohibiting advertising in connection with the lottery; amending Minnesota Statutes 1994, sections 349A.02, subdivisions 2 and 3; 349A.03, subdivision 2; 349A.06, subdivision 5; and 349A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 349A; repealing Minnesota Statutes 1994, sections 349A.02, subdivision 5; and 349A.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. [3.9215] [INDIAN TRIBES; GAMING ADVERTISING RESTRICTED.]

All forms of advertising or promotion of class II gaming or class III gaming, except advertising and promotion published or disseminated solely on Indian lands, is prohibited.

For purposes of this section, "class II gaming" or "class III gaming" and "Indian lands" have the meaning given those terms in the Indian Gaming Regulatory Act, Public Law Number 100-497, as amended.

The attorney general shall enforce compliance with this section and in doing so has the powers set forth in section 8.31.

Sec. 2. [240.125] [ADVERTISING RESTRICTED.]

All forms of advertising and promotion of horse racing on which pari-mutuel betting is conducted, except advertising and promotion published or disseminated solely at a licensed racetrack, is prohibited. The racing commission shall take all necessary steps to ensure that all advertising and promotion of horse racing on which pari-mutuel betting is conducted is consistent with this subdivision.

The attorney general shall enforce compliance with this section and in doing so has the powers set forth in section 8.31.

Sec. 3. [349.192] [ADVERTISING RESTRICTED.]

All forms of lawful gambling advertising and promotion, except advertising and promotion published or disseminated solely on the premises where lawful gambling is conducted, is prohibited. The board shall take all necessary action to ensure that all advertising and promotion for lawful gambling is consistent with this section.

The attorney general shall enforce compliance with this section and in doing so has the powers set forth in section 8.31.

Sec. 4. Minnesota Statutes 1994, section 349A.02, subdivision 2, is amended to read:

Subd. 2. [REMOVAL.] (a) The director may be removed from that position only by the governor after notice and a hearing if requested, only for:

- (1) violating section 349A.11;
- (2) malfeasance, nonfeasance, or misfeasance as defined in section 351.14, subdivisions 2, 3, and 4; or
- (3) failure to perform adequately the duties of the director.

(b) For the purposes of this subdivision, adequate performance of the director may be determined by:

- (1) gross revenue from the sale of lottery tickets;
- (2) efficiency of the administration of lottery operations; and
- (3) public confidence in the integrity of the lottery; ~~and~~
- ~~(4) compliance with advertising requirements in section 349A.09.~~

A hearing under this subdivision must be conducted by the governor.

Sec. 5. Minnesota Statutes 1994, section 349A.02, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] In operating the lottery the director shall exercise the following powers and duties:

- (1) adopt rules and game procedures;
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;
- (3) enter into lottery procurement contracts for the provision of goods and services to the lottery;
- (4) employ personnel as are required to operate the lottery;
- (5) enter into written agreements with one or more government-authorized lotteries, or with an organization created and controlled by those lotteries, for the operation, ~~marketing, and promotion~~ of a joint lottery; and
- ~~(6) adopt and publish advertising and promotional materials consistent with section 349A.09; and~~

~~(7) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.~~

Sec. 6. Minnesota Statutes 1994, section 349A.03, subdivision 2, is amended to read:

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) review and comment on lottery procurement contracts; and
- (4) review and comment on agreements between the director and one or more other lotteries relating to a joint lottery; ~~and~~
- ~~(5) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 349A.09.~~

Sec. 7. Minnesota Statutes 1994, section 349A.06, subdivision 5, is amended to read:

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the lottery at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records.

The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the lottery.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

(f) A lottery retailer must prominently post at the point of sale of lottery tickets, in a manner approved by the commissioner of human services, the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98.

(g) A lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the approximate odds of winning each prize in each game for which the lottery retailer sells tickets.

Sec. 8. [349A.091] [ADVERTISING PROHIBITED.]

Money in the lottery fund and other public funds may not be expended to advertise or promote the lottery.

Sec. 9. Minnesota Statutes 1994, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in fiscal year 1993 amounts to the lottery operations account which when totaled exceed 14.5 percent of gross revenue to the lottery fund. The director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

~~(c) The director of the lottery may not expend after July 1, 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.~~

~~(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.~~

Sec. 10. [SEVERABILITY.]

In accordance with Minnesota Statutes, section 645.20, the provisions of this law shall be severable. If a section of the law relating to advertising for a particular type of gambling is found unconstitutional, the remaining sections shall remain valid.

Sec. 11. [REPEALER.]

Minnesota Statutes 1994, sections 349A.02, subdivision 5; and 349A.09, are repealed."

Delete the title and insert:

"A bill for an act relating to gambling; restricting advertising and promotion; amending Minnesota Statutes 1994, sections 349A.02, subdivisions 2 and 3; 349A.03, subdivision 2; 349A.06, subdivision 5; and 349A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3; 240; 349; and 349A; repealing Minnesota Statutes 1994, sections 349A.02, subdivision 5; and 349A.09."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Mr. Marty questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

**S.F. No. 479:** A bill for an act relating to lawful gambling; regulating lawful purpose expenditures by or to certain organizations exempt from federal income taxes; amending Minnesota Statutes 1994, sections 349.12, subdivision 25, and by adding a subdivision.

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

Page 1, line 10, delete "501(C)(4)" and insert "FESTIVAL" and delete "501(c)(4)" and insert "Festival"

Page 1, line 11, before "exempt" insert "conducting a community festival that is"

Page 1, line 19, delete "501(c)(4)" and insert "festival" and after the comma, insert "as defined in section 349.12, subdivision 15a,"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 387:** A bill for an act relating to counties; Swift; authorizing the county to establish a rural development finance authority.

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

Page 1, lines 12 and 13, delete ", except for the authority to issue general obligation bonds under Minnesota Statutes, section 469.102"

Page 1, line 21, before the period, insert ", except for the authority to issue general obligation bonds under Minnesota Statutes, section 469.102"

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. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 494:** A bill for an act relating to Winona county; authorizing Winona county to negotiate and enter into a contract for deed with Winona county developmental achievement center.

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

Page 1, line 7, delete from "Notwithstanding" through page 1, line 8, to "contrary,"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 37:** A bill for an act relating to local government; allowing either the town of Glen or the town of Kimberly in Aitkin county to have an alternate annual meeting day.

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 Jobs, Energy and Community Development, to which was referred**

**S.F. No. 574:** A bill for an act relating to Indians; requiring the Indian affairs council to report



on potentially offensive place names; requiring the commissioner of natural resources to change certain names of geographic features of the state.

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

Page 1, delete section 1

Page 1, line 19, delete "Sec. 2" and insert "Section 1"

Page 1, line 21, delete "Within 18 months after the effective date of this act" and insert "On or before December 31, 1996"

Page 1, line 26, after "boards" insert "of the counties in which the feature is located"

Page 2, line 2, delete "Sections 1 and 2 are" and insert "Section 1 is"

Amend the title as follows:

Page 1, line 2, delete "requiring the Indian affairs"

Page 1, delete line 3

Page 1, line 4, delete "names;"

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. Merriam from the Committee on Finance**, to which was referred the following appointment as reported in the Journal for February 16, 1995:

DEPARTMENT OF FINANCE  
COMMISSIONER

Laura M. King

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

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 537, 224, 264, 528, 522, 348, 123, 139, 34, 318, 521, 479 and 494 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 383, 464 and 37 were read the second time.

## MOTIONS AND RESOLUTIONS

Mrs. Pariseau moved that her name be stricken as chief author, shown as a co-author and the name of Mr. Dille be added as chief author to S.F. No. 471. The motion prevailed.

Ms. Kiscaden moved that the name of Ms. Berglin be added as a co-author to S.F. No. 702. The motion prevailed.

Mr. Riveness moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 745. The motion prevailed.

Mr. Knutson moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 796. The motion prevailed.

Mr. Mondale moved that the name of Mr. Merriam be added as a co-author to S.F. No. 841. The motion prevailed.

Ms. Johnston moved that S.F. No. 32 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Transportation and Public Transit. The motion prevailed.

**Mr. Bertram introduced--**

**Senate Resolution No. 32:** A Senate resolution honoring Richard Taufen for his outstanding service to the St. Joseph, Minnesota, fire department.

Referred to the Committee on Rules and Administration.

**Messrs. Merriam; Frederickson; Johnson, D.E.; Moe, R.D. and Johnson, D.J. introduced--**

**Senate Concurrent Resolution No. 6:** A Senate concurrent resolution relating to adoption of revenue targets under Minnesota Statutes 1994, section 16A.102, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Murphy moved that S.F. No. 537, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Solon be added as a co-author to S.F. No. 377. The motion prevailed.

## CALENDAR

**S.F. No. 315:** A bill for an act relating to elections; changing and clarifying provisions of the Minnesota election law; amending Minnesota Statutes 1994, sections 201.071, subdivision 1; 203B.01, by adding a subdivision; 203B.11, subdivision 1; 204B.06, by adding a subdivision; 204B.09, by adding a subdivision; 204B.15; 204B.27, by adding a subdivision; 204B.31; 204B.32, subdivision 1; 204B.36, subdivision 2; 204B.45, subdivision 1; 204B.46; 204C.08, by adding a subdivision; 204C.31, subdivision 2; 206.62; 206.90, subdivisions 4 and 6; 207A.03, subdivision 2; and 211A.02, subdivision 2; repealing Minnesota Statutes 1994, section 204D.15, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Neuville	Runbeck
Beckman	Frederickson	Kroening	Novak	Sams
Belanger	Hanson	Langseth	Oliver	Samuelson
Berg	Hottinger	Larson	Olson	Scheevel
Berglin	Janezich	Lessard	Ourada	Solon
Betzold	Johnson, D.J.	Limmer	Pappas	Spear
Chandler	Johnson, J.B.	Marty	Piper	Stevens
Chmielewski	Johnston	Merriam	Pogemiller	Stumpf
Cohen	Kelly	Metzen	Price	Terwilliger
Day	Kleis	Moe, R.D.	Reichgott Junge	Vickerman
Dille	Knutson	Mondale	Riveness	Wiener
Finn	Kramer	Morse	Robertson	

So the bill passed and its title was agreed to.

**S.F. No. 64:** A bill for an act relating to corrections; requiring that the commissioner of corrections notify affected local governments before licensing certain foster care facilities for

delinquent children; amending Minnesota Statutes 1994, section 241.021, subdivision 2, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Samuelson
Beckman	Hanson	Langseth	Novak	Scheevel
Belanger	Hottinger	Larson	Oliver	Solon
Berg	Janezich	Lesewski	Olson	Spear
Berglin	Johnson, D.E.	Lessard	Ourada	Stevens
Betzold	Johnson, D.J.	Limmer	Pappas	Stumpf
Chandler	Johnson, J.B.	Marty	Piper	Terwilliger
Chmielewski	Johnston	Merriam	Pogemiller	Vickerman
Cohen	Kelly	Metzen	Price	Wiener
Day	Kleis	Moe, R.D.	Riveness	
Dille	Knutson	Mondale	Robertson	
Finn	Kramer	Morse	Runbeck	
Flynn	Krentz	Murphy	Sams	

So the bill passed and its title was agreed to.

**S.F. No. 335:** A bill for an act relating to the organization and operation of state government; providing supplemental appropriations for certain purposes.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Langseth	Novak	Samuelson
Belanger	Hottinger	Larson	Oliver	Scheevel
Berg	Janezich	Lesewski	Olson	Solon
Berglin	Johnson, D.E.	Lessard	Ourada	Spear
Betzold	Johnson, D.J.	Limmer	Pappas	Stevens
Chandler	Johnson, J.B.	Marty	Piper	Stumpf
Chmielewski	Johnston	Merriam	Pogemiller	Terwilliger
Cohen	Kelly	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Reichgott Junge	Wiener
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

## GENERAL ORDERS

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

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

S.F. No. 145, which the committee recommends to pass.

H.F. No. 231, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 231, as amended pursuant to Rule 49, adopted by the Senate February 23, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 95.)

Page 8, after line 28, insert:

"Sec. 5. Minnesota Statutes 1994, section 147.091, is amended by adding a subdivision to read:

Subd. 1a. [CONVICTION OF A FELONY-LEVEL CRIMINAL SEXUAL CONDUCT OFFENSE.] (a) The board may not grant a license to practice medicine to any person who has been convicted of a felony-level criminal sexual conduct offense.

(b) A license to practice medicine is automatically revoked if the licensee is convicted of a felony-level criminal sexual conduct offense.

(c) A license that has been denied or revoked pursuant to this subdivision is not subject to chapter 364.

(d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, and "criminal sexual conduct offense" means a violation of sections 609.342 to 609.345 or a similar statute in another jurisdiction."

Page 8, line 31, strike "EFFECTIVE DATES" and insert "AUTOMATIC SUSPENSION" and strike "A suspension, revocation,"

Page 8, strike lines 32 to 35

Page 8, line 36, before "A" insert "(a)"

Page 9, line 9, before "Upon" insert "(b)"

Page 9, line 19, before "The" insert "For credentials that have been suspended or revoked pursuant to this subdivision,"

Page 9, after line 27, insert:

"Sec. 7. Minnesota Statutes 1994, section 147.091, is amended by adding a subdivision to read:

Subd. 2a. [EFFECTIVE DATES.] A suspension, revocation, condition, limitation, qualification or restriction of a license or registration shall be in effect pending determination of an appeal unless the court, upon petition and for good cause shown, shall otherwise order. A revocation of a license pursuant to subdivision 1a is not appealable and shall remain in effect indefinitely."

Page 12, after line 12, insert:

"Sec. 12. Minnesota Statutes 1994, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (h); 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 school bus driver endorsements; or to eligibility for special transportation service endorsements. This chapter also shall not apply to eligibility for a license issued or renewed by the board of teaching or state board of education 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 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.

(d) This chapter does not apply to a license to practice medicine that has been denied or revoked by the board of medical practice pursuant to section 147.091, subdivision 1a.

## Sec. 13. [EFFECTIVE DATE.]

Section 5 is effective for a conviction entered on or after the day following final enactment. This does not prevent the board from refusing to grant a license to a person or revoking the license of a licensee who has been convicted of a felony-level criminal sexual conduct offense prior to the effective date of this section."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 7, delete the first "and" and after "6" insert ", and by adding subdivisions" and delete the second "and"

Page 1, line 8, after the semicolon, insert "and 364.09;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 57 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Laidig	Neuville	Sams
Beckman	Janezich	Langseth	Novak	Scheevel
Belanger	Johnson, D.E.	Larson	Oliver	Solon
Berg	Johnson, D.J.	Lesewski	Olson	Spear
Berglin	Johnson, J.B.	Lessard	Ourada	Stevens
Chandler	Johnston	Limmer	Pappas	Stumpf
Chmielewski	Kelly	Marty	Piper	Terwilliger
Cohen	Kleis	Merriam	Pogemiller	Vickerman
Finn	Knutson	Metzen	Price	Wiener
Flynn	Kramer	Moe, R.D.	Reichgott Junge	
Frederickson	Krentz	Mondale	Riveness	
Hanson	Kroening	Morse	Robertson	

Messrs. Betzold, Dille and Ms. Runbeck voted in the negative.

The motion prevailed. So the amendment was adopted.

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

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

### Messrs. Day and Neuville introduced--

**S.F. No. 848:** A bill for an act relating to education; extending the maximum number of years that a district may levy for funds to remove architectural barriers; amending Minnesota Statutes 1994, section 124.84, subdivision 3.

Referred to the Committee on Education.

### Messrs. Day and Neuville introduced--

**S.F. No. 849:** A bill for an act relating to education; authorizing a levy for special assessments; amending Minnesota Statutes 1994, section 124.91, by adding a subdivision.

Referred to the Committee on Education.

### Messrs. Chandler, Neuville, Limmer, Vickerman and Beckman introduced--

**S.F. No. 850:** A bill for an act relating to the legislature; requiring employment of an interpreter to assist hearing impaired persons; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

**Messrs. Sams, Vickerman, Dille, Bertram and Ms. Hanson introduced--**

**S.F. No. 851:** A bill for an act relating to agriculture; changing limits of the livestock expansion loan program; providing restrictions on demonstration programs; amending Minnesota Statutes 1994, section 41B.045, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Sams, Vickerman, Dille, Murphy and Bertram introduced--**

**S.F. No. 852:** A bill for an act relating to agriculture; changing limits for agricultural improvement loans; appropriating money; amending Minnesota Statutes 1994, section 41B.043, subdivisions 2 and 3.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Samuelson introduced--**

**S.F. No. 853:** A bill for an act relating to education; providing for a fund transfer for independent school district No. 482, Little Falls.

Referred to the Committee on Education.

**Mr. Finn, Meses. Piper, Berglin and Mr. Betzold introduced--**

**S.F. No. 854:** A bill for an act relating to health; including pesticide poisoning treatment as an emergency service for purposes of general assistance medical care eligibility; requiring reporting of pesticide poisoning; requiring pesticide poisoning education; appropriating money; amending Minnesota Statutes 1994, sections 144.34; and 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 855:** A bill for an act relating to capital improvements; authorizing the issuance of bonds to remodel a medical facility; appropriating money.

Referred to the Committee on Education.

**Ms. Wiener, Messrs. Knutson, Belanger, Mrs. Pariseau and Mr. Metzen introduced--**

**S.F. No. 856:** A bill for an act relating to Dakota county; assigning to the county administrator the duties of the clerk of the county board; proposing coding for new law in Minnesota Statutes, chapter 383D.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 857:** A bill for an act relating to retirement; changing the postretirement benefit increase mechanism from a lump-sum adjustment to a cost-of-living adjustment for the Duluth teachers retirement fund association; amending Minnesota Statutes 1994, section 354A.27.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Solon; Johnson, D.J. and Chmielewski introduced--**

**S.F. No. 858:** A bill for an act relating to the city of Duluth; making certain statutory provisions concerning public utilities applicable to the city of Duluth; authorizing a demonstration project to develop methods to prevent the infiltration and inflow of storm water into the city's sanitary sewer system.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Chmielewski; Janezich; Johnson, D.J. and Solon introduced--**

**S.F. No. 859:** A bill for an act relating to St. Louis county; modifying certain accounting and expenditure requirements for road and bridge fund tax money derived from unorganized townships; proposing coding for new law in Minnesota Statutes, chapter 383C.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Berglin introduced--**

**S.F. No. 860:** A bill for an act relating to economic development; requiring private businesses with state financial assistance to pay a livable wage and increase employment; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Janezich; Johnson, D.J. and Chmielewski introduced--**

**S.F. No. 861:** A bill for an act relating to education; establishing a grant program for student operated businesses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

**Ms. Reichgott Junge introduced--**

**S.F. No. 862:** A bill for an act relating to retirement; Crystal volunteer firefighters' relief association and New Hope volunteer firefighters' relief association; authorizing a consolidated volunteer firefighters' relief association for a joint powers fire department servicing the cities of Crystal and New Hope; authorizing a conversion of existing defined benefit plans to a defined contribution plan; ratifying prior benefit plans and related actions; repealing Laws 1969, chapter 1088; Laws 1971, chapter 114; Laws 1978, chapters 562, section 32, and 753; Laws 1979, chapters 97, and 201, section 27; and Laws 1981, chapter 224, sections 250 and 254.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Morse, Samuelson, Metzen, Kelly and Terwilliger introduced--**

**S.F. No. 863:** A bill for an act relating to retirement; police state aid; providing for the disposition of excess police state aid amounts as an additional amortization aid program; amending Minnesota Statutes 1994, section 353.65, subdivision 7.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Kiscaden, Flynn, Messrs. Cohen, Betzold and Knutson introduced--**

**S.F. No. 864:** A bill for an act relating to domestic abuse; eliminating hearing requirements in certain cases; providing for notices; amending Minnesota Statutes 1994, section 518B.01, subdivisions 5 and 7.

Referred to the Committee on Judiciary.

**Ms. Pappas introduced--**

**S.F. No. 865:** A bill for an act relating to education; establishing a task force on alternative measures for teaching licensure.

Referred to the Committee on Education.

**Mr. Metzen introduced--**

**S.F. No. 866:** A bill for an act relating to occupations and professions; allowing sign contractors to be licensed by the state; authorizing the commissioner of commerce to adopt rules; providing penalties; appropriating money; amending Minnesota Statutes 1994, section 116J.70, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 326A.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Hottinger, Murphy, Sams, Frederickson and Neuville introduced--**

**S.F. No. 867:** A bill for an act relating to game and fish; identification required on ice fishing shelters; amending Minnesota Statutes 1994, section 97C.355, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Berg, Stevens, Dille, Mses. Lesewski and Hanson introduced--**

**S.F. No. 868:** A bill for an act relating to pollution control; prohibiting local governments from exercising certain regulatory authorities over feedlots; amending Minnesota Statutes 1994, section 116.07, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

**Ms. Olson, Mr. Limmer and Ms. Robertson introduced--**

**S.F. No. 869:** A bill for an act relating to railroads; authorizing cities and counties to require railroads to repair grade crossing surfaces and install safety devices; providing for apportionment of costs; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation and Public Transit.

**Ms. Hanson, Messrs. Murphy, Langseth, Mrs. Pariseau and Ms. Olson introduced--**

**S.F. No. 870:** A bill for an act relating to elevator safety; changing responsibility for certain administrative and enforcement activities; changing certain exemptions; imposing penalties; amending Minnesota Statutes 1994, sections 16B.61, subdivision 1; 16B.72; 16B.73; 183.351, subdivisions 2 and 5; 183.353; 183.354; 183.355, subdivisions 1, 3, and by adding a subdivision; 183.357, subdivisions 1 and 3; 183.358; and 326.244, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 183.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Hottinger; Moe, R.D.; Johnson, D.E.; Metzen and Stevens introduced--**

**S.F. No. 871:** A bill for an act relating to state government; revising procedures used for adoption and review of administrative rules; amending Minnesota Statutes 1994, sections 14.04; 14.05, subdivision 1; 14.12; 14.38, subdivisions 1, 7, 8, and 9; 14.46, subdivisions 1, 3, and by adding a subdivision; 14.47, subdivisions 1, 2, and 6; 14.50; 14.51; 17.84; and 84.027, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 3; and 14; repealing Minnesota Statutes 1994, sections 3.842; 3.843; 3.844; 3.845; 3.846; 14.03, subdivision 3; 14.05, subdivisions 2 and 3; 14.06; 14.08; 14.09; 14.10; 14.11; 14.115; 14.131; 14.1311; 14.14; 14.15; 14.16; 14.18, subdivision 1; 14.19; 14.20; 14.22; 14.225; 14.23; 14.235; 14.24; 14.25; 14.26; 14.27; 14.28; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; 14.365; 14.38, subdivisions 4, 5, and 6; and 17.83.



Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Hottinger; Moe, R.D.; Johnson, D.E.; Metzen and Stevens introduced--**

**S.F. No. 872:** A bill for an act relating to state government; administrative rulemaking; revising the procedures for the adoption and review of agency rules; appropriating money; amending Minnesota Statutes 1994, sections 3.842, subdivisions 2, 4, and by adding a subdivision; 14.04; 14.05, subdivision 2, and by adding a subdivision; 14.06; 14.08; 14.09; 14.131; 14.14, subdivision 1a; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.24; 14.25; 14.26; 14.365; 14.48; 14.51; 16A.1285, subdivision 2; 17.84; 43A.04, by adding a subdivision; 62N.05, by adding a subdivision; and 84.027, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 14; and 97A; repealing Minnesota Statutes 1994, sections 3.846; 14.10; 14.11; 14.115; 14.12; 14.1311; 14.235; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; and 17.83.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Johnson, J.B.; Messrs. Johnson, D.E.; Johnson, D.J. and Ms. Johnston introduced--**

**S.F. No. 873:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Isanti county.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Chandler, Hottinger, Mses. Wiener, Reichgott Junge and Mr. Sams introduced--**

**S.F. No. 874:** A bill for an act relating to state government; directing the commissioner of administration to establish a program to encourage suggestions on ways to save money and improve efficiency in the operation of state government; appropriating money; amending Minnesota Statutes 1994, section 16B.39, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Frederickson, Morse, Stumpf and Ms. Lesewski introduced--**

**S.F. No. 875:** A bill for an act relating to capital improvements; changing the bonding authority amount for the public facilities authority; amending Minnesota Statutes 1994, section 446A.12, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Belanger, Terwilliger, Dille, Ms. Runbeck and Mr. Sams introduced--**

**S.F. No. 876:** A bill for an act relating to taxation; property; reducing the class rates for noncommercial seasonal residential recreational property; amending Minnesota Statutes 1994, sections 273.13, subdivision 25; and 273.1398, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Wiener, Hanson, Mr. Metzen and Ms. Runbeck introduced--**

**S.F. No. 877:** A bill for an act relating to construction; changing and clarifying law relating to the building code and zoning law; amending Minnesota Statutes 1994, sections 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3, and by adding a subdivision; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a and 9; and 462.359, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Stevens, Mrs. Pariseau, Messrs. Day and Murphy introduced--**

**S.F. No. 878:** A bill for an act relating to state government; providing for the size of the legislature; providing conditions for the organization of legislative committees; limiting the service of legislature leaders; providing term limits; proposing an amendment to the Minnesota Constitution, articles IV, section 4; and V, sections 2 and 4; amending Minnesota Statutes 1994, section 2.021; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Beckman and Hottinger introduced--**

**S.F. No. 879:** A bill for an act relating to education; directing the commissioner of education to conduct a needs assessment for a statewide program that serves talented junior and senior high school students; appropriating money.

Referred to the Committee on Education.

**Ms. Ranum, Messrs. Betzold, Spear, Kelly and Limmer introduced--**

**S.F. No. 880:** A bill for an act relating to crime; lengthening the criminal statute of limitations for criminal sexual conduct; amending Minnesota Statutes 1994, section 628.26.

Referred to the Committee on Crime Prevention.

**Ms. Ranum, Messrs. Langseth, Betzold and Kelly introduced--**

**S.F. No. 881:** A bill for an act relating to criminal justice information systems; expanding the crimes for which fingerprints are taken; extending the effective date for submission of diversion data; appropriating money; amending Minnesota Statutes 1994, sections 299C.10, subdivision 1; 388.24, subdivision 4; and 401.065, subdivision 3a.

Referred to the Committee on Crime Prevention.

**Ms. Ranum, Messrs. Betzold, Kelly and Limmer introduced--**

**S.F. No. 882:** A bill for an act relating to crime; expanding the scope of the patterned sex offender sentencing law; requiring training for judges, prosecutors, peace officers, and sex offender assessors on sentencing laws applicable to repeat and patterned sex offenders; amending Minnesota Statutes 1994, sections 480.30; and 609.1352, subdivisions 1, 3, and 5; proposing coding for new law in Minnesota Statutes, chapter 388.

Referred to the Committee on Crime Prevention.

**Ms. Ranum, Messrs. Neville, Betzold, Knutson and Spear introduced--**

**S.F. No. 883:** A bill for an act relating to criminal procedure; tolling the statute of limitations while physical evidence relating to a crime is undergoing DNA analysis; amending Minnesota Statutes 1994, section 628.26.

Referred to the Committee on Crime Prevention.

**Ms. Ranum, Messrs. Betzold, Knutson and Ms. Kiscaden introduced--**

**S.F. No. 884:** A bill for an act relating to information practices; requiring the commissioner of administration to establish an information policy training program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Ranum, Berglin, Pappas and Mr. Cohen introduced--**

**S.F. No. 885:** A bill for an act relating to public nuisance; modifying the grounds and procedure for proving a nuisance; providing for a meeting to attempt resolution of the issue; amending Minnesota Statutes 1994, sections 617.80, subdivisions 2, 4, 5, and 8, and by adding a subdivision; 617.81, subdivisions 1, 2, and 3; 617.82; 617.83; 617.84; 617.85; and 617.87; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1994, section 617.81, subdivisions 2a and 3.

Referred to the Committee on Judiciary.

**Messrs. Kleis, Stumpf, Larson, Ms. Robertson and Mr. Moe, R.D. introduced--**

**S.F. No. 886:** A bill for an act relating to rural health care; appropriating money for the St. Cloud Hospital-Mayo Family Practice Residency Program.

Referred to the Committee on Health Care.

**Mr. Janezich, Ms. Krentz, Mr. Pogemiller, Mses. Olson and Wiener introduced--**

**S.F. No. 887:** A bill for an act relating to education; providing for employment of education support employees terminated by a dissolved cooperative or the withdrawal of a member district; amending Minnesota Statutes 1994, section 122.895, subdivisions 1, 8, and 9.

Referred to the Committee on Education.

**Messrs. Larson, Neuville, Ms. Robertson and Mr. Scheevel introduced--**

**S.F. No. 888:** A bill for an act relating to education; appropriating money for post-secondary education and related purposes to the higher education coordinating board, Minnesota state colleges and universities, University of Minnesota, and the Mayo medical foundation, with certain conditions; transferring administration of summer scholarship program; providing standards for teacher licensure; clarifying cost of attendance for student grants; establishing early retirement for Minnesota state colleges and universities employees; amending Minnesota Statutes 1994, sections 126.56, subdivisions 4a, 5, and 7; and 136A.121, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 135A; repealing Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 6.

Referred to the Committee on Education.

**Ms. Flynn, Mrs. Pariseau, Messrs. Mondale, Vickerman and Merriam introduced--**

**S.F. No. 889:** A bill for an act relating to the metropolitan council; providing for a 16-member council; providing for a council chair to be elected from among the members; clarifying existing provisions; amending Minnesota Statutes 1994, sections 473.123, subdivisions 1, 3, 4, and 7; and 473.407, subdivision 4.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 890:** A bill for an act relating to energy; adopting federal energy standards for air conditioners, certain gas-burning equipment, lamps, showerheads, and faucets; amending Minnesota Statutes 1994, section 216C.19, subdivisions 13, 14, 16, and 19.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Solon introduced--**

**S.F. No. 891:** A bill for an act relating to occupations and professions; establishing the board of licensed professional counseling; requiring professional counselors to be licensed; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 116J.70, subdivision 2a; 148A.01, subdivision 5; 148B.60, subdivision 3; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 148B.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Stumpf, Ms. Pappas, Messrs. Johnson, D.E.; Scheevel and Janezich introduced--**

**S.F. No. 892:** A bill for an act relating to libraries; changing the requirements for state accessibility grants; establishing internet revenue; establishing internet access grants; providing for contracts with online service providers; appropriating money; amending Minnesota Statutes 1994, sections 124.91, by adding a subdivision; and 134.45, subdivisions 2 and 5; proposing coding for new law in Minnesota Statutes, chapter 134.

Referred to the Committee on Education.

**Mr. Price and Ms. Piper introduced--**

**S.F. No. 893:** A bill for an act relating to insurance; the comprehensive health association; changing benefits; changing the association's enrollment freeze date; eliminating the MinnesotaCare program's four-month waiting period for association members; amending Minnesota Statutes 1994, sections 62E.12; 62Q.18, subdivision 8; and 256.9357, subdivision 3.

Referred to the Committee on Health Care.

**Ms. Piper introduced--**

**S.F. No. 894:** A bill for an act relating to respite care for children; appropriating money.

Referred to the Committee on Health Care.

**Mses. Krentz and Johnson, J.B. introduced--**

**S.F. No. 895:** A bill for an act relating to workers' compensation; regulating benefits; regulating insurance; eliminating supplementary benefits; eliminating certain lump sum payments; requiring safety programs; regulating coverage for independent contractors; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 79.085; 176.041, subdivision 1; 176.081, subdivision 1; 176.101, subdivisions 1, 3b, 3m, 3o, 3q, 4, and 5; 176.185, subdivision 1; 176.194, subdivisions 1 and 4; 176.221, subdivision 1; 176.225, subdivision 1; 176.232; 176.261; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 79; 176; and 182; repealing Minnesota Statutes 1994, sections 79.01, subdivisions 7 and 8; 79.074, subdivision 2; 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; and 176.132, subdivisions 2 and 3.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Finn, Ms. Johnson, J.B.; Messrs. Vickerman, Beckman and Morse introduced--**

**S.F. No. 896:** A bill for an act relating to taxation; changing the gross premiums tax rate imposed on certain insurance companies; amending Minnesota Statutes 1994, section 60A.15, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Price, Ms. Krentz, Messrs. Morse, Riveness and Laidig introduced--**

**S.F. No. 897:** A bill for an act relating to waters; planning, development, review, reporting, and coordination of surface and groundwater management in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.205, by adding a subdivision; 103B.211, subdivision 1; 103B.231, subdivisions 3, 4, 6, 7, 8, 9, 11, and by adding a subdivision; 103B.235, subdivision 3; 103B.241, subdivision 1; 103B.245, subdivisions 1 and 4; 103B.251, subdivisions 3 and 7; 103B.255, subdivisions 6, 7, 8, 9, 10, and 12; 103B.311, subdivisions 4 and 6; 103B.3369, subdivisions 5 and 6; and 103B.355; proposing coding for new law in Minnesota Statutes, chapter 103B; repealing Minnesota Statutes 1994, sections 103B.211, subdivision 4; 103B.227, subdivision 6; 103B.231, subdivisions 5 and 12; and 103B.3365.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Price, Stumpf, Dille and Moe, R.D. introduced--**

**S.F. No. 898:** A bill for an act relating to waters; eliminating the position of board of water and soil resources secretary; increasing board members' compensation; duties of advisory committees; rule approval procedure; guidelines for management plans; exemptions from review; appeals from rules, permit decisions, and orders; informal dispute resolution; tax levy for common benefits; assessment basis; authorizing special taxing districts and common benefit funds; amending Minnesota Statutes 1994, sections 103D.011, subdivision 21; 103D.101, subdivision 4; 103D.205, subdivisions 1 and 4; 103D.221, subdivision 2; 103D.255, subdivision 1; 103D.261, subdivision 1; 103D.271, subdivisions 2 and 4; 103D.305, subdivision 1; 103D.311, subdivision 4; 103D.315, subdivisions 1, 8, and 11; 103D.321, subdivision 2; 103D.331; 103D.335, subdivisions 5, 6, and 13; 103D.341, subdivision 2; 103D.351; 103D.401, subdivisions 1 and 2; 103D.405, subdivision 1; 103D.515, subdivision 4; 103D.531; 103D.535, subdivisions 1, 4, and 5; 103D.537; 103D.611, subdivisions 1, 4, and 5; 103D.621, subdivision 4; 103D.625, subdivisions 3 and 4; 103D.631, subdivision 2; 103D.635, subdivisions 1 and 3; 103D.705, subdivision 1; 103D.711, subdivision 2; 103D.715, subdivision 3; 103D.721, subdivision 2; 103D.741, subdivision 1; 103D.745, subdivisions 2 and 3; 103D.811, subdivisions 1 and 3; 103D.901, subdivisions 2, 4, and 5; 103D.905, subdivisions 3 and 5; 103D.921, subdivisions 1 and 3; and 103D.925; proposing coding for new law in Minnesota Statutes, chapter 103D.

Referred to the Committee on Environment and Natural Resources.

**Mr. Berg introduced--**

**S.F. No. 899:** A bill for an act relating to gambling; creating a special account for money received by the gambling control board as reimbursement for costs of testing pull-tab dispensing devices; appropriating money in the account to the board for that purpose; amending Minnesota Statutes 1994, section 349.163, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

**Ms. Piper, Mr. Terwilliger, Ms. Kiscaden, Messrs. Riveness and Metzen introduced--**

**S.F. No. 900:** A bill for an act relating to human services; defining interpretive guidelines; changing licensing requirements and reconsideration for foster care; assessing fines; adding provisions for drop-in child care programs; changing a definition; adding provisions for the Minnesota family preservation act; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivision 2, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivision 6; 256.12, subdivision 14; 256.8711; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1994, sections 253B.22; 256F.05, subdivisions 2a and 4a; and 256F.06, subdivision 3.

Referred to the Committee on Family Services.

**Messrs. Samuelson, Neuville and Ms. Johnson, J.B. introduced--**

**S.F. No. 901:** A bill for an act relating to human services; providing services for developmentally disabled persons; providing payment for crisis intervention services; amending Minnesota Statutes 1994, sections 252.025, by adding subdivisions; and 256B.501, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health Care.

**Ms. Johnson, J.B. and Mr. Marty introduced--**

**S.F. No. 902:** A bill for an act relating to taxation; providing for property taxation for certain wind energy conversion systems; permitting the recovery through rates of certain payments; amending Minnesota Statutes 1994, sections 216B.16, by adding a subdivision; 272.02, subdivision 1; and 273.37, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Riveness, Cohen, Morse, Merriam and Ms. Piper introduced--**

**S.F. No. 903:** A bill for an act relating to economic development; abolishing the economic recovery grant program; repealing Minnesota Statutes 1994, section 116J.873.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Murphy, Morse, Chmielewski, Day and Solon introduced--**

**S.F. No. 904:** A bill for an act relating to transportation; appropriating \$10,000,000 to the commissioner of transportation for port development assistance; increasing the share of port development project costs that may be paid by the commissioner; specifying who may apply for grants and loans; amending Minnesota Statutes 1994, sections 457A.02, subdivision 2; and 457A.03, subdivision 3; repealing Minnesota Statutes 1994, section 457A.01, subdivision 7.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Betzold, Sams, Ms. Piper, Messrs. Samuelson and Day introduced--**

**S.F. No. 905:** A bill for an act relating to human services; changing provisions for variances for payment rate on day training and habilitation services; amending Minnesota Statutes 1994, section 252.46, subdivision 6.

Referred to the Committee on Health Care.

**Ms. Pappas and Mr. Kelly introduced--**

**S.F. No. 906:** A bill for an act relating to retirement; St. Paul police and fire consolidation accounts; clarifying a limitation on postretirement benefit reductions; amending Laws 1992, chapter 563, section 5.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Janezich, Stumpf, Ms. Robertson, Mr. Morse and Ms. Olson introduced--**

**S.F. No. 907:** A bill for an act relating to education; permitting school districts to offer certain early retirement incentives; permitting teachers to purchase service credit for teaching service in other states; permitting purchase of service credit for other specified periods; proposing coding for new law in Minnesota Statutes, chapters 125; 354; and 354A.

Referred to the Committee on Education.

**Mr. Janezich and Ms. Robertson introduced--**

**S.F. No. 908:** A bill for an act proposing an amendment to the Minnesota Constitution, article I; adding a section to provide that the right to keep and bear arms shall not be abridged.

Referred to the Committee on Judiciary.

**Messrs. Vickerman, Belanger, Ms. Reichgott Junge and Mr. Sams introduced--**

**S.F. No. 909:** A bill for an act relating to county economic development; increasing county appropriation authority for economic development; requiring county approval for use of the county tax rate in tax increment financing; amending Minnesota Statutes 1994, sections 375.83; 469.175, by adding a subdivision; and 469.177, subdivision 1a.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Marty, Ms. Wiener, Mr. Johnson, D.E.; Ms. Anderson and Mr. Moe, R.D. introduced--**

**S.F. No. 910:** A bill for an act relating to telecommunications; eliminating the telecommunication access for communication-impaired persons board; creating telecommunication access duties for the departments of public service and human services; amending Minnesota Statutes 1994, sections 237.50, subdivision 4; 237.51, subdivisions 1, 5, and by adding a subdivision; 237.52, subdivisions 2, 4, and 5; 237.53, subdivisions 1, 3, 5, and 7; 237.54, subdivision 2; and 237.55; repealing Minnesota Statutes 1994, sections 237.50, subdivision 2; 237.51, subdivisions 2, 3, 4, and 6; and 237.54, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Marty introduced--**

**S.F. No. 911:** A bill for an act relating to crime prevention; providing for computer system improvements and training for law enforcement personnel; appropriating money.

Referred to the Committee on Crime Prevention.

**Mr. Marty and Ms. Piper introduced--**

**S.F. No. 912:** A bill for an act relating to welfare reform; restoring the purchasing power of a minimum wage salary; creating alternative living arrangements for minor parents to facilitate child care and completion of school; requesting a waiver to expand the Minnesota family investment plan statewide; providing persons with continuing health benefits for three years after leaving welfare for employment; significantly improving access to affordable child care by funding the Sliding Fee Child Care Program; appropriating money; amending Minnesota Statutes 1994, section 177.24, subdivision 1.

Referred to the Committee on Family Services.

**Messrs. Berg and Lessard introduced--**

**S.F. No. 913:** A bill for an act relating to game and fish; authorizing a season on mourning doves in a designated area; requiring mourning dove stamps and setting a fee for them; requiring a report to the legislature on the experimental season; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 1994, section 97B.731, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Mr. Betzold introduced--**

**S.F. No. 914:** A bill for an act relating to children; modifying provisions relating to right to counsel, provisions in paternity judgments, and modifications of child support orders; amending Minnesota Statutes 1994, sections 257.541, subdivision 1; 257.66, subdivision 3; 257.69, subdivision 1; and 518.64, subdivision 4, and by adding a subdivision.

Referred to the Committee on Judiciary.

**Messrs. Merriam, Price, Morse and Ms. Anderson introduced--**

**S.F. No. 915:** A bill for an act relating to the environment; providing for the collection of used motor oil; amending Minnesota Statutes 1994, section 325E.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse, Laidig, Frederickson and Lessard introduced--**

**S.F. No. 916:** A bill for an act relating to natural resources; coordination of efforts of public and private sectors in the sustainable management, use, development, and protection of Minnesota's forest resources; establishing a forest resources council and regional forest resource committees; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 89A.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Janezich and Pogemiller introduced--**

**S.F. No. 917:** A bill for an act relating to education; establishing a pilot program for children with specific learning disabilities; amending Minnesota Statutes 1994, sections 120.185; and 124.17, by adding a subdivision.

Referred to the Committee on Education.

**Ms. Wiener, Messrs. Metzen; Moe, R.D. and Ms. Runbeck introduced--**

**S.F. No. 918:** A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; article XI, sections 7 and 8; abolishing the office of state treasurer; transferring or repealing the powers, responsibilities, and duties of the state treasurer; amending Minnesota Statutes 1994, sections 9.011, subdivision 1; and 11A.03.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Frederickson, Stevens, Ms. Olson and Mrs. Pariseau introduced--**

**S.F. No. 919:** A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, and 12; 103G.237, subdivision 4; and 103G.2372, subdivision 1; repealing Minnesota Statutes 1994, section 103G.2242, subdivisions 9 and 13.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse, Sams and Scheevel introduced--**

**S.F. No. 920:** A bill for an act relating to conservation; providing a pilot conservation credit program in Houston county; providing a property tax credit to program participants; appropriating money.

Referred to the Committee on Agriculture and Rural Development.



**Ms. Kiscaden, Messrs. Johnson, D.J.; Hottinger and Johnson, D.E. introduced--**

**S.F. No. 921:** A bill for an act relating to human services; establishing level of care for nursing home placement; allowing alternative care funds for certain individuals; requesting federal waivers for long-term care demonstration projects; amending Minnesota Statutes 1994, sections 144.0721, by adding a subdivision; 256B.0911, subdivision 4; and 256B.0913, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health Care.

**Messrs. Riveness, Pogemiller, Price, Stumpf and Morse introduced--**

**S.F. No. 922:** A bill for an act relating to retirement; individual retirement account plan; recodifying the individual retirement account plans of the state university system and state community college system in light of the higher education system merger; recoding the professional and supervisory employee individual retirement account plan; recodifying the state university-community college supplemental retirement account; eliminating state unclassified employee retirement program coverage option for certain managerial employees; requiring employing unit payment of certain omitted member contributions; prohibiting loans from the individual retirement account plan; proposing a change in the coding of a portion of chapter 354C as chapter 354D; amending Minnesota Statutes 1994, sections 11A.23, subdivision 4; 352D.02, subdivision 1; 354.05, subdivision 2a; 355.61; and 356.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 354B; and 354C; repealing Minnesota Statutes 1994, sections 352D.02, subdivision 1a; 354B.01; 354B.015; 354B.02; 354B.035; 354B.04; 354B.045; 354B.05; 354B.06; 354B.07; 354B.08; 354B.085; 354B.09; and 354B.15; Laws 1990, chapter 570, article 3, sections 10, and 11, as amended; Laws 1993, chapters 192, section 89, and 239, article 5, section 2; Laws 1994, chapters 508, article 1, section 14; and 572, sections 11, and 12.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Moe, R.D. introduced--**

**S.F. No. 923:** A bill for an act relating to education; allowing independent school district No. 604, Mentor, to make a fund transfer.

Referred to the Committee on Education.

**MEMBERS EXCUSED**

Mr. Bertram, Ms. Kiscaden, Mrs. Pariseau and Ms. Ranum were excused from the Session of today. Mr. Day was excused from the Session of today at 11:25 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, March 9, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWENTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 9, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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 Jerome M. Herzog.

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

Anderson	Flynn	Krentz	Neuville	Robertson
Beckman	Frederickson	Kroening	Novak	Runbeck
Belanger	Hottinger	Laidig	Oliver	Sams
Berg	Janezich	Larson	Olson	Samuelson
Berglin	Johnson, D.E.	Lesewski	Ourada	Scheevel
Bertram	Johnson, D.J.	Lessard	Pappas	Solon
Betzold	Johnson, J.B.	Limmer	Pariseau	Spear
Chandler	Johnston	Marty	Piper	Stevens
Chmielewski	Kelly	Merriam	Pogemiller	Stumpf
Cohen	Kiscaden	Metzen	Price	Terwilliger
Day	Kleis	Moe, R.D.	Ranum	Vickerman
Dille	Knutson	Mondale	Reichgott Junge	Wiener
Finn	Kramer	Morse	Riveness	

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### COMMISSIONER, DEPARTMENT OF ECONOMIC SECURITY

R. Jane Brown, 6897 Blackduck Dr., Lino Lakes, Anoka County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Jobs, Energy and Community Development.)

February 22, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### GAMBLING CONTROL BOARD

Patricia M. Fischer, 350 Main St., Pine River, Cass County, effective February 20, 1995, for a term expiring on June 30, 1998.

(Referred to the Committee on Gaming Regulation.)

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. 340, 564, 670 and 887.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 6, 1995

#### FIRST READING OF HOUSE BILLS

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

**H.F. No. 340:** A bill for an act relating to commerce; motor vehicle sales and distribution; regulating the establishment and relocation of dealerships; amending Minnesota Statutes 1994, section 80E.14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 305.

**H.F. No. 564:** A bill for an act relating to notaries; providing licensed peace officers with the powers of a notary public for administering oaths upon information submitted to establish probable cause; amending Minnesota Statutes 1994, section 358.15.

Referred to the Committee on Crime Prevention.

**H.F. No. 670:** A bill for an act relating to Winona county; authorizing Winona county to negotiate and enter into a contract for deed with Winona county developmental achievement center.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 494, now on General Orders.

**H.F. No. 887:** A bill for an act relating to public administration; providing St. Paul with additional authority in regard to the teacher training institute; amending Laws 1994, chapter 643, section 72.

Referred to the Committee on Metropolitan and Local Government.

**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. 520 and the report pertaining to the appointment. The motion prevailed.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 447:** A bill for an act relating to commerce; relating to the administrative duties of the commissioner; regulating service of orders and other papers; modifying enforcement powers; regulating notaries public; amending Minnesota Statutes 1994, sections 45.027, subdivision 7, and by adding a subdivision; 214.101, by adding a subdivision; 359.01; 359.02; and 332.34; proposing coding for new law in Minnesota Statutes, chapters 45; and 359.

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**H.F. No. 554:** A bill for an act relating to securities; regulating enforcement actions against licensees; modifying the definition of investment metal; amending Minnesota Statutes 1994, sections 80A.07, subdivision 5; and 80A.14, subdivision 10.

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 626:** A bill for an act relating to paternity; eliminating a presumption for husbands in certain cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision.

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 520:** A bill for an act relating to courts; requiring the state court administrator to prepare a guide to informal probate; appropriating money.

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

Page 1, line 14, after the period, insert "In the eighth judicial district, the money must be forwarded to the state treasurer and deposited in the general fund."

Page 1, 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 3, delete the semicolon

Page 1, line 4, delete "appropriating 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.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 591:** A bill for an act relating to probate; clarifying and correcting provisions of the uniform probate code; expanding authority for safe deposit box searches, division and merger of trusts, and granting of power-of-attorney to spouses in certain cases; amending Minnesota Statutes 1994, sections 55.10, subdivision 4; 501B.16; 507.02; 519.06; 519.07; 523.23, subdivision 1; 523.24, subdivision 1; 524.1-201; 524.2-508; 524.3-914; 524.3-916; 524.3-1001; 524.3-1008; 524.3-1201; 524.3-1202; and 524.3-1203; proposing coding for new law in Minnesota Statutes, chapters 501B; and 524; repealing Minnesota Statutes 1994, sections 525.145; and 525.51.

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

Page 6, after line 12, insert:

"Sec. 4. Minnesota Statutes 1994, section 501B.71, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTIONS.] Paragraphs (a) to (c) are exceptions to the requirements of subdivisions 1 to 4.

(a) With respect to a revocable living trust, during the lifetime of the grantor, all of the trustee's regular compensation for services performed must be charged against income, unless directed otherwise by the grantor.

(b) If charging a part or all of the trustee's regular compensation to principal, in the judgment of the trustee, is impracticable, because of the lack of sufficient cash and readily marketable assets, or inadvisable, because of the nature of the principal assets, the trustee may determine to pay part or all of the compensation out of income. The decision of the trustee to pay a larger portion or all of the trustee's regular compensation out of income is conclusive, and the income of the trust is not entitled to reimbursement from principal at any subsequent time or times.

(c) If charging a part or all of the trustee's regular compensation to income, in the judgment of the trustee, is impracticable, because of the lack of sufficient income, or inadvisable, because of a desire to provide maximum income to the beneficiary, the trustee may determine to pay part or all of such compensation out of principal. The decision of the trustee to pay a larger portion or all of the trustee's regular compensation out of the principal is conclusive."

Page 20, line 35, strike "\$2,000" and insert "\$5,000"

Page 20, line 36, strike "personal representative to purchase"

Page 21, line 1, strike "with the money" and strike "bonds of the United States government or"

Page 21, lines 2 to 7, delete the new language and strike the old language

Page 21, line 8, strike "in the court" and insert "county treasurer to invest the funds"

Page 21, line 9, strike "bonds" and insert "investments"

Page 21, line 16, strike everything after "collected"

Page 21, line 17, strike "shall issue to the person entitled thereto" and delete "the county"

Page 21, lines 18 and 19, delete the new language and strike the old language

Page 21, line 20, delete "thereto and to" and strike "deliver the bonds"

Page 21, line 24, strike "bonds"

Page 21, line 25, strike "deposited, as aforesaid," and insert "investments"

Page 21, line 26, strike "in other bonds of like character"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "501B.16;" insert "501B.71, by adding a subdivision;"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 306:** A bill for an act relating to employment; establishing the governor's workforce development council to replace the governor's job training council; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, section 268.9755.

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

Page 1, delete lines 13 to 26

Page 2, delete lines 1 to 36

Page 3, delete lines 1 to 16 and insert:

"Subd. 2. [MEMBERSHIP.] (a) The governor's workforce development council is composed of 34 members as prescribed by this subdivision. In addition to the qualifications prescribed in paragraph (d), members appointed by the governor must represent local employment and training service delivery boards. Members appointed by the governor are appointed to three-year terms beginning on the first day of January or July immediately following their appointment. Elected officials forfeit their membership if they cease to serve in elected office. Members may be removed under section 15.059.

(b) The commissioners of economic security, education, human services, and trade and economic development and the chancellor of the higher education board shall be members of the council.

(c) Two members of the house of representatives, one appointed by the speaker and the other appointed by the minority leader, and two members of the senate, one appointed by the majority leader and the other appointed by the minority leader.

(d) The governor shall appoint:

(1) nine persons representing Minnesota business and industry;

(2) five persons representing Minnesota labor organizations;

(3) four persons representing Minnesota community-based organizations, as defined by the Job Training Partnership Act as private nonprofit organizations that are representative of communities or significant portions of communities and that provide job training services, agencies serving youth, agencies serving persons with disabilities, agencies serving displaced homemakers, union-related organizations, employer-related nonprofit organizations, and organizations serving nonreservation Indians and tribal governments;

(4) six persons representing education, including two representing local public education, one representing post-secondary education, one representing secondary or post-secondary vocational institutions, one representing state technical colleges, and one representing state community colleges; and

(5) one person representing local welfare agencies, public housing agencies, units of local government, or appropriate state or local programs, or who has special knowledge of the needs of program clientele.

(e) Recognized state and local labor federations may nominate persons for the governor's consideration in making appointments under paragraph (d), clause (2). The chancellor of the

higher education board may nominate for consideration the persons appointed under paragraph (d), clause (4), to represent technical colleges and community colleges."

Page 3, line 17, before "The" insert "(a)"

Page 3, line 21, delete everything after the period

Page 3, delete lines 22 and 23

Page 3, line 24, delete "(a)" and insert "(b) The council shall" and delete the first "of"

Page 4, line 13, delete "can" and insert "may"

Page 4, line 16, delete "(b) Advise" and insert "(c) The council shall:

(1) advise"

Page 4, line 20, delete the period and insert a semicolon

Page 4, line 21, delete "(c) Advise" and insert "(2) advise"

Page 4, line 22, delete the period and insert a semicolon

Page 4, line 23, delete "(d) Sponsor" and insert "(3) sponsor"

Page 4, line 25, delete the period and insert a semicolon

Page 4, line 26, delete "(e) Recommend" and insert "(4) recommend"

Page 4, line 28, delete the period and insert a semicolon

Page 4, line 29, delete "(f) Examine" and insert "(5) examine"

Page 4, line 31, delete the period and insert a semicolon

Page 4, line 32, delete "(g) Recommend" and insert "(6) recommend"

Page 4, line 36, delete the period and insert a semicolon

Page 5, line 1, delete "(h) Recommend" and insert "(7) recommend"

Page 5, line 3, delete the period and insert "; and"

Page 5, line 4, delete "(i) Sponsor" and insert "(8) sponsor"

Page 5, line 11, delete "department" and insert "commissioner"

Page 5, line 13, delete "includes" and insert "must include"

Page 5, line 16, delete "units" and insert "agencies"

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 632:** A bill for an act relating to crime; making it a felony to flee a peace officer by means of a motor vehicle; amending Minnesota Statutes 1994, section 609.487, subdivision 3.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1994, section 609.5312, is amended by adding a subdivision to read:

Subd. 4. [VEHICLE FORFEITURE FOR FLEEING A PEACE OFFICER.] (a) A motor



vehicle is subject to forfeiture under this subdivision if it was used to commit a violation of section 609.487. A motor vehicle is subject to forfeiture under this subdivision only if the offense is established by proof of a criminal conviction for the offense. Except as otherwise provided in this subdivision, a forfeiture under this subdivision is governed by sections 609.531, 609.5312, 609.5313, and 609.5315, subdivision 6.

(b) When a motor vehicle subject to forfeiture under this subdivision is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The prosecuting authority shall certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.487. After conducting the hearing, the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by paragraph (b);

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(c) If the defendant is acquitted or the charges against the defendant are dismissed, neither the owner nor the defendant is responsible for paying any costs associated with the seizure or storage of the vehicle.

(d) A vehicle leased or rented under section 168.27, subdivision 4, for a period of 180 days or less is not subject to forfeiture under this subdivision."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "providing for forfeiture of motor vehicles for conviction for fleeing a peace officer"

Page 1, line 3, delete everything before the semicolon

Page 1, line 4, delete "609.487," and insert "609.5312, by adding a"

Page 1, line 5, delete "3"

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 831:** A bill for an act relating to crime; expanding the definition of "value" in the theft statute; amending Minnesota Statutes 1994, section 609.52, subdivision 1.

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

Page 2, line 4, delete "theft within"

Page 2, line 5, delete everything before "check"

Page 3, line 17, delete "August 1, 1995," and insert "the day following final enactment"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 440:** A bill for an act relating to insurance; regulating coverages, notice provisions, enforcement provisions, fees, licensees; making technical changes; amending Minnesota Statutes

1994, sections 60A.06, subdivision 3; 60A.085; 60A.111, subdivision 2; 60A.124; 60A.23, subdivision 8; 60A.26; 60A.951, subdivision 2; 60K.03, subdivision 7; 60K.14, subdivision 1; 61A.03, subdivision 1; 61A.071; 61A.092, subdivisions 3 and 6; 61B.28, subdivisions 8 and 9; 62A.042; 62A.135; 62A.136; 62A.141; 62A.146; 62A.148; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.31, subdivisions 1h and 1i; 62A.46, subdivision 2, and by adding a subdivision; 62A.48, subdivisions 1 and 2; 62A.50, subdivision 3; 62C.14, subdivision 14; 62C.142, subdivision 2a; 62D.101, subdivision 2a; 62E.02, subdivision 7; 62F.02, subdivision 2; 62I.09, subdivision 2; 62L.02, subdivision 16; 62L.03, subdivision 5; 65A.01, by adding a subdivision; 65B.06, subdivision 3; 65B.08, subdivision 1; 65B.09, subdivision 1; 65B.10, subdivision 3; 65B.61, subdivision 1; 72A.20, by adding a subdivision; 72B.05; 79.251, subdivision 5, and by adding a subdivision; 79A.01, by adding a subdivision; 79A.02, subdivision 4; 79A.03, by adding a subdivision; 176.181, subdivision 2; 299F.053, subdivision 2; and 515A.3-112; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1994, section 65B.07, subdivision 5.

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

Page 6, delete lines 9 and 10

Page 6, after line 33, insert:

"Sec. 8. Minnesota Statutes 1994, section 60A.951, subdivision 5, is amended to read:

Subd. 5. [INSURER.] "Insurer" means insurance company, risk retention group as defined in section 60E.02, service plan corporation as defined in section 62C.02, health maintenance organization as defined in section 62D.02, integrated service network as defined in section 62N.02, fraternal benefit society regulated under chapter 64B, township mutual company regulated under chapter 67A, joint self-insurance plan or multiple employer trust regulated under chapter 60F, 62H, or section 471.617, subdivision 2, and persons administering a self-insurance plan as defined in section 60A.23, subdivision 8, clause (2), paragraphs (a) and (d), and the workers' compensation reinsurance association established in section 79.34.

Sec. 9. Minnesota Statutes 1994, section 60A.954, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] An insurer shall institute, implement, and maintain an antifraud plan. For the purpose of this section, the term insurer does not include reinsurers, the workers' compensation reinsurance association, self-insurers, and excess insurers. Within 30 days after instituting or modifying an antifraud plan, the insurer shall notify the commissioner in writing. The notice must include the name of the person responsible for administering the plan. An antifraud plan shall establish procedures to:

- (1) prevent insurance fraud, including: internal fraud involving the insurer's officers, employees, or agents; fraud resulting from misrepresentations on applications for insurance; and claims fraud;
- (2) report insurance fraud to appropriate law enforcement authorities; and
- (3) cooperate with the prosecution of insurance fraud cases."

Page 21, line 29, delete "individual" and insert "group"

Page 22, after line 1, insert:

"Sec. 22. Minnesota Statutes 1994, section 62A.14, is amended to read:

62A.14 [HANDICAPPED CHILDREN.]

Subdivision 1. [INDIVIDUAL FAMILY POLICIES.] An individual hospital or medical expense insurance policy delivered or issued for delivery in this state more than 120 days after May 16, 1969, or an individual health maintenance contract delivered or issued for delivery in this state after August 1, 1984, which provides that coverage of a dependent child shall terminate upon attainment of the limiting age for dependent children specified in the policy or contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the

coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation, mental illness or disorder, or physical handicap and (b) chiefly dependent upon the policyholder for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer or health maintenance organization by the policyholder or enrollee within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer or organization but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

Subd. 2. [GROUP POLICIES.] A group hospital or medical expense insurance policy delivered or issued for delivery in this state more than 120 days after May 16, 1969, or a group health maintenance contract delivered or issued for delivery in this state after August 1, 1984, which provides that coverage of a dependent child of an employee or other member of the covered group shall terminate upon attainment of the limiting age for dependent children specified in the policy or contract shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of mental retardation, mental illness or disorder, or physical handicap and (b) chiefly dependent upon the employee or member for support and maintenance, provided proof of such incapacity and dependency is furnished to the insurer or organization by the employee or member within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer or organization but not more frequently than annually after the two-year period following the child's attainment of the limiting age."

Page 22, line 13, after "retardation" insert ", mental illness or disorder,"

Page 31, after line 27, insert:

"Sec. 36. Minnesota Statutes 1994, section 62C.14, subdivision 5, is amended to read:

Subd. 5. [HANDICAPPED DEPENDENTS.] A subscriber's individual contract or any group contract delivered or issued for delivery in this state and providing that coverage of a dependent child of the subscriber or a dependent child of a covered group member shall terminate upon attainment of a specified age shall also provide in substance that attainment of that age shall not terminate coverage while the child is (a) incapable of self-sustaining employment by reason of mental retardation, mental illness or disorder, or physical handicap, and (b) chiefly dependent upon the subscriber or employee for support and maintenance, provided proof of incapacity and dependency is furnished by the subscriber within 31 days of attainment of the age, and subsequently as required by the corporation, but not more frequently than annually after a two year period following attainment of the age."

Page 39, line 10, delete "and the" and insert ", either directly or through its" and after "agent" insert a comma

Page 39, after line 12, insert:

"In the case of group insurance marketed on a direct response basis without the use of direct agent contact, this subdivision is satisfied if the insurer has reasonable grounds to believe that the insurance offered is generally suitable for the group to whom the offer is made."

Page 41, after line 3, insert:

"Sec. 55. Minnesota Statutes 1994, section 79.34, subdivision 2, is amended to read:

Subd. 2. [LOSSES; RETENTION LIMITS.] The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 a low, a high, or a super retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering disablement due to occupational disease is considered to be involved in a separate loss occurrence. ~~The lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in~~

~~accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. On January 1, 1995, the lower retention limit is \$250,000, which shall also be known as the 1995 base retention limit. On each January 1 thereafter, the cumulative annual percentage changes in the statewide average weekly wage after October 1, 1994, as determined in accordance with section 176.011, subdivision 20, shall first be multiplied by the 1995 base retention limit, the result of which shall then be added to the 1995 base retention limit. The resulting figure shall be rounded to the nearest \$10,000, yielding the low retention limit for that year, provided that the low retention limit shall not be reduced in any year. The high retention limit shall be two times the low retention limit and shall be adjusted when the low retention limit is adjusted. The super retention period shall be four times the low retention period and shall be adjusted when the low retention limit is adjusted. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher highest retention limit selected by any of the members in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.~~

A member that chooses the ~~higher~~ high or super retention limit shall retain the liability for all losses below the ~~higher~~ chosen retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c); or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c).

Whenever it appears to the commissioner of labor and industry that any member that chooses the ~~higher~~ high or super retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference

between the reinsurance premium for the ~~higher and lower~~ high or super retention limit, as appropriate, and the low retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the ~~higher~~ high or super retention limit for purposes of membership in the reinsurance association.

Sec. 56. Minnesota Statutes 1994, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur ~~in excess of the higher retention limit but less than the prefunded limit~~, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. Each member shall be charged a premium established by the board as sufficient to cover the reinsurance association's incurred liabilities and expenses between the member's selected retention limit and the prefunded limit. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20 times the lower retention limit established in section 79.34, subdivision 2. Each member shall be charged a proportion of the total premium calculated for its selected retention limit in an amount equal to its proportion of the exposure base of all members during the period to which the reinsurance association premium will apply. The exposure base shall be determined by the board and is subject to the approval of the commissioner of labor and industry. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement. ~~Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies.~~ Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner of labor and industry;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to

adjust or assist in the adjustment of claims which create a potential liability to the association. The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify."

Page 48, delete line 35 and insert:

"Sections 1 to 10, 13 to 15, 17, 19 to 21, 24 to 37, 39 to 42, 44 to 46, 49, 51"

Page 48, line 36, delete "55, and 57" and insert "54, 57 to 61, and 63"

Page 49, line 1, delete "39" and insert "43"

Page 49, line 2, delete "Section 9 is" and insert "Sections 11, 55, and 56 are"

Page 49, after line 2, insert:

"Sections 22, 23, and 36 are effective January 1, 1996, and apply to coverage issued or renewed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivision 2" and insert "subdivisions 2 and 5; 60A.954, subdivision 1"

Page 1, line 10, after "62A.136;" insert "62A.14;"

Page 1, line 15, delete "subdivision 14" and insert "subdivisions 5 and 14"

Page 1, line 24, after the first semicolon, insert "79.34, subdivision 2; 79.35;"

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. 127:** A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water or natural wetlands in Hennepin county.

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

Page 1, line 11, delete "subdivision 1,"

Page 1, line 12, delete "sell" and insert "convey"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 155:** A bill for an act relating to wild animals; authorizing turkey farmers to trap great horned owls; amending Minnesota Statutes 1994, section 97B.705.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 97B.705, is amended to read:

**97B.705 [RESTRICTIONS ON TRAPPING BIRDS.]**

(a) Except as provided in this section, a person may not take a bird with a steel jaw leg-hold trap mounted on a pole, post, tree stump, or other perch more than three feet above the ground.

(b) A person that has ~~a game farm license and~~ a permit to take great horned owls issued under United States Code, title 16, section 704, may trap great horned owls from April 1 to October 15 if the person has a game farm license or is the owner or operator of a poultry farm. The trap must be a padded jaw trap as prescribed by the commissioner and mounted at a height so that the trapped owl may rest on the ground. The trap must be tended at least twice daily. Uninjured birds shall be released alive and injured birds shall receive appropriate veterinary treatment."

Amend the title as follows:

Page 1, line 2, delete "turkey" and insert "poultry"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 538:** A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Delete everything after the enacting clause and insert:

"Section 1. [15.442] [REFUNDS OF LICENSE FEES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "agency" has the meaning given it in section 16B.01, subdivision 2;

(2) "applicant" means an individual; a small business as defined by section 645.445; or a family farm, family farm corporation, or family farm partnership as defined by section 500.24, subdivision 2;

(3) "license" means a license, permit, variance, order, or other document or agency action required to permit an applicant to engage in certain conduct, perform an action, or refrain from performing an action;

(4) "fee" means an amount of money paid for a license as defined in clause (3) that covers the cost of processing, investigating, and issuing the license, including a fee paid to a political subdivision or an agent of the state or a political subdivision, but does not include:

(i) any charge the collection of which is administered by the commissioner of revenue, other than a fee for a license the commissioner issues;

(ii) reemployment insurance tax required by chapter 268; or

(iii) motor vehicle registration tax required by chapter 168.

Subd. 2. [REFUNDS REQUIRED.] An agency, upon request of an applicant, shall refund the fee paid by the applicant for a license if the agency has not taken final action on the application and conveyed the license, or other action on the application, to the applicant within six weeks of receiving the application in complete, correct form together with any required information or documentation. An agency has conveyed a license or other action when, as shown by agency records, it has taken the normal steps used by the agency to deliver a license or notification of other action to an applicant. Delivery by mail is accomplished when a license or other notification is deposited with the postal service. A request for a refund may be made in person, by telephone or

facsimile, by other electronic means, or by mail. This section does not apply to licenses issued by health regulatory agencies under chapter 214, or to licenses the issuance of which requires:

- (1) one or more public hearings;
- (2) verification of an applicant's background, credentials, or financial condition;
- (3) an environmental impact statement or environmental assessment worksheet; or
- (4) a drawing to determine successful applicants for a limited number of licenses.

Subd. 3. [RULES PROHIBITED.] An agency may not adopt rules limiting, adding conditions to, or otherwise governing the issuance of refunds under this section.

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

Section 1 is effective July 1, 1995, and applies to applications filed after June 30, 1995."

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. 301:** A bill for an act relating to self-sufficiency; streamlining and simplifying county administrative procedures to fund the empowerment zone initiative; creating employment opportunities and improving the community through empowerment zones.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 270.11, subdivision 2, is amended to read:

**Subd. 2. [COUNTY ASSESSOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.]** Each county assessor shall file by April 1 with the commissioner of revenue a copy of the abstract that will be acted upon by the local and county boards of review. The abstract must list the real and personal property in the county itemized by assessment districts. The assessor of each county in the state shall file with the commissioner, within ten working days following final action of the local board of review or equalization and within five days following final action of the county board of equalization, any changes made by the local or county board. The information must be filed in the manner prescribed by the commissioner. It must be accompanied by a printed or typewritten copy of the proceedings of the appropriate board.

The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before September 1 of each calendar year. The final abstract must separately report the captured tax capacity of tax increment financing districts under section 469.177, subdivision 2, and empowerment zones under section 469.314, subdivision 2, the metropolitan revenue contribution value under section 473F.07, and the value subject to the power line credit under section 273.42.

Sec. 2. Minnesota Statutes 1994, section 272.71, is amended to read:

**272.71 [TIF AND EMPOWERMENT ZONE PROPERTIES; NOTICE OF POTENTIAL VALUATION REDUCTIONS.]**

(a) The following officials shall notify the municipality of potential reductions in the market value of taxable parcels located in a tax increment financing district or an empowerment zone:

- (1) for applications to reduce market value or abate taxes or for applications to a local or county board of review, the assessor;
- (2) for applications to reduce market value or abate taxes by the state board of equalization, the commissioner of revenue;



(3) for petitions to reduce market value or object to taxes under chapter 278, the county attorney.

The official shall provide the notice to the municipality in writing within 60 days after the petition or application for a reduction is made.

(b) This section applies only to reductions in valuation or taxes that are granted after certification of final values for purposes of certifying local tax rates.

(c) For purposes of this section, "municipality" means the municipality for the tax increment financing district, as defined under section 469.174, subdivision 6, or the county for the empowerment zone established under section 469.312.

Sec. 3. Minnesota Statutes 1994, 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) 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 as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code of 1986, as amended through December 31, 1991. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership;

(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;

(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 or empowerment zone tax receipts used for the acquisition or rehabilitation of the building or interest rate write-downs 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 (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.

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. 4. Minnesota Statutes 1994, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, ~~except that for aid 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 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent and the class rate applicable to class 2a property over \$115,000 market value and less than 320 acres is 1.15 percent,~~ and (ii) estimated market values for the assessment two years prior to that in which aid is payable. ~~The exclusion of the value of the house, garage, and one acre from the first tier of agricultural homestead property must not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1994.~~ "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and of the captured net tax capacity of empowerment zones as defined in section 469.314, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1), (2), and (3), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(d) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and of empowerment zones as defined in section 469.314, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) capital expenditure facilities revenue under section 124.243, subdivision 3;
- (4) capital expenditure equipment revenue under section 124.244, subdivision 2;
- (5) basic transportation under section 124.226, subdivision 1; and

(f) referendum revenue under section 124A.03.

(g) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(i) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(j) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(k) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(l) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(m) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(n) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal

disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies.

Sec. 5. Minnesota Statutes 1994, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and~~

~~(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.~~

~~For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).~~

Sec. 6. Minnesota Statutes 1994, section 428A.03, subdivision 1, is amended to read:

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section 469.177 or 469.314 or to the distribution or contribution value under section 473F.08. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, a service charge may be imposed only in the amount needed to pay for the increased level of service. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, a hearing must be held under section 428A.02 and notice must be given and must be mailed to any individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and upon completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year in which the service charge is to be collected; and

(4) a statement that the petition requirements of section 428A.08 have either been met or do not apply to the proposed service charge.

Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Sec. 7. Minnesota Statutes 1994, section 428A.05, is amended to read:

428A.05 [COLLECTION OF SERVICE CHARGES.]

Service charges may be imposed on the basis of the net tax capacity of the property on which the service charge is imposed but must be spread only upon the net tax capacity of the taxable property located in the geographic area described in the ordinance. Service charges based on net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed must be collected as provided by ordinance. Service charges based on net tax capacity collected under sections 428A.01 to 428A.10 are not included in computations under section 469.177, 469.314, chapter 473F, or any other law that applies to general ad valorem levies.

Sec. 8. [469.311] [DEFINITIONS.]

Subdivision 1. [CAPTURED NET TAX CAPACITY.] "Captured net tax capacity" means 75 percent of the amount by which the current net tax capacity of an empowerment zone exceeds the original net tax capacity, including the value of property normally taxable as personal property by reason of its location on or over property owned by a tax-exempt entity.

Subd. 2. [ORIGINAL NET TAX CAPACITY.] "Original net tax capacity" means the tax capacity of all taxable real property within an empowerment zone as certified by the commissioner of revenue for the previous assessment year, provided that the request by a county for certification of a new empowerment zone has been made to the county auditor by June 30. The original tax capacity of zones for which requests are filed after June 30 has an original tax capacity based on the current assessment year. In any case, the original tax capacity must be determined together with subsequent adjustments as set forth in section 469.314, subdivisions 1 and 4. In determining the original net tax capacity, the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting county and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.

Subd. 3. [PARCEL.] "Parcel" means a tract or plat of land established prior to the certification of the zone as a single unit for purposes of assessment.

Sec. 9. [469.312] [ESTABLISHING; MODIFYING EMPOWERMENT ZONE; ANNUAL ACCOUNTS.]

Subdivision 1. [EMPOWERMENT ZONE PLAN.] To establish an empowerment zone under sections 469.311 to 469.314, a county shall develop an empowerment zone plan which shall contain:

(1) a statement of the objectives and a description of the projects proposed by the county for the empowerment zone to accomplish the zone's purposes as stated in section 10, subdivision 2;

(2) a statement as to the program for the zone including a plan designed to secure development of private commercial or industrial enterprises within the zone. In addition, the public infrastructure improvements to be undertaken in the empowerment zone must be public infrastructure improvements that will maximize the development of private commercial or industrial enterprises within the empowerment zone;

(3) estimates of the following:

(i) cost of the program, including administration expenses;

(ii) sources of revenue to finance or otherwise pay public costs;

(iii) the most recent net tax capacity of taxable real property within the empowerment zone; and

(iv) the estimated captured net tax capacity of the empowerment zone at completion;

(4) statements of the county's alternate estimates of the impact of the empowerment zone on the net tax capacities of all taxing jurisdictions in which the empowerment zone is located in whole or in part. For purposes of one statement, the county shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the zone, and for purposes of the second statement, the county shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the zone; and

(5) identification of all parcels to be included in the zone, including verification that the total market value of all the parcels as most recently determined by the assessor at the time of the request for certification is no greater than the market value of those parcels as determined by the assessor as of the date four years prior to the request.

Subd. 2. [CITY, SCHOOL BOARD, AND PARK BOARD APPROVAL.] The city council of each city in which any portion of the proposed zone is located, the school board of each school district in which any portion of the proposed zone is located, and the board of the park district in which any portion of the proposed zone is located, if any, must approve the creation of an empowerment zone. The county shall present to the city council and the boards its estimate of the fiscal and economic implications of the proposed empowerment zone.

Subd. 3. [COUNTY APPROVAL; HEARING.] The county shall approve the empowerment zone plan only after a public hearing thereon after published notice in a newspaper of general circulation in the county at least once not less than ten days nor more than 30 days prior to the date of the hearing. The published notice must include a map of the area of the zone from which increments may be collected. Before or at the time of approval of the empowerment zone plan, the county shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the public benefits proposed to accrue through the plan, in the opinion of the county, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the creation of the empowerment zone is deemed necessary;

(2) that the empowerment zone plan will afford maximum opportunity, consistent with the sound needs of the county as a whole, for the development or redevelopment of the empowerment zone by private enterprise; and

(3) that the county elects the method of tax increment computation set forth in section 469.314, subdivision 3, paragraph (b), if applicable.

Subd. 4. [EFFECT OF APPROVAL.] Upon adoption of the empowerment zone plan, the authority shall file a copy of the plan with the commissioner of revenue.

Once approved, the determination of the county to create the empowerment zone and the resolution of the county board of commissioners shall be conclusive of the findings therein and of the public need for creation of the empowerment zone.

Sec. 10. [469.313] [LIMITATIONS.]

Subdivision 1. [DURATION LIMITS; TERMS.] No empowerment zone taxes shall be paid to the county after five years from date of receipt by the county of the first empowerment zone tax receipts.

Subd. 2. [LIMITATION ON USE OF EMPOWERMENT ZONE TAX RECEIPTS; GENERAL RULE.] All revenues derived from the empowerment zone tax shall be used in accordance with the empowerment zone plan. The revenues shall be used solely to pay the costs of capital improvements relating to public infrastructure, natural systems, and housing. The expenditures for these purposes must be planned in a manner that is most likely to accomplish the following goals:

- (1) to reduce crime;
- (2) to implement strategies for job skill enhancement; or
- (3) to improve the local tax base.

Sec. 11. [469.314] [COMPUTATION OF EMPOWERMENT ZONE TAX.]

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of an empowerment zone plan, the auditor of the county in which the zone is situated shall, upon request of the county, certify the original net tax capacity of the empowerment zone as described in the empowerment zone plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the zone or changes pursuant to subdivision 4.

(b) If the classification under section 273.13 of property located in a zone changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(c) The amount to be added to the original net tax capacity of the zone as a result of previously tax exempt real property within the zone becoming taxable equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If substantial taxable improvements were made to a parcel after certification of the zone and if the property later becomes tax exempt, in whole or part, as a result of the county acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement or as a result of tax forfeiture, the amount to be added to the original net tax capacity of the zone as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified.

(d) If the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(e) The amount to be subtracted from the original net tax capacity of the zone as a result of previously taxable real property within the zone becoming tax exempt shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt. If the net tax capacity of property located within the empowerment zone is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor, or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the zone when the property upon which the abatement is made has not been improved since the date of certification of the zone and to the captured net tax capacity of the zone in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the county.

Subd. 2. [CAPTURED NET TAX CAPACITY.] The county auditor shall certify the amount of the captured net tax capacity to the county each year, together with the proportion that the captured net tax capacity bears to the total net tax capacity of the real property within the tax increment financing zone for that year.



Subd. 3. [EMPOWERMENT ZONE TAX; RELATIONSHIP TO CHAPTER 473F.] (a) Unless the county board of commissioner elects, pursuant to paragraph (b) the following method of computation shall apply:

(1) the original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, 75 percent of the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount is the captured net tax capacity of the county; and

(2) the county auditor shall exclude the captured net tax capacity of the county from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the captured net tax capacity of the county as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the local taxing district tax rates to the captured net tax capacity of the county is the empowerment zone tax of the county.

(b) The county may, by resolution approving the empowerment zone financing plan pursuant to section 469.312, subdivision 3, elect the following method of computation:

(1) the original net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no empowerment zone tax determination. Where the original net tax capacity is less than the current net tax capacity, 75 percent of the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount is the captured net tax capacity of the county;

(2) the county auditor shall exclude the captured net tax capacity of the county from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the captured net tax capacity of the county as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the local taxing zone tax rates to the captured net tax capacity of the county is the empowerment zone tax of the county; and

(3) an election by the county pursuant to paragraph (b) shall be submitted to the county auditor by the county at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of empowerment zone tax applied to a zone pursuant to paragraph (a) or (b) shall remain the same for the duration of the zone, except that the county board of commissioners may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The county shall, after diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1 with a listing of all properties within the empowerment zone for which building permits have been issued during the 18 months immediately preceding approval of the empowerment plan by the county pursuant to section 469.312, subdivision 3. The county auditor shall increase the original net tax capacity of the zone by the net tax capacity of each improvement for which a building permit was issued.

Subd. 5. [EMPOWERMENT ZONE TAX RECEIPTS ACCOUNT.] The empowerment zone tax receipts received with respect to any zone shall be segregated by the county in a special account or accounts on its official books and records or as otherwise established by resolution of the county to be held by a trustee or trustees for the benefit of holders of the bonds.

Subd. 6. [REQUEST FOR CERTIFICATION OF NEW EMPOWERMENT ZONE.] A request for certification of a new empowerment zone pursuant to subdivision 1 received by the county

auditor on or before July 1 shall be recognized by the county auditor in determining local tax rates for the current and subsequent levy years. Requests received by the county auditor after July 1 shall not be recognized by the county auditor in determining local tax rates for the current levy year but shall be recognized by the county auditor in determining local tax rates for subsequent levy years.

Subd. 7. [PROPERTY CLASSIFICATION CHANGES.] When any law governing the classification of real property and determining the percentage of market value to be assessed for ad valorem taxation purposes is amended, the increase or decrease in net tax capacity resulting therefrom shall be applied proportionately to original net tax capacity and captured net tax capacity of any empowerment zone in each year thereafter.

Sec. 12. Minnesota Statutes 1994, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision.

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right of way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area;~~

~~(c) for taxes payable in 1990, an amount not to exceed \$2,700,000; and~~

~~(d) for taxes payable in 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable in 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for taxes payable in 1988.~~

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund ~~for the taxes payable year 1988 and subsequent years under this subdivision~~, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.

Sec. 13. Minnesota Statutes 1994, section 473.249, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council may levy a tax on all taxable property in the

metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

The property tax levied by the metropolitan council for general purposes shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of 8/30 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; and~~

~~(c) for taxes payable in 1990 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) the lesser of~~

~~(i) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for the previous taxes payable year;~~

~~(ii) an index equal to the implicit price deflator for state and local government purchases of goods and services for the most recent month for which data are available divided by the implicit price deflator for state and local government purchases of goods and services for the same month of the previous year; or~~

~~(iii) 103 percent.~~

For the purpose of determining the metropolitan council's property tax levy limitation for general purposes ~~for the taxes payable year 1988 and subsequent years~~ under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

Sec. 14. Minnesota Statutes 1994, 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 council 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 council under section 473.436, subdivision 6;

(b) an additional amount, if any, the council 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 has specifically pledged tax levies under this clause.

The property tax levied by the council for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1995, the council's property tax levy limitation for general transit purposes is equal to the former regional transit board's property tax levy limitation for general transit purposes under this subdivision, for taxes payable in 1994, multiplied by 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; and

(2) for taxes payable in 1996 and subsequent years, the product of (i) the council's property tax levy limitation for general transit 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 taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year. For the taxes payable year 1995, the index for market valuation changes shall be multiplied by an amount equal to the sum of the regional transit board's property tax levy limitation for the taxes payable year 1994 and \$160,665. The \$160,665 increase shall be a permanent adjustment to the levy limit base used in determining the regional transit board's property tax levy limitation for general purposes for subsequent taxes payable years.

For the purpose of determining the council's property tax levy limitation for general transit purposes 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), empowerment zones (sections 469.311 to 469.314), 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 0.510 percent of 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 0.765 percent of 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 council 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. 15. Minnesota Statutes 1994, section 473.711, subdivision 2, is amended to read:

Subd. 2. [BUDGET; TAX LEVY.] 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.

The property tax levied by the metropolitan mosquito control commission shall not exceed 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 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), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

Sec. 16. Minnesota Statutes 1994, section 473F.08, subdivision 4, is amended to read:

Subd. 4. [TAX RATE; NONCOMMERCIAL PROPERTY.] In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the net tax capacity of the governmental unit, taking ~~section~~ sections 469.177, subdivision 3, and 469.314, subdivision 3, into account, less that portion subtracted from net tax capacity pursuant to subdivision 2, clause (a). The resulting tax rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

Sec. 17. Minnesota Statutes 1994, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY NET TAX CAPACITY.] "City net tax capacity" means (1) the net tax capacity computed using the net tax capacity rates in section 273.13, and the market values for taxes payable in the year prior to the aid distribution plus (2) a city's fiscal disparities distribution tax capacity under section 473F.08, subdivision 2, paragraph (b), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing city net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and the captured net tax capacity of empowerment zones as defined in section 469.314, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The city net tax capacity will be computed using equalized market values.

Sec. 18. [EMPOWERMENT ZONES; ADMINISTRATIVE SIMPLIFICATION OF WELFARE LAWS.]

(a) The commissioner of human services shall make recommendations to effectuate the changes in federal laws and regulations, state laws and rules, and the state plan to improve the administrative efficiency of the aid to families with dependent children, general assistance, work readiness, family general assistance, medical assistance, general assistance medical care, and food stamp programs. At a minimum, the following administrative standards and procedures must be changed.

The commissioner shall:

(1) require income or eligibility reviews no more frequently than annually for cases in which income is normally invariant, as in aid to families with dependent children cases where the only source of household income is Supplemental Social Security Income or Retirement and Survivors Disability Insurance;

(2) permit households to report income annually when the source of income is excluded, such as a minor's earnings;

(3) require income or eligibility reviews no more frequently than annually for extended medical assistance cases;

(4) require income or eligibility reviews no more frequently than annually for a medical assistance postpartum client, where the client previously had eligibility under a different basis prior to pregnancy or if other household members have eligibility with the same income/basis that applies to the client;

(5) permit all income or eligibility reviews to use the short application form for foster care medical assistance cases;

(6) make dependent care expenses declaratory for medical assistance; and

(7) permit households to only report gifts worth \$100 or more per month.

(b) The county's administrative savings resulting from these changes may be allocated to fund the empowerment zones initiative or be used for any other lawful purpose.

(c) The recommendations must be provided in a report to the chairs of the appropriate legislative committees by August 1, 1995. The recommendations must include a list of the administrative standards and procedures that require approval by the federal government before implementation, and also which administrative simplification standards and procedures may be implemented by a county prior to receiving a federal waiver.

(d) The commissioner shall seek the necessary waivers from the federal government as soon as possible to implement the administrative simplification standards and procedures.

#### Sec. 19. [EMPOWERMENT ZONES.]

The commissioner of human services, and certain county agencies shall develop, by December 1, 1995, a plan to improve the employment opportunities available to economic assistance recipients. The employment activities shall be focused on improving public infrastructure, enhancing the local tax base, improving the quality of available housing, reducing crime, designing strategies for job skill enhancement, strengthening communities, and maintaining and improving natural systems. The county is authorized to retain 75 percent of the increased valuation of the property included in the empowerment zone for five years. This money must be placed into a pool and used for funding of empowerment zones. The plan shall include input and support from city council, county board, park board, and school board. The plan shall coordinate existing funding streams and target them to mutually agreed upon projects. Organized labor shall be consulted in the development of the plan and implementation of any work activities. Participating jurisdictions shall report back to the legislature by August 1, 1995, with a plan for the projects to be located in pockets of poverty, as identified by the city council, county board, park board, and school board.

#### Sec. 20. [EMPOWERMENT ZONE APPROPRIATION.]

\$..... is appropriated for fiscal year ending June 30, 1996, from the general fund to the commissioner of human services for the county agencies to develop and implement the public works program. Future state funding for these projects shall be kept revenue neutral by accessing nontraditional funding streams within the existing state budget."

Amend the title as follows:

Page 1, line 6, before the period, insert "providing for the creation and operation of empowerment zones; appropriating money; amending Minnesota Statutes 1994, sections 270.11, subdivision 2; 272.71; 273.124, subdivision 6; 273.1398, subdivision 1; 275.011, subdivision 1; 428A.03, subdivision 1; 428A.05; 473.167, subdivision 3; 473.249, subdivision 1; 473.446, subdivision 1; 473.711, subdivision 2; 473F.08, subdivision 4; and 477A.011, subdivision 20; proposing coding for new law in Minnesota Statutes, chapter 469"

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 Governmental Operations and Veterans, to which was referred**

**S.F. No. 564:** A bill for an act relating to state government; establishing the Minnesota quality college program in the department of employee relations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

Page 3, after line 14, insert:

"Sec. 3. [REPEALER.]

Section 1 is repealed July 1, 1999."

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 Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 204:** A bill for an act relating to state government; requiring reporting on and certain analysis of federal mandates imposed on state agencies; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Page 1, line 7, delete "[16A.116]"

Page 1, line 8, delete everything after the first period

Page 1, delete lines 9 to 22

Page 1, line 23, delete the paragraph coding and delete "Subd. 2."

Page 2, line 3, after "finance" insert ", in conjunction with the director of the office of strategic and long-range planning,"

Page 2, line 4, delete everything after "legislature"

Page 2, line 5, delete everything before the period and insert "by January 15, 1996"

Page 2, line 6, delete "3" and insert "2"

Page 2, lines 17 and 18, delete ", or is otherwise in the best interests of the state"

Page 2, lines 20 and 21, delete "or is in the best interests of the state"

Page 2, line 23, delete everything after "policy"

Page 2, line 34, delete "budget document" and insert "agency"

Page 2, lines 35 and 36, delete "that is in the best interests of the state" and insert "necessary to implement the mandate"

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

Amend the title as follows:

Page 1, line 4, delete everything after "agencies"

Page 1, line 5, delete everything before the period

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 613:** A bill for an act relating to insurance; health; requiring coverage for hospitalization and anesthesia coverage for dental procedures; requiring coverage for general anesthesia and treatment for covered medical conditions rendered by a dentist; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 1, line 12, after "62A.011" insert ", except a vision and dental plan,"

Page 1, line 16, delete "covered person who, because of a" and insert "child or severely disabled person who"

Page 1, line 17, delete everything before "requires"

Page 1, line 25, delete "covered" and after "condition" insert "covered under the health plan's policy or subscriber contract"

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. 125** 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.
125	197				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 125 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 125 and insert the language after the enacting clause of S.F. No. 197, the first engrossment; further, delete the title of H.F. No. 125 and insert the title of S.F. No. 197, the first engrossment.

And when so amended H.F. No. 125 will be identical to S.F. No. 197, and further recommends that H.F. No. 125 be given its second reading and substituted for S.F. No. 197, 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. 362** 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.
362	266				

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. 749** 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.
749	350				

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. 305** 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.
305	265				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 305 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 305 and insert the language after the enacting clause of S.F. No. 265; further, delete the title of H.F. No. 305 and insert the title of S.F. No. 265.

And when so amended H.F. No. 305 will be identical to S.F. No. 265, and further recommends that H.F. No. 305 be given its second reading and substituted for S.F. No. 265, and that the Senate File be indefinitely postponed.

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred the following appointment as reported in the Journal for February 16, 1995:**

DEPARTMENT OF COMMERCE  
COMMISSIONER

James E. Ulland

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

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

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

**Senate Concurrent Resolution No. 6:** A Senate concurrent resolution relating to adoption of revenue targets under Minnesota Statutes 1994, section 16A.102, subdivision 2.

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

Page 1, line 16, delete "services" and insert "revenues"

Page 1, line 17, delete "services" and insert "revenues"

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

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 6 be laid on the table. The motion prevailed.

### SECOND READING OF SENATE BILLS

S.F. Nos. 447, 626, 591, 306, 632, 831, 440, 127, 155, 204 and 613 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. Nos. 554, 125, 362, 749 and 305 were read the second time.

### MOTIONS AND RESOLUTIONS

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

Mr. Solon moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 76. The motion prevailed.

Mr. Laidig moved that his name be stricken as a co-author to S.F. No. 409. The motion prevailed.

Mr. Price moved that the name of Mr. Sams be added as a co-author to S.F. No. 423. The motion prevailed.

Mr. Frederickson moved that the names of Ms. Wiener and Mr. Riveness be added as co-authors to S.F. No. 564. The motion prevailed.

Mr. Stumpf moved that his name be stricken as a co-author to S.F. No. 694. The motion prevailed.

Mr. Terwilliger moved that his name be stricken as a co-author to S.F. No. 754. The motion prevailed.

Ms. Berglin moved that the names of Ms. Flynn, Robertson, Messrs. Cohen and Ourada be added as co-authors to S.F. No. 760. The motion prevailed.

Ms. Berglin moved that the names of Ms. Johnson, J.B.; Pappas and Anderson be added as co-authors to S.F. No. 761. The motion prevailed.

Mr. Berg moved that the name of Mr. Merriam be added as a co-author to S.F. No. 913. The motion prevailed.

Ms. Wiener moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 918. The motion prevailed.

Mr. Frederickson moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 919. The motion prevailed.

### Ms. Reichgott Junge introduced--

**Senate Resolution No. 33:** A Senate resolution congratulating Trevilla of Robbinsdale on celebrating 25 years of service.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 6 be taken from the table. The motion prevailed.

**Senate Concurrent Resolution No. 6:** A Senate concurrent resolution relating to adoption of revenue targets under Minnesota Statutes 1994, section 16A.102, subdivision 2.

Mr. Merriam moved to amend Senate Concurrent Resolution No. 6 as follows:

Page 1, line 19, delete "of" and insert "and"

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend Senate Concurrent Resolution No. 6 as follows:

Page 1, line 16, delete "57" and insert "59" and delete "56" and insert "60"

Page 1, line 17, delete "43" and insert "41" and delete "44" and insert "40"

Page 1, line 18, delete "no change" and insert "reduce property taxes" in both places

Page 1, line 20, delete "make no"

Page 1, line 21, delete "in" and after "taxes" insert "so that it becomes more progressive by reducing reliance on property taxes for homeowners and renters"

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

Mr. Merriam moved that Senate Concurrent Resolution No. 6 be adopted. The motion prevailed. So the resolution was adopted.

Ms. Anderson moved that S.F. No. 613, on General Orders, be stricken and re-referred to the Committee on Health Care. The motion prevailed.

Ms. Johnston moved that S.F. No. 358 be withdrawn from the Committee on Transportation and Public Transit and returned to its author. The motion prevailed.

Mr. Solon moved that S.F. No. 139, No. 36 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Solon moved that S.F. No. 891 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

## CALENDAR

**S.F. No. 194:** A bill for an act relating to highways; designating bridge as Bridge of Hope; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Chandler	Hottinger	Kiscaden	Larson
Beckman	Chmielewski	Janezich	Kleis	Lesewski
Belanger	Cohen	Johnson, D.E.	Knutson	Lessard
Berg	Day	Johnson, D.J.	Kramer	Limmer
Berglin	Dille	Johnson, J.B.	Krentz	Marty
Bertram	Finn	Johnston	Kroening	Merriam
Betzold	Frederickson	Kelly	Laidig	Metzen

Moe, R.D.	Olson	Ranum	Samuelson	Terwilliger
Mondale	Ourada	Reichgott Junge	Scheevel	Vickerman
Morse	Pariseau	Riveness	Solon	Wiener
Neuville	Piper	Robertson	Spear	
Novak	Pogemiller	Runbeck	Stevens	
Oliver	Price	Sams	Stumpf	

So the bill passed and its title was agreed to.

**H.F. No. 231:** A bill for an act relating to occupations and professions; board of medical practice; changing licensing requirements for foreign applicants; changing certain disciplinary procedures; amending Minnesota Statutes 1994, sections 147.037, subdivision 1; 147.091, subdivisions 1, 2, and 6; 147.121, subdivision 2; 148.70; and 148.72, subdivision 1; 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:

Anderson	Frederickson	Kroening	Novak	Runbeck
Belanger	Hottinger	Laidig	Oliver	Sams
Berg	Janezich	Larson	Olson	Samuelson
Berglin	Johnson, D.E.	Lesewski	Ourada	Scheevel
Bertram	Johnson, D.J.	Lessard	Pappas	Solon
Betzold	Johnson, J.B.	Limmer	Pariseau	Spear
Chandler	Johnston	Marty	Piper	Stevens
Chmielewski	Kelly	Merriam	Pogemiller	Stumpf
Cohen	Kiscaden	Metzen	Price	Terwilliger
Day	Kleis	Moe, R.D.	Ranum	Vickerman
Dille	Knutson	Mondale	Reichgott Junge	Wiener
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Neuville	Robertson	

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. Pappas introduced--

**S.F. No. 924:** A bill for an act relating to education; allowing the teachers of color program appropriation to carry over; amending Laws 1993, chapter 224, article 8, section 22, subdivision 12, as amended.

Referred to the Committee on Education.

### Ms. Pappas introduced--

**S.F. No. 925:** A bill for an act relating to education; eliminating the skills test for teachers; amending Minnesota Statutes 1994, sections 125.05, subdivision 1a; and 125.188, subdivision 1.

Referred to the Committee on Education.

### Ms. Piper, Messrs. Riveness, Chmielewski, Ms. Flynn and Mr. Spear introduced--

**S.F. No. 926:** A bill for an act relating to housing; appropriating money for a nonprofit community organization to provide low-cost housing to low-income families and individuals.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Piper, Messrs. Riveness, Chmielewski, Ms. Flynn and Mr. Spear introduced--**

**S.F. No. 927:** A bill for an act relating to economic development; appropriating money for a nonprofit community organization to provide business opportunities in poor areas of a city of the first class.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Chmielewski and Ms. Johnson, J.B. introduced--**

**S.F. No. 928:** A bill for an act relating to health care; establishing a pilot project in Pine county; allowing certain rural health clinics in Pine county to provide covered services under a health plan subject to the same terms and conditions as other clinics.

Referred to the Committee on Health Care.

**Messrs. Novak, Metzen, Kroening, Morse and Merriam introduced--**

**S.F. No. 929:** A bill for an act relating to utilities; regulating intervenor compensation in certain proceedings related to electric and gas service utilities; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1994, section 216B.16, subdivision 10.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Moe, R.D. introduced--**

**S.F. No. 930:** A bill for an act relating to watershed districts; clarifying procedures that must be used when taking property for watershed district projects; amending Minnesota Statutes 1994, sections 103D.335, subdivision 11; 103D.715, subdivision 4; 103D.721, subdivision 3; and 117.011.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse; Johnson, D.E.; Ms. Johnson, J.B.; Messrs. Novak and Frederickson introduced--**

**S.F. No. 931:** A bill for an act relating to economic security; providing for extended employment program audits; requiring certain payments; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Ranum, Piper, Mr. Janezich, Ms. Anderson and Mr. Knutson introduced--**

**S.F. No. 932:** A bill for an act relating to the legislature; amending the responsibilities of the legislative commission on children, youth, and their families; extending the commission; appropriating money; amending Minnesota Statutes 1994, section 3.873, subdivisions 1, 2, 5, 6, 7, 8, and 9.

Referred to the Committee on Family Services.

**Ms. Reichgott Junge introduced--**

**S.F. No. 933:** A bill for an act relating to elections; requiring candidates for elective office to be residents of the district from which elected at the time they file for office; proposing an amendment to the Minnesota Constitution, article VII, section 6; amending Minnesota Statutes 1994, section 204B.06, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Pappas introduced--**

**S.F. No. 934:** A bill for an act relating to human services; downsizing a residential program in Ramsey county for persons with mental illness; appropriating money.

Referred to the Committee on Health Care.

**Messrs. Kelly, Metzen and Novak introduced--**

**S.F. No. 935:** A bill for an act appropriating money to the job skills partnership board for certain employment programs in St. Paul.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Solon, Metzen, Ms. Wiener and Mr. Belanger introduced--**

**S.F. No. 936:** A bill for an act relating to alcoholic beverages; providing that restrictions on a manufacturer or brewer holding an interest in a retail license do not apply to brewers whose only manufacture is in brewery-restaurants; amending Minnesota Statutes 1994, section 340A.301, subdivision 7.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Novak, Chandler, Metzen and Kelly introduced--**

**S.F. No. 937:** A bill for an act relating to workers' compensation; making changes of a technical and housekeeping nature; modifying provisions relating to compensation and procedures; modifying provisions relating to the special compensation fund; providing penalties; amending Minnesota Statutes 1994, sections 13.69, subdivision 1; 79.074, subdivision 2; 176.011, subdivision 16; 176.081, subdivision 1; 176.101, subdivisions 3a and 3i; 176.102, subdivision 11; 176.103, subdivisions 2 and 3; 176.104, subdivision 1; 176.106, subdivision 7; 176.129, subdivision 9; 176.1351, subdivisions 1 and 5; 176.136, subdivisions 1a, 1b, and 2; 176.138; 176.178; 176.181, subdivision 8; 176.183, subdivisions 1 and 2; 176.185, subdivision 1; 176.191, subdivision 1; 176.215, by adding a subdivision; 176.238, subdivision 6; 176.261; 176.2615, subdivision 7; 176.275, subdivision 1; 176.281; 176.285; 176.291; 176.305, subdivision 1a; 176.645; and 176.83, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1994, sections 176.103, subdivision 2a; and 176.191, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Metzen, Murphy, Stevens, Mses. Runbeck and Wiener introduced--**

**S.F. No. 938:** A bill for an act relating to state government finance; appropriating money for a women in military service memorial.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Belanger, Ms. Johnston, Mrs. Pariseau, Ms. Hanson and Mr. Berg introduced--**

**S.F. No. 939:** A bill for an act relating to the environment; requiring a disclaimer on certain advertisements and promotional materials relating to the motor vehicle inspection program; amending Minnesota Statutes 1994, section 116.62, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Belanger, Dille, Ms. Runbeck and Mr. Sams introduced--**

**S.F. No. 940:** A bill for an act relating to taxation; sales and use; providing that certain sales of

grass seed, fertilizers, and lawn chemicals are considered purchases for resale; amending Minnesota Statutes 1994, section 297A.01, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Frederickson; Janezich; Johnson, D.J.; Johnson, D.E. and Lessard introduced--**

**S.F. No. 941:** A bill for an act relating to natural resources; confidentiality of mineral resources data; amending Minnesota Statutes 1994, section 13.793.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Riveness, Metzen and Novak introduced--**

**S.F. No. 942:** A bill for an act relating to crime prevention; expanding certain crimes to include conduct taking place within hospital zones; defining hospital zones; amending Minnesota Statutes 1994, sections 152.01, by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; and 609.66, subdivision 1d.

Referred to the Committee on Crime Prevention.

**Messrs. Sams and Riveness introduced--**

**S.F. No. 943:** A bill for an act relating to retirement; waiving annuity reduction provisions for certain retired members of the teachers retirement association.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Pogemiller introduced--**

**S.F. No. 944:** A bill for an act relating to education; clarifying certain provisions; amending Minnesota Statutes 1994, sections 124.226, subdivision 9; and 124.2726, subdivision 1; Laws 1993, chapter 224, article 8, section 21, subdivision 1.

Referred to the Committee on Education.

**Mses. Robertson, Olson, Pappas and Mr. Larson introduced--**

**S.F. No. 945:** A bill for an act relating to education; providing funding for advanced placement and international baccalaureate programs; appropriating money.

Referred to the Committee on Education.

**Mses. Anderson, Ranum, Messrs. Kelly and Belanger introduced--**

**S.F. No. 946:** A bill for an act relating to crime prevention; directing a study; appropriating money.

Referred to the Committee on Crime Prevention.

**Ms. Krentz, Messrs. Hottinger, Terwilliger and Beckman introduced--**

**S.F. No. 947:** A bill for an act relating to state government; allocating certain appropriations to regional arts councils; amending Minnesota Statutes 1994, section 129D.01; proposing coding for new law in Minnesota Statutes, chapter 129D.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 948:** A bill for an act relating to taxation; sales and use; exempting vitamin and mineral supplements; amending Minnesota Statutes 1994, section 297A.25, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Solon, Metzen, Hottinger, Belanger and Janezich introduced--**

**S.F. No. 949:** A bill for an act relating to insurance; private passenger vehicle insurance; providing for a premium reduction for vehicles having antitheft alarms or devices; defining terms; proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Metzen, Janezich, Solon, Day and Murphy introduced--**

**S.F. No. 950:** A bill for an act relating to commerce; regulating the enforcement of copyright licenses on certain nondramatic musical works and similar works; requiring certain notices; prohibiting certain practices; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Stumpf and Solon introduced--**

**S.F. No. 951:** A bill for an act relating to education; providing for a post-secondary education credit bank; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 952:** A bill for an act relating to health; providing grants to establish and maintain health care access offices; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 953:** A bill for an act relating to the city of Duluth; modifying the area in which a special service district may be created; amending Laws 1993, chapter 375, article 5, section 40, subdivision 3.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 954:** A bill for an act relating to taxation; exempting sales of construction materials and supplies for a state convention center from the sales and use tax; amending Minnesota Statutes 1994, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Solon and Johnson, D.J. introduced--**

**S.F. No. 955:** A bill for an act relating to retirement; increasing employee and employer contribution rates; increasing benefit computation formulas for Duluth teachers retirement fund association; amending Minnesota Statutes 1994, sections 354A.12, subdivisions 1 and 2a; and 354A.31, subdivision 4.



Referred to the Committee on Governmental Operations and Veterans.

**Mr. Riveness introduced--**

**S.F. No. 956:** A bill for an act relating to state departments; abolishing the department of public safety, the higher education coordinating board, the Minnesota racing commission, the gambling control board, the state lottery board, and the department of public service; transferring certain responsibilities and personnel to other agencies; creating new agencies; reducing certain appropriations; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 8.33; 10A.01, subdivision 18; 10A.09, subdivision 1; 15.01; 15A.081, subdivisions 1 and 7b; 16B.14; 16B.46; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 65B.28, subdivision 2; 116C.03, subdivision 2; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.10, subdivision 1; 136A.01; 136A.03; 136A.08; 136A.101, subdivisions 2 and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.62, subdivision 2; 136C.042, subdivision 1; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 216A.01; 216A.035; 216A.036; 216A.04; 216A.05, by adding a subdivision; 216A.07; 216A.085; 216A.095; 216B.02, subdivision 7, and by adding subdivisions; 216B.16, subdivision 2; 216B.162, subdivision 7; 216B.241, subdivisions 1 and 2; 216B.62; 216B.64; 216B.65; 216C.01, subdivisions 2, 3, and by adding a subdivision; 216C.10; 216C.19, subdivision 1; 216C.37, subdivision 1; 218.031, subdivision 2; 237.02; 237.075, subdivision 2; 237.295; 237.30; 239.01; 239.05, subdivisions 6c, 7a, and 8; 240.01, by adding subdivisions; 240.011; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivisions 3, 7, and 8; 240.07, subdivision 2; 240.08; 240.09, subdivision 3a; 240.155; 240.16; 240.18, subdivision 2; 240.21; 240.24; 240.28; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.09; 297C.10, subdivision 1; 298.2214, subdivision 5; 299A.02; 299A.30; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 299F.01; 299F.05, subdivision 2; 299L.01; 299L.02, subdivisions 2, 3, 4, and 5; 299L.03, subdivisions 1, 4, 5, and 7; 340A.201; 347.51, subdivision 2a; 349.12, subdivision 10, and by adding subdivisions; 349.13; 349.151, subdivisions 2 and 8; 349.152, subdivision 1; 349.153; 349.155, subdivision 4; 349.162, subdivisions 2 and 6; 349.163, subdivision 6; 349.165, subdivision 2; 349.18, subdivision 1; 349.19, subdivision 6; 349A.01, by adding a subdivision; 349A.02, subdivisions 1 and 8; 349A.03, subdivision 2; 349A.04; 349A.05; 349A.06, subdivision 2; 349A.08, subdivision 7; 349A.11; 349A.12, subdivision 4; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 216C; and 349B; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.043; 136A.85; 136A.86; 136A.87; 136A.88; 216A.06; 216B.02, subdivision 8; 237.69, subdivision 3; 240.01, subdivision 4; 240.02; 270B.12, subdivision 4; 299A.01; 349.12, subdivision 6; 349.151, subdivisions 1, 2, and 3a; 349.152, subdivision 4; 349A.01, subdivision 2; and 349A.03, subdivision 1; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Krentz and Runbeck introduced--**

**S.F. No. 957:** A bill for an act relating to education; maximum effort school loan program; approving a capital loan for independent school district No. 12, Centennial; appropriating money; authorizing the sale of bonds.

Referred to the Committee on Education.

**Ms. Krentz, Mr. Price and Ms. Runbeck introduced--**

**S.F. No. 958:** A bill for an act relating to education; modifying the maximum effort school loan amount limit; amending Minnesota Statutes 1994, section 124.431, subdivision 8.

Referred to the Committee on Education.

**Mses. Berglin, Kiscaden, Piper, Messrs. Sams and Oliver introduced--**

**S.F. No. 959:** A bill for an act relating to health; revising the data and research initiatives of MinnesotaCare; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 62J.04, subdivision 3; 62J.06; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.55; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 214.16, subdivisions 2 and 3; and 295.57; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 1994, sections 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; and 62J.45.

Referred to the Committee on Judiciary.

**Messrs. Chandler, Knutson, Metzen, Frederickson and Johnson, D.J. introduced--**

**S.F. No. 960:** A bill for an act relating to workers' compensation; specifying the employment status of messenger or courier; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Moe, R.D. introduced--**

**S.F. No. 961:** A bill for an act relating to the city of Crookston; exempting a tax increment financing district from the state aid offset.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Scheevel, Terwilliger, Vickerman and Ms. Kiscaden introduced--**

**S.F. No. 962:** A bill for an act relating to health; modifying provisions relating to nursing home swing beds; amending Minnesota Statutes 1994, section 144.562, subdivisions 2 and 4.

Referred to the Committee on Health Care.

**Mses. Anderson, Runbeck and Mr. Novak introduced--**

**S.F. No. 963:** A bill for an act relating to international relations and economic development; establishing Minnesota international council; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Kiscaden, Berglin, Messrs. Stevens, Kramer and Betzold introduced--**

**S.F. No. 964:** A bill for an act relating to health; modifying the definition of home care service; amending Minnesota Statutes 1994, section 144A.43, subdivision 3.

Referred to the Committee on Health Care.

**Mr. Langseth introduced--**

**S.F. No. 965:** A bill for an act relating to transportation; authorizing issuance of permits for 12-foot wide loads of baled straw; amending Minnesota Statutes 1994, sections 169.851, subdivision 1; and 169.862.

Referred to the Committee on Transportation and Public Transit.

**Mr. Langseth introduced--**

**S.F. No. 966:** A bill for an act relating to transportation; authorizing the issuance of state

transportation bonds; appropriating the proceeds for grants to political subdivisions for bridge construction and reconstruction.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Larson, Knutson, Frederickson and Ms. Runbeck introduced--**

**S.F. No. 967:** A bill for an act relating to employment; eliminating the requirement that prevailing wages be paid under state contracts; amending Minnesota Statutes 1994, sections 268.92, subdivision 6; and 471.992, subdivision 1; repealing Minnesota Statutes 1994, sections 116J.871, subdivisions 2 and 3; 177.41; 177.42; 177.43; 177.44; and 471.345, subdivision 7.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Pogemiller introduced--**

**S.F. No. 968:** A bill for an act relating to the environment; providing that local units of government may adopt ordinances relating to underground storage tanks that are more stringent than those of the state; amending Minnesota Statutes 1994, section 116.50.

Referred to the Committee on Environment and Natural Resources.

**Mr. Novak introduced--**

**S.F. No. 969:** A bill for an act relating to elections; moving the state primary election to June; amending Minnesota Statutes 1994, sections 10A.31, subdivision 6; 10A.322, subdivision 1; 10A.323; 204B.33; and 204D.03, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Finn and Samuelson introduced--**

**S.F. No. 970:** A bill for an act relating to education; providing for cooperation and combination revenue for independent school district No. 2174, Pine River-Backus.

Referred to the Committee on Education.

**Mr. Betzold introduced--**

**S.F. No. 971:** A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1994, section 177.24, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Morse, Stumpf and Terwilliger introduced--**

**S.F. No. 972:** A bill for an act relating to retirement; limiting the participation of elected local government officials in the public employees retirement association defined benefit plan; amending Minnesota Statutes 1994, section 353.01, subdivisions 2a and 2b; proposing coding for new law in Minnesota Statutes, chapter 353.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Metzen introduced--**

**S.F. No. 973:** A bill for an act relating to insurance; automobile; permitting users of rental vehicles to benefit from lower price rental periods without losing coverage; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Berg introduced--**

**S.F. No. 974:** A bill for an act relating to human services; establishing a temporary payment rate for a recently purchased intermediate care facility for persons with mental retardation or related conditions; amending Minnesota Statutes 1994, section 256B.501, by adding a subdivision.

Referred to the Committee on Health Care.

**Mses. Hanson, Robertson and Mr. Janezich introduced--**

**S.F. No. 975:** A bill for an act relating to education; establishing service cooperatives to replace educational cooperative service units; amending Minnesota Statutes 1994, section 123.58.

Referred to the Committee on Education.

**Mses. Hanson, Robertson and Mr. Novak introduced--**

**S.F. No. 976:** A bill for an act relating to highways; requiring commissioner of transportation's rules for operation of I-394 parking ramp in Minneapolis to provide incentives for use of the ramp by high-occupancy vehicles that use highways other than I-394; amending Minnesota Statutes 1994, section 161.1231, subdivision 2, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Berg; Janezich; Neuville; Johnson, D.E. and Mondale introduced--**

**S.F. No. 977:** A bill for an act relating to gambling; changing the pull-tab and tipboard tax; modifying the definition of lawful purpose in respect of compulsive gambling and real estate tax expenditures; increasing the number of bingo occasions an organization may hold in a week and clarifying the determination of bingo prizes; changing the term lawful gambling to nonprofit gambling; amending Minnesota Statutes 1994, sections 297E.02, subdivision 4; 297E.031, subdivisions 1 and 2; 349.12, subdivision 25; 349.166, subdivision 2; 349.17, subdivision 1; 349.191, subdivision 1a; and 349.211, subdivision 1; repealing Minnesota Statutes 1994, section 297E.17.

Referred to the Committee on Gaming Regulation.

**Ms. Berglin introduced--**

**S.F. No. 978:** A bill for an act relating to health; providing a technical recodification of lead abatement law; amending Minnesota Statutes 1994, sections 16B.61, subdivision 3; 115C.082, subdivision 2; 116.87, subdivision 2; 144.99, subdivision 1; and 268.92, subdivisions 1, 3, 4, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 144.871; 144.872; 144.873; 144.874; 144.876; 144.877; 144.8771; 144.878; 144.8781; 144.8782; and 144.879.

Referred to the Committee on Health Care.

**Ms. Johnston, Mr. Johnson, D.J.; Ms. Johnson, J.B. and Mr. Johnson, D.E. introduced--**

**S.F. No. 979:** A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; abolishing a sunset provision; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision; Laws 1994, chapter 589, section 8.

Referred to the Committee on Transportation and Public Transit.

**Ms. Johnston, Mr. Day, Mrs. Pariseau and Ms. Hanson introduced--**

**S.F. No. 980:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; allowing additional communities in the metropolitan area to operate their own transit programs; defining available local transit funds; establishing conditions for use of funds by communities providing replacement service; providing application procedure; establishing reserve accounts; amending Minnesota Statutes 1994, section 473.388.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnston, Mr. Johnson, D.J.; Ms. Johnson, J.B. and Mr. Johnson, D.E. introduced--**

**S.F. No. 981:** A bill for an act relating to state agencies; providing that state agencies and local units of government need not certify all pages of architectural and engineering documents; amending Minnesota Statutes 1994, section 326.12, subdivision 3.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Moe, R.D. introduced--**

**S.F. No. 982:** A bill for an act relating to public contractors' performance bonds; exempting certain manufacturers from requirements for posting bonds; amending Minnesota Statutes 1994, section 574.26, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Kiscaden, Messrs. Kramer, Ourada and Knutson introduced--**

**S.F. No. 983:** A bill for an act relating to data practices; providing for disclosure of certain hospital and health care provider tax data to the commissioner of human services and the United States Department of Health and Human Services; amending Minnesota Statutes 1994, section 270B.14, subdivision 1.

Referred to the Committee on Judiciary.

**Messrs. Kelly, Lessard, Knutson, Mrs. Pariseau and Mr. Novak introduced--**

**S.F. No. 984:** A bill for an act relating to motor fuels; prescribing standards for oxygenated gasoline; amending Minnesota Statutes 1994, section 239.791, subdivision 1, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Berg, Stevens, Ms. Lesewski and Mr. Dille introduced--**

**S.F. No. 985:** A bill for an act relating to agriculture; changing the law limiting corporate farming; expanding the definition of authorized farm corporation; clarifying enforcement; amending Minnesota Statutes 1994, section 500.24, subdivisions 2, 3, and 5.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Betzold introduced--**

**S.F. No. 986:** A bill for an act relating to health; providing comprehensive regulation of mortuary science; establishing enforcement mechanisms; providing penalties; amending Minnesota Statutes 1994, sections 13.99, subdivision 52a; 52.04, subdivision 1; 116J.70, subdivision 2a; 169.71, subdivision 4; and 524.1-201; proposing coding for new law as Minnesota Statutes, chapter 149A; repealing Minnesota Statutes 1994, sections 149.01; 149.02; 149.03; 149.04; 149.05; 149.06; 149.08; 149.09; 149.10; 149.11; 149.12; 149.13; 149.14; and 149.15.

Referred to the Committee on Health Care.

**Mr. Betzold introduced--**

**S.F. No. 987:** A bill for an act relating to health; defining and regulating first responders; requiring permits and licenses; providing penalties; amending Minnesota Statutes 1994, section 144.801, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Mr. Betzold introduced--**

**S.F. No. 988:** A bill for an act relating to health; establishing health risk values for pollutants in ambient air; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Mr. Betzold introduced--**

**S.F. No. 989:** A bill for an act relating to health; modifying provisions relating to the plumbing code advisory council; establishing a work group; amending Minnesota Statutes 1994, section 326.41.

Referred to the Committee on Health Care.

**Mr. Betzold, Ms. Berglin and Mr. Marty introduced--**

**S.F. No. 990:** A bill for an act relating to human services; changing absent parent's liability for child support; adding provisions relating to recognition of parentage; adding provisions for administrative proceedings; adding provisions for child support collection; amending Minnesota Statutes 1994, sections 256.87, subdivision 5; 257.34, subdivision 1; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.611, subdivision 5; 518.64, by adding a subdivision; and 595.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 257; and 518; repealing Minnesota Statutes 1994, section 518.64, subdivision 6.

Referred to the Committee on Judiciary.

**Messrs. Betzold and Finn introduced--**

**S.F. No. 991:** A bill for an act relating to health; modifying provisions relating to access to certain data; amending Minnesota Statutes 1994, sections 144.225, by adding a subdivision; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1994, section 13.38, subdivision 4.

Referred to the Committee on Health Care.

**Ms. Kiscaden, Messrs. Betzold and Hottinger introduced--**

**S.F. No. 992:** A bill for an act relating to health; reinstating certain advisory councils and a task force.

Referred to the Committee on Health Care.

**Mr. Spear and Ms. Ranum introduced--**

**S.F. No. 993:** A bill for an act relating to alcoholic beverages; authorizing the Minneapolis city council to issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Solon, Metzen and Stumpf introduced--**

**S.F. No. 994:** A bill for an act relating to retirement; providing certain members of the public employees retirement association police and fire fund with service credit for prior military service; proposing coding for new law in Minnesota Statutes, chapter 353.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Vickerman introduced--**

**S.F. No. 995:** A bill for an act relating to motor carriers; deregulating and conforming state motor carrier laws to federal regulations and conditions; increasing registration fees for motor carrier vehicles; making technical changes; appropriating money; amending Minnesota Statutes 1994, sections 168.013, subdivision 1e; 168.126, subdivisions 1 and 2; 174A.02, subdivision 4; 174A.06; 221.011, subdivisions 1, 7, 8, 9, 14, 15, 16, 26, 29, 37, and by adding subdivisions; 221.021; 221.022; 221.025; 221.031, subdivisions 1 and 5; 221.033, subdivisions 2 and 2a; 221.035, subdivision 2; 221.036, subdivisions 1 and 3; 221.041; 221.051, subdivision 1; 221.061; 221.071; 221.081; 221.091; 221.121, subdivisions 1, 4, and 6a; 221.122, subdivision 1; 221.131, subdivisions 2 and 3; 221.141, subdivisions 1 and 5; 221.151, subdivisions 1 and 2; 221.161, subdivisions 1 and 4; 221.171, subdivision 2; 221.172, subdivisions 3, 9, and 10; 221.221, subdivision 2; 221.281; 221.291, subdivisions 4 and 5; 221.60, subdivision 3a; 221.605, subdivision 1; 221.81, subdivision 3e; 221.84, subdivision 4; 221.85, subdivision 3; and 609.671, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1994, sections 221.011, subdivisions 10, 12, 18, 24, 25, 27, 28, 35, 36, 38, 39, 40, 41, 43, 44, 45, and 46; 221.031, subdivisions 2, 2a, 2b, 3, 3a, 3b, 3c, 6, 7, 8, and 9; 221.0313; 221.0314; 221.037; 221.072; 221.101; 221.111; 221.121, subdivisions 3, 6c, 6d, 6e, 6f, and 6g; 221.131, subdivisions 6 and 7; 221.141, subdivision 6; 221.151, subdivision 3; 221.152; 221.153; 221.172, subdivisions 1, 2, 4, 5, 6, 7, and 8; 221.185; and 221.296.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Sams, Samuelson, Ms. Kiscaden, Messrs. Terwilliger and Moe, R.D. introduced--**

**S.F. No. 996:** A bill for an act relating to housing; providing for registration of housing with services primarily for persons 55 years of age or older; amending Minnesota Statutes 1994, sections 144A.46, subdivision 1; and 144B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 144A; proposing coding for new law as Minnesota Statutes, chapter 144D.

Referred to the Committee on Health Care.

**Mr. Moe, R.D. introduced--**

**S.F. No. 997:** A bill for an act relating to elections; fair campaign practices; requiring campaign material to contain specified identifying information about a candidate in certain cases; amending Minnesota Statutes 1994, section 211B.04.

Referred to the Committee on Ethics and Campaign Reform.

**Mses. Flynn, Pappas, Messrs. Belanger, Mondale and Hottinger introduced--**

**S.F. No. 998:** A bill for an act relating to property taxes; providing a reduced class rate to new or expanded commercial/industrial properties locating in transit zones; amending Minnesota Statutes 1994, section 273.13, subdivision 24; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Riveness, Samuelson, Sams and Kramer introduced--**

**S.F. No. 999:** A bill for an act relating to state finance; adding certain human services obligations to the requirement that state agencies promptly pay their bills; amending Minnesota Statutes 1994, section 16A.124, subdivision 8.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Flynn, Messrs. Belanger, Mondale, Kelly and Kroening introduced--**

**S.F. No. 1000:** A bill for an act relating to metropolitan government; creating a contaminated site cleanup loan program within the metropolitan council; levying taxes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Finn introduced--**

**S.F. No. 1001:** A bill for an act relating to education; allowing a pupil to participate in an extracurricular activity in a school the pupil does not attend in certain circumstances; amending Minnesota Statutes 1994, section 123.38, by adding a subdivision.

Referred to the Committee on Education.

**Messrs. Cohen, Kelly and Ms. Flynn introduced--**

**S.F. No. 1002:** A bill for an act relating to property; providing remedies for graffiti vandalism; authorizing release of names of certain juvenile offenders; imposing parental liability; imposing penalties; amending Minnesota Statutes 1994, sections 13.84, subdivision 5a; and 260.161, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Crime Prevention.

**Mr. Samuelson, Ms. Berglin and Mr. Sams introduced--**

**S.F. No. 1003:** A bill for an act relating to health; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Referred to the Committee on Health Care.

**Mses. Berglin, Krentz, Messrs. Stevens, Samuelson and Kramer introduced--**

**S.F. No. 1004:** A bill for an act relating to human services; applying disregards to stepparents' needs; adding persons who may register in employment and training services; adding to the assistance unit other persons not otherwise eligible for AFDC; amending Minnesota Statutes 1994, sections 16B.08, subdivision 5; 171.07, by adding a subdivision; 256.014, subdivision 1; 256.025, subdivisions 1 and 2; 256.026; 256.73, subdivision 3a; 256.736, subdivisions 3 and 13; 256.74, subdivision 1; 256D.05, subdivision 7; 256D.36, subdivision 1; 256D.385; 256D.405, subdivision 3; 256D.425, subdivision 1; 256D.435, subdivisions 1, 3, 4, 5, 6, and by adding a subdivision; 256D.44, subdivisions 1, 2, 3, 4, 5, and 6; 256D.45, subdivision 1; 256D.46, subdivisions 1 and 2; 256D.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1994, sections 256.851; 256D.35, subdivisions 14 and 19; 256D.36, subdivision 1a; 256D.37; 256D.425, subdivision 3; 256D.435, subdivisions 2, 7, 8, 9, and 10; and 256D.44, subdivision 7.

Referred to the Committee on Family Services.

**Ms. Flynn, Messrs. Merriam, Metzen, Ms. Kiscaden and Mr. Beckman introduced--**



**S.F. No. 1005:** A bill for an act relating to labor; modifying provisions relating to public employment labor relations; amending Minnesota Statutes 1994, sections 124A.22, subdivision 2a; 179A.03, subdivisions 7, 17, and by adding a subdivision; 179A.04, subdivision 3; 179A.051; 179A.06, subdivision 2; 179A.09; 179A.16; 179A.18, subdivision 1; 353C.02; 549.09, subdivision 1; and 572.15.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Morse, Laidig and Price introduced--**

**S.F. No. 1006:** A bill for an act relating to the environment; conforming the definition of sewage sludge to federal language; providing for mediation of wastewater treatment disputes; providing for rules regarding permit fee increases; amending Minnesota Statutes 1994, sections 115.49, subdivision 1; 115A.03, subdivision 29; and 116.07, subdivision 4d.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse and Laidig introduced--**

**S.F. No. 1007:** A bill for an act relating to the environment; pollution control agency; modifying air quality fees; amending Minnesota Statutes 1994, sections 116.07, subdivision 4d; 116.96, subdivision 5; 116C.69, subdivision 3; and 325E.0951, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse, Merriam, Novak, Frederickson and Ms. Johnson, J.B. introduced--**

**S.F. No. 1008:** A bill for an act relating to the environment; requiring, as part of the environmental review of proposed projects and activities, an analysis of the effect of the projects or activities on total carbon dioxide emissions in the state in order to minimize the burden on existing industry to reduce carbon dioxide emissions; proposing coding for new law in Minnesota Statutes, chapter 116D.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Metzen, Riveness and Ms. Runbeck introduced--**

**S.F. No. 1009:** A bill for an act relating to employment; modifying provisions relating to data classification; workers' compensation premium collection; employment classifications and procedures; and benefits; providing penalties; amending Minnesota Statutes 1994, sections 13.67; 43A.04, subdivision 1; 43A.08, subdivision 1; 43A.10, subdivision 8; 43A.13, subdivision 6; 43A.15, by adding a subdivision; 43A.18, subdivision 4; 43A.19, subdivision 1; 43A.191, subdivisions 1, 2, and 3; 43A.24, subdivision 2; 43A.27, subdivision 3; 43A.316; 62J.45, subdivision 8; 256B.0644; and 356.87; repealing Laws 1987, chapter 186, section 11; and Laws 1994, chapter 560, article 2, section 15.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Metzen introduced--**

**S.F. No. 1010:** A bill for an act relating to state government; efficiency and openness of government; requiring heads of state agencies to operate these agencies efficiently and to encourage public participation in government; including in the missions of major state agencies the goals of efficiency, innovation, and encouraging public participation; amending Minnesota Statutes 1994, sections 16A.055, by adding a subdivision; 16B.04, by adding a subdivision; 17.03, by adding a subdivision; 43A.04, by adding a subdivision; 45.012; 84.027, by adding a subdivision; 116.03, by adding a subdivision; 116J.011; 120.0111; 135A.052, subdivision 1; 144.05; 174.02, by adding a subdivision; 175.001, by adding a subdivision; 190.09; 196.05; 216A.07, by adding a subdivision; 241.01, by adding a subdivision; 245.03; 268.0122, by adding a subdivision; 270.02, by adding a subdivision; 299A.01, by adding a subdivision; and 363.05, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Neuville and Scheevel introduced--**

**S.F. No. 1011:** A bill for an act relating to gambling; repealing authorization for certain forms of gambling; abolishing the Minnesota racing commission and the Minnesota state lottery and transferring their functions to the commissioner of public safety; declaring legislative findings and intent with respect to gambling on Indian land; providing penalties; amending Minnesota Statutes 1994, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 16B.54, subdivision 2; 43A.08, subdivision 1a; 245.98, subdivision 4; 290.17, subdivision 2; 299L.02, subdivision 5; 299L.03, subdivisions 1, 2, 4, 5, and 7; 299L.05; 299L.07, subdivision 2a; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivisions 3 and 8; 609.755; 609.76, subdivision 1; and 609.761, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240; and 349A; repealing Minnesota Statutes 1994, sections 3.9221; 240.01; 240.011; 240.02; 240.03; 240.04; 240.05; 240.06; 240.07; 240.08; 240.09; 240.10; 240.11; 240.12; 240.13; 240.14; 240.15; 240.155; 240.16; 240.17; 240.18; 240.19; 240.20; 240.21; 240.22; 240.23; 240.24; 240.25; 240.26; 240.27; 240.28; 240.29; 270B.14, subdivision 7; 290.92, subdivisions 27, 28, and 29; 297A.259; 299L.02, subdivisions 1, 3, and 7; 349.61; 349A.01; 349A.02; 349A.03; 349A.04; 349A.05; 349A.06; 349A.07; 349A.08; 349A.09; 349A.10; 349A.11; 349A.12; 349A.13; 349A.14; 349A.15; 609.651; and 609.761, subdivision 2.

Referred to the Committee on Gaming Regulation.

**Messrs. Neuville, Scheevel and Johnson, D.E. introduced--**

**S.F. No. 1012:** A bill for an act relating to gambling; abolishing the Minnesota racing commission, the gambling control board, and the state lottery board; creating a gambling regulation board and transferring the responsibilities of the abolished commission and boards to it; providing for the regulation and control of the state lottery and its employees by the gambling regulation board; making conforming changes; amending Minnesota Statutes 1994, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 240.01, by adding a subdivision; 240.011; 240.04; 349.12, subdivision 10; 349.152, subdivisions 1 and 2; 349A.01, subdivisions 2 and 5; 349A.03, subdivision 2, and by adding a subdivision; 349A.04; 349A.05; proposing coding for new law in Minnesota Statutes, chapter 349A; proposing coding for new law as Minnesota Statutes, chapter 349C; repealing Minnesota Statutes 1994, sections 240.01, subdivision 4; 240.02; 349.151, subdivisions 1, 2, 3a, and 5; 349A.02; and 349A.03, subdivision 1.

Referred to the Committee on Gaming Regulation.

**Messrs. Neuville and Knutson introduced--**

**S.F. No. 1013:** A bill for an act relating to family law; child support; providing for consideration of other children in setting or modifying a child support order; making the existence of other children a ground for modification of child support; amending Minnesota Statutes 1994, sections 518.551, subdivision 5; and 518.64, subdivision 2.

Referred to the Committee on Judiciary.

**Messrs. Neuville, Larson, Ourada and Stumpf introduced--**

**S.F. No. 1014:** A bill for an act relating to education; changing the definition of satisfactory progress; amending Minnesota Statutes 1994, section 136A.101, subdivision 10.

Referred to the Committee on Education.

**Messrs. Neuville and Knutson introduced--**

**S.F. No. 1015:** A bill for an act relating to traffic regulations; prohibiting radar jammers; amending Minnesota Statutes 1994, section 169.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Kramer, Belanger and Ms. Flynn introduced--**

**S.F. No. 1016:** A bill for an act relating to taxation; property; excluding the value of improvements made to certain residential property; amending Minnesota Statutes 1994, section 273.11, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Cohen introduced--**

**S.F. No. 1017:** A bill for an act relating to drivers' licenses; providing for suspension of a driver's license for failure to pay child support; appropriating money; amending Minnesota Statutes 1994, sections 518.551, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171.

Referred to the Committee on Judiciary.

**Mr. Knutson, Mses. Krentz, Kiscaden, Flynn and Mr. Betzold introduced--**

**S.F. No. 1018:** A bill for an act relating to courts; guardians ad litem; specifying the responsibilities of a guardian ad litem in juvenile and family court; requiring a report by the state court administrator; amending Minnesota Statutes 1994, sections 260.155, subdivision 4; and 518.165, by adding a subdivision.

Referred to the Committee on Judiciary.

**Mr. Mondale and Ms. Flynn introduced--**

**S.F. No. 1019:** A bill for an act relating to metropolitan government; establishing the metropolitan livable communities advisory board; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; requiring the metropolitan mosquito control district to liquidate certain assets; providing for certain revenue sharing; amending Minnesota Statutes 1994, sections 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.702; 473.704, subdivisions 2, 3, 5, 6, 7, 8, 13, and 17; 473.711, subdivision 2; and 473F.08, subdivisions 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Novak, Chandler, Kelly and Metzen introduced--**

**S.F. No. 1020:** A bill for an act relating to workers' compensation; modifying provisions relating to insurance, procedures and benefits; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.252, subdivisions 2, 5, and by adding subdivisions; 79.50; 79.59, subdivision 4; 79A.01, subdivision 4; 79A.02, subdivisions 1 and 2; 79A.04, subdivisions 2 and 9; 79A.15; 175.007, subdivisions 1 and 3; 176.011, subdivisions 15 and 18; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 5, 6, and by adding a subdivision; 176.102, subdivisions 1, 2, 4, 11, and by adding a subdivision; 176.105, subdivisions 2 and 4; 176.106, subdivision 7; 176.135, subdivision 2; 176.178; 176.179; 176.221, subdivision 6a; 176.225, by adding subdivisions; 176.238, subdivision 6; 176.645, subdivision 1; 176.66, subdivision 11; 176.83, subdivisions 1, 2, and 5; and 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 79; and 79A; repealing Minnesota Statutes 1994, sections 176.011, subdivisions 25 and 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; Minnesota Rules, parts 5220.0100 to 5220.1900; 5220.2500 to 5220.2940; 5221.0100 to 5221.0700; 5221.6010 to 5221.8900; and 5223.0300 to 5223.0650.

Referred to the Committee on Jobs, Energy and Community Development.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### **MOTIONS AND RESOLUTIONS**

Mr. Novak moved that S.F. No. 937 be withdrawn from the Committee on Jobs, Energy and Community Development and returned to its author. The motion prevailed.

### **MEMBERS EXCUSED**

Ms. Hanson, Messrs. Langseth and Murphy were excused from the Session of today.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, March 13, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FOURTH DAY

St. Paul, Minnesota, Monday, March 13, 1995

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Michael L. Molenaar.

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:

Anderson	Flynn	Krentz	Morse	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	

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.

December 15, 1994

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

The following appointment for the Director of the Office of Environmental Assistance is respectfully submitted to the Minnesota State Senate for confirmation as required by law: Edward A. Garvey, 32 Lawton Street, St. Paul, Ramsey County, effective January 3, 1995.

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

Sincerely,  
Charles W. Williams  
Commissioner  
Pollution Control Agency

### MESSAGES FROM THE HOUSE

Mr. President:

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

**Senate Concurrent Resolution No. 6:** A Senate concurrent resolution relating to adoption of revenue targets under Minnesota Statutes 1994, section 16A.102, subdivision 2.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 9, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 228, 273, 496, 282, 782, 346, 536, 565 and 624.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 9, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 228:** A bill for an act relating to occupations and professions; board of medical practice; reinstating certain advisory councils.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 273:** A bill for an act relating to motor vehicles; allowing license plates for collector vehicles to be transferred and reissued; imposing fees; amending Minnesota Statutes 1994, section 168.10, subdivisions 1a, 1b, 1c, 1d, 1h, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**H.F. No. 496:** A bill for an act relating to education; providing for disclosure of past buyout arrangements by superintendents to be; amending Minnesota Statutes 1994, section 123.34, by adding a subdivision.

Referred to the Committee on Judiciary.

**H.F. No. 282:** A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 782:** A bill for an act relating to Western Lake Superior Sanitary District; providing for compliance with certain requirements of the Internal Revenue Code; proposing coding for new law in Minnesota Statutes, chapter 458D.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 427.

**H.F. No. 346:** A bill for an act relating to health; defining first responder; amending Minnesota Statutes 1994, section 144.801, by adding a subdivision.

Referred to the Committee on Health Care.

**H.F. No. 536:** A bill for an act relating to commerce; residential building contractors; regulating licensees; providing a clarification; amending Minnesota Statutes 1994, sections 326.83, subdivision 5, and by adding a subdivision; 326.84, subdivision 3; 326.91, subdivision 1; 326.95, subdivision 2; and 326.975, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**H.F. No. 565:** A bill for an act relating to metropolitan area housing; authorizing the metropolitan council to operate a federal section 8 housing program within the metropolitan area pursuant to joint exercise of powers agreements; amending Minnesota Statutes 1994, section 473.195, subdivision 1.

Referred to the Committee on Metropolitan and Local Government.

**H.F. No. 624:** A bill for an act relating to public employees; providing a leave of absence for public employees who are candidates for elective office; proposing coding for new law in Minnesota Statutes, chapter 179A.

Referred to the Committee on Governmental Operations and Veterans.

### REPORTS OF COMMITTEES

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 325:** A bill for an act relating to taxation; providing a sales tax exemption for sales of certain nonprocessed feed and bedding for horses; amending Minnesota Statutes 1994, section 297A.25, by adding a subdivision.

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

Page 1, line 11, delete "other than" and insert "including"

Amend the title as follows:

Page 1, line 3, delete "certain nonprocessed"

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 and Consumer Protection, to which was referred**

**S.F. No. 446:** A bill for an act relating to commerce; restraint of trade; repealing price markup provisions in the sales discrimination law; amending Minnesota Statutes 1994, section 325D.06; and repealing Minnesota Statutes 1994, section 325D.08.

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 588:** A bill for an act relating to consumer protection; regulating deceptive trade practices related to environmental marketing claims; amending Minnesota Statutes 1994, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 305:** A bill for an act relating to commerce; motor vehicle sales and distribution; regulating the establishment and relocation of dealerships; amending Minnesota Statutes 1994, section 80E.14.

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

Page 2, line 21, delete the first comma and insert "or" and delete ", or acquiescence"

Page 2, line 22, delete "in the establishment" and delete "a" and insert "an additional" and after "location" insert "by its line make dealer"

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 423:** A bill for an act relating to real estate; requiring the commissioner of commerce to design a required disclosure short form to be used in all residential real estate transactions.

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

Delete everything after the enacting clause and insert:

"Section 1. [UNIFORM DISCLOSURE BOOKLET.]

The commissioner of commerce shall design a uniform disclosure booklet to be used in all Minnesota residential real estate transactions. The uniform disclosure booklet shall combine as many of the required federal and state disclosures as is practical into one readable and concise document that simplifies the disclosure process. The booklet shall organize the disclosures into subject categories. The commissioner shall not change the language of the disclosures included in the booklet. The commissioner shall present the uniform disclosure booklet, along with any enacting legislation, to the legislature by January 15, 1996.

The commissioner may appoint a study group to provide advice in designing the uniform disclosure booklet. If the commissioner appoints a study group, members shall include, but are not limited to, representatives of real estate agents, the real property law section of the Minnesota state bar association, closing agents, title insurers, mortgage bankers, the attorney general's consumer division, the commissioner of health, and the pollution control agency.

The commissioner also may recommend amending or repealing any state mandated real estate disclosure currently in effect.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to real estate; requiring the commissioner of commerce to design a uniform disclosure booklet to be used in all residential real estate transactions."

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 121:** A bill for an act relating to insurance; providing a remedy to an insured when an



insurer refuses in bad faith to pay or to settle a claim; awarding attorney fees and costs to an insured who prevails in a first-party coverage action against an insurer; 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. [72A.136] [INSURER BAD FAITH; REMEDY.]

Subdivision 1. [CAUSE OF ACTION.] An insured under any fire or homeowner's insurance policy issued pursuant to section 60A.06, subdivision 1, clause (1), may bring an action against the insurer issuing the policy alleging that the insurer refused in bad faith to pay a claim made by the insured under the provisions of the policy. An insurer has refused to pay a claim in bad faith if the insurer refused to pay the claim without having a reasonable basis for the refusal, and, at the time of the refusal, the insurer knew there was no reasonable basis for the refusal or acted in reckless disregard of the lack of a reasonable basis for the refusal. An insurer has not acted in bad faith in refusing to pay an insured's claim if the claim is fairly debatable, in law or in fact. This section shall not apply to an action by an insured or a third party against an insurer for wrongful failure to provide a defense or to settle a third-party claim under a liability insurance contract. This section shall not apply to a township mutual fire insurance company.

Subd. 2. [DAMAGES.] In an action under this section, an insured may recover compensatory damages in excess of the policy limits and also may recover punitive damages pursuant to sections 549.191 and 549.20. An insured shall not recover punitive damages in excess of \$100,000 under this section. An insured who prevails in an action under this section shall recover reasonable attorney fees and costs.

Subd. 3. [NONPREEMPTION.] The remedy specified in this section does not preempt any other remedy or cause of action provided for pursuant to statute or pursuant to the common law of this state.

Subd. 4. [LIMITATION PERIOD.] An action under this section shall be commenced within three years of the bad faith act, notwithstanding any policy provision to the contrary.

Sec. 2. Minnesota Statutes 1994, section 72A.20, subdivision 12, is amended to read:

Subd. 12. [UNFAIR SERVICE.] Causing or permitting with such frequency to indicate a general business practice any unfair, deceptive, or fraudulent act concerning any claim or complaint of an insured or claimant including, but not limited to, the following practices:

- (1) misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
- (2) failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
- (3) failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
- (4) refusing to pay claims without conducting a reasonable investigation based upon all available information;
- (5) failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
- (6) not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear;
- (7) compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by the insureds;
- (8) attempting to settle a claim for less than the amount to which reasonable persons would have believed they were entitled by reference to written or printed advertising material accompanying or made part of an application;

(9) attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of, the insured;

(10) making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which the payments are being made;

(11) making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

(12) delaying the investigation or payment of claims by requiring an insured, claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information;

(13) failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(14) failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement;

(15) except for proof of ownership, requiring an insured as part of executing a proof of loss on a claim arising from a fire loss, to produce documentation or information that is dated more than five years from the date of loss.

Sec. 3. Minnesota Statutes 1994, section 72A.201, subdivision 4, is amended to read:

Subd. 4. [STANDARDS FOR CLAIM FILING AND HANDLING.] The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

(1) except for claims made under a health insurance policy, after receiving notification of claim from an insured or a claimant, failing to acknowledge receipt of the notification of the claim within ten business days, and failing to promptly provide all necessary claim forms and instructions to process the claim, unless the claim is settled within ten business days. The acknowledgment must include the telephone number of the company representative who can assist the insured or the claimant in providing information and assistance that is reasonable so that the insured or claimant can comply with the policy conditions and the insurer's reasonable requirements. If an acknowledgment is made by means other than writing, an appropriate notation of the acknowledgment must be made in the claim file of the insurer and dated. An appropriate notation must include at least the following information where the acknowledgment is by telephone or oral contact:

- (i) the telephone number called, if any;
- (ii) the name of the person making the telephone call or oral contact;
- (iii) the name of the person who actually received the telephone call or oral contact;
- (iv) the time of the telephone call or oral contact; and
- (v) the date of the telephone call or oral contact;

(2) failing to reply, within ten business days of receipt, to all other communications about a claim from an insured or a claimant that reasonably indicate a response is requested or needed;

(3) unless provided otherwise by law or in the policy, failing to complete its investigation and inform the insured or claimant of acceptance or denial of a claim within 30 business days after receipt of notification of claim unless the investigation cannot be reasonably completed within that time. In the event that the investigation cannot reasonably be completed within that time, the insurer shall notify the insured or claimant within the time period of the reasons why the

investigation is not complete and the expected date the investigation will be complete. For claims made under a health policy the notification of claim must be in writing;

(4) where evidence of suspected fraud is present, the requirement to disclose their reasons for failure to complete the investigation within the time period set forth in clause (3) need not be specific. The insurer must make this evidence available to the department of commerce if requested;

(5) failing to notify an insured who has made a notification of claim of all available benefits or coverages which the insured may be eligible to receive under the terms of a policy and of the documentation which the insured must supply in order to ascertain eligibility;

(6) unless otherwise provided by law or in the policy, requiring an insured to give written notice of loss or proof of loss within a specified time, and thereafter seeking to relieve the insurer of its obligations if the time limit is not complied with, unless the failure to comply with the time limit prejudices the insurer's rights and then only if the insurer gave prior notice to the insured of the potential prejudice;

(7) advising an insured or a claimant not to obtain the services of an attorney or an adjuster, or representing that payment will be delayed if an attorney or an adjuster is retained by the insured or the claimant;

(8) failing to advise in writing an insured or claimant who has filed a notification of claim known to be unresolved, and who has not retained an attorney, of the expiration of a statute of limitations at least 60 days prior to that expiration. For the purposes of this clause, any claim on which the insurer has received no communication from the insured or claimant for a period of two years preceding the expiration of the applicable statute of limitations shall not be considered to be known to be unresolved and notice need not be sent pursuant to this clause;

(9) demanding information which would not affect the settlement of the claim;

(10) unless expressly permitted by law or the policy, refusing to settle a claim of an insured on the basis that the responsibility should be assumed by others;

(11) failing, within 60 business days after receipt of a properly executed proof of loss, to advise the insured of the acceptance or denial of the claim by the insurer. No insurer shall deny a claim on the grounds of a specific policy provision, condition, or exclusion unless reference to the provision, condition, or exclusion is included in the denial. The denial must be given to the insured in writing with a copy filed in the claim file;

(12) denying or reducing a claim on the basis of an application which was altered or falsified by the agent or insurer without the knowledge of the insured;

(13) failing to notify the insured of the existence of the additional living expense coverage when an insured under a homeowners policy sustains a loss by reason of a covered occurrence and the damage to the dwelling is such that it is not habitable;

(14) failing to inform an insured or a claimant that the insurer will pay for an estimate of repair if the insurer requested the estimate and the insured or claimant had previously submitted two estimates of repair;

(15) failing to inform the insured or claimant of acceptance or denial of a claim arising from a fire loss within 180 days after receipt of notification of the claim.

Sec. 4. Minnesota Statutes 1994, 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;
- (8) denying a claim arising from a fire loss without informing the insured of the right to file a complaint with the department of commerce and the address of the department.

**Sec. 5. [EFFECTIVE DATE; APPLICABILITY.]**

Section 1 is effective the day following final enactment and shall apply to all acts occurring on or after that date.

Sections 2 to 4 are effective January 1, 1996, and apply to all claims submitted to an insurer after that date."

Delete the title and insert:

"A bill for an act relating to insurance; providing a remedy to an insured when an insurer refuses in bad faith to pay or to settle a claim; regulating fire loss claims; amending Minnesota Statutes 1994, sections 72A.20, subdivision 12; and 72A.201, subdivisions 4 and 8; proposing coding for new law in Minnesota Statutes, chapter 72A."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 687:** A bill for an act relating to traffic regulations; requiring minimum clearance when passing bicycle or individual on roadway or bikeway; prohibiting certain conduct toward bicycle riders; requiring bicycle traffic laws to be included in driver's manual and driver's license tests; imposing a penalty; amending Minnesota Statutes 1994, sections 169.18, subdivision 3;

169.222, subdivision 4; and 171.13, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 169.18, subdivision 3, is amended to read:

Subd. 3. [PASSING.] The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:

(1) The driver of a vehicle overtaking another vehicle proceeding in the same direction shall pass to the left thereof at a safe distance and shall not again drive to the right side of the roadway until safely clear of the overtaken vehicle;

(2) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall give way to the right in favor of the overtaking vehicle on audible warning, and shall not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle; and

(3) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway shall leave a safe distance, but in no case less than three feet clearance, when passing the bicycle or individual and shall maintain clearance until safely past the overtaken bicycle or individual.

Sec. 2. Minnesota Statutes 1994, section 169.222, subdivision 4, is amended to read:

Subd. 4. [RIDING ON ROADWAYS OR SHOULDERS.] (a) Every person operating a bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

(i) When overtaking and passing another vehicle proceeding in the same direction.

(ii) When preparing for a left turn at an intersection or into a private road or driveway.

(iii) When reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.

Sec. 3. Minnesota Statutes 1994, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; knowledge of slow-moving vehicle safety; knowledge of traffic laws related to bicycles; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1994, section 171.13, is amended by adding a subdivision to read:

Subd. 1f. [DRIVER'S MANUAL; BICYCLE TRAFFIC.] The commissioner shall include in each edition of the driver's manual published by the department after August 1, 1995, a section relating to bicycle traffic laws, including any changes in the law which affect bicycle traffic.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective at the time of the first revision of the driver's license examination following final enactment."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring minimum clearance when passing bicycle or individual on roadway or bikeway; requiring bicycle traffic laws to be included in driver's manual and driver's license tests; amending Minnesota Statutes 1994, sections 169.18, subdivision 3; 169.222, subdivision 4; and 171.13, subdivision 1, and by adding a subdivision."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 673:** A bill for an act relating to motor vehicles; providing for determination of base value of motor vehicle for purposes of registration tax; amending Minnesota Statutes 1994, section 168.013, subdivision 1a.

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

Page 3, after line 10, insert:

"Sec. 2. Minnesota Statutes 1994, section 168.017, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] All vehicles subject to registration under the monthly series system shall be registered by the registrar for a period of 12 consecutive calendar months, except as follows:

(a) if the application is an original rather than renewal application; or,

(b) if the applicant is a licensed motor vehicle lessor under section 168.27, in which case the applicant may apply for original registration of a ~~group of ten or more vehicles~~ vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. However, to qualify for this exemption, the applicant must present the application to the registrar at St. Paul, or at deputy registrar offices as the registrar may designate.

In any instance except that of a licensed motor vehicle lessor, the registrar may register the

vehicle which is the subject of the application for a period of not less than three nor more than 15 calendar months, when the registrar determines that to do so will help to equalize the registration and renewal work load of the department."

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections" and before the period, insert "; and 168.017, subdivision 3"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 378:** A bill for an act relating to highways; designating the Veterans Memorial Highway; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

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

Page 1, line 8, delete "Trunk highway" and insert "Legislative route"

Page 1, line 12, after the period, insert "Veterans' organizations, having resolved to support and financially back the marking of the highway, shall reimburse the department for costs incurred in marking this highway."

Sec. 2. Minnesota Statutes 1994, section 161.14, is amended by adding a subdivision to read:

Subd. 32. [POW/MIA MEMORIAL HIGHWAY.] Trunk highway marked No. 169 from its intersection with trunk highway marked No. 10 in or near the city of Elk River to its intersection with state highway marked No. 18 in or near the city of Garrison and state highway marked No. 18 from its intersection with trunk highway marked No. 169 in or near Garrison to its intersection with trunk highway marked No. 371 in or near the city of Brainerd is designated the "POW/MIA Memorial Highway." The commissioner of transportation shall adopt a suitable marking design to mark this highway and shall erect the appropriate signs. Veterans' organizations, having resolved to support and financially back the marking of the highway, shall reimburse the department for costs incurred in marking this highway.

Sec. 3. Minnesota Statutes 1994, section 161.14, is amended by adding a subdivision to read:

Subd. 33. [JOHN RILEY MEMORIAL DRIVE.] The segment of old county road 21 from its intersection with marked trunk highway No. 73 to the Moose Lake Minnesota Psychopathic Center, is named and designated the "John Riley Memorial Drive." The commissioner shall adopt a suitable marking design to mark this highway and shall erect the appropriate signs. The people of the community, having resolved to support and financially back the marking of the highway, shall reimburse the department for costs incurred in marking this highway."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "designating the POW/MIA Memorial Highway; designating the John Riley Memorial Drive;"

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

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**H.F. No. 216:** A bill for an act relating to motor vehicles; changing definition of fleet for vehicle registration purposes; amending Minnesota Statutes 1994, section 168.011, subdivision 34.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 700:** A resolution memorializing Congress to fund the Amtrak system to enable it to continue to serve Minnesota.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 333:** A bill for an act relating to motor carriers; clarifying who may conduct physical examinations for motor carrier drivers; amending Minnesota Statutes 1994, section 221.031, by adding a subdivision.

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

Page 1, line 14, after the period, insert "Any health care provider performing a physical examination for the purpose stated herein is allowed to perform only those procedures within the provider's scope of practice as provided in chapters 147 and 148 and rules promulgated thereto."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 691:** A bill for an act relating to drivers' licenses; authorizing and allocating charges for driver's license reinstatement; providing that a person whose license has been suspended due to failure to appear in a court outside the state, but who subsequently appears for determination of the case, does not have to pay the license reinstatement fee; amending Minnesota Statutes 1994, section 171.20, subdivision 4.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 677:** A bill for an act relating to motor vehicles; authorizing suspension of a vehicle's registration in certain circumstances; requiring a form to be provided in a vehicle's certificate of title and completed under certain circumstances; amending Minnesota Statutes 1994, sections 168.17; 168A.05, subdivision 5; and 168A.10, subdivisions 1, 2, and 5.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1994, section 168.11, subdivision 3, is amended to read:

Subd. 3. If the registrar fails to mail to the registered owner of a motor vehicle a notification of renewal for the motor vehicle at least 30 days before the expiration of the vehicle's registration, and all past due taxes and fees have been paid, the registrar must provide at no charge a written statement to that effect to the registered owner at the owner's request. The registrar must retain in the registrar's files a record sufficient to demonstrate whether any owner of a registered motor vehicle has been notified by mail of the renewal of the registration. The registrar shall mail, with each notification of renewal mailed in 1996, a "Notice of Sale" in postcard form, which contains the vehicle's title number and vehicle identification number, with sufficient space for the owner to record the name, address, and driver's license number of a purchaser, the vehicle's purchase price, and its date of sale. The form must include clear instructions regarding the owner's responsibility to complete and return the form pursuant to section 168A.10, subdivision 1."



Page 2, line 13, delete "separate"

Page 2, line 14, delete "detachable" and delete "automobile's" and insert "vehicle's"

Page 2, line 30, delete "form on the"

Page 2, line 31, delete "certificate entitled" and delete "if one is provided,"

Page 2, line 34, delete "detach and"

Page 3, delete section 5 and insert:

"Sec. 6. [EFFECTIVE DATE.]

Sections 1, 3, and 4 are effective January 1, 1996. Sections 2 and 5 are effective for sales on and after August 1, 1995."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, after "sections" insert "168.11, subdivision 3;"

Page 1, line 8, delete the first comma and insert "and" and delete ", and 5"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 526:** A bill for an act relating to local government; modifying the local approval requirements for the Nashwauk area ambulance district law; amending Laws 1994, chapter 587, article 9, section 10, subdivision 6.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 427:** A bill for an act relating to Western Lake Superior Sanitary District; providing for compliance with certain requirements of the Internal Revenue Code; proposing coding for new law in Minnesota Statutes, chapter 458D.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 170:** A bill for an act relating to local government; providing that maintenance of abandoned or neglected cemeteries by nonprofit organizations does not create an employment relationship or liability for local governments; amending Minnesota Statutes 1994, sections 306.243, subdivision 3; and 306.246.

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

Page 1, line 13, strike the first comma and strike ", or"

Page 1, line 14, strike everything before "must"

Page 1, line 17, strike "Boy Scouts of America Area Council, or"

Page 1, line 18, strike "institution" and insert "organization"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 531:** A bill for an act relating to local government; authorizing home rule charter cities to issue tax anticipation certificates; proposing coding for new law in Minnesota Statutes, chapter 410.

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

Page 1, line 14, delete "80"

Page 1, line 15, delete "percent of" and insert "any limits in the charter relating to"

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. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 16:** A bill for an act relating to health; modifying provisions relating to the administration and prescription of neuroleptic medications; changing the name of a court in certain circumstances; amending Minnesota Statutes 1994, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.09, subdivision 2; 253B.12, subdivision 1; and 253B.17, subdivision 1.

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

Page 1, after line 18, insert:

"(b) Pursuant to section 253B.03, subdivision 6c;"

Page 1, line 19, strike "(b)" and insert "(c)"

Page 1, line 20, strike "(c)" and insert "(d)"

Page 1, line 21, strike "(d)" and insert "(e)"

Page 1, line 25, strike "(e)" and insert "(f)"

Page 2, line 1, reinstate the stricken "or"

Page 2, line 2, strike "(f)" and delete the new language

Page 2, lines 3 to 5, delete the new language

Page 2, line 6, delete the paragraph coding

Page 2, line 22, delete "must make" and insert "makes"

Page 2, line 24, delete "has access to" and insert "may have access to the physician's order section of"

Page 2, line 26, before the period, insert ", if the patient lacks the capacity to authorize the release of records"

Page 2, line 30, after the period, insert "A patient who has the capacity to authorize the release of data retains the right to make decisions regarding access to medical records as provided by section 144.335."

Page 4, line 1, after the second "the" insert "first" and after "hearing" insert a comma

Page 4, line 2, after the period, insert "If the petition for authorization to administer medication is filed in conjunction with a petition for commitment and the court makes a determination at the preliminary hearing under section 253B.07, subdivision 7, that there is sufficient cause to continue the physician's order until the hearing under section 253B.08, the treating physician may continue the medication until that hearing, if the emergency continues to exist."

Page 4, line 28, delete everything after the period

Page 4, delete lines 29 and 30

Page 4, line 36, after "petition" insert "pursuant to section 253B.17"

Page 5, line 12, after "court" insert ", to the county attorney,"

Page 5, line 28, after "whether" insert ", because of the patient's mental illness,"

Page 5, line 34, before "or" insert "witness testimony,"

Page 6, line 17, delete "for the duration" and insert "until the termination"

Page 9, delete section 6

Page 10, line 33, delete "where appropriate,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "253B.09,"

Page 1, line 8, delete "subdivision 2;"

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

#### **Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 144:** A bill for an act relating to traffic regulations; allowing certain holders of disabled parking certificates to make their address or name and address private; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; and 169.345, subdivisions 1, 3, 4, and by adding subdivisions.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1994, section 13.69, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATIONS.] (a) The following government data of the department of public safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically handicapped persons; ~~and~~

(2) other data on holders of a disability certificate under section 169.345, except that data under this clause may be released to law enforcement agencies; and

(3) social security numbers in driver's license and motor vehicle registration records, except that social security numbers must be provided to the department of revenue for purposes of tax administration.

(b) The following government data of the department of public safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family."

Page 4, lines 2 to 5, delete the new language

Page 4, delete sections 5 and 6

Amend the title as follows:

Page 1, line 2, delete "allowing certain" and insert "limiting access to data on"

Page 1, line 3, delete "to make their"

Page 1, line 4, delete everything before the semicolon and after the semicolon, insert "modifying provisions governing display and use of certificates;"

Page 1, line 5, delete "13.99, by adding a"

Page 1, line 6, delete "subdivision" and insert "13.69, subdivision 1" and delete "4, and by" and insert "and 4"

Page 1, line 7, delete "adding subdivisions"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 713:** A bill for an act relating to Olmstead county; authorizing the county to create a nonprofit corporation to own and operate a hospital and medical center; providing the county board with related powers and duties.

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

Page 1, line 7, delete "OLMSTEAD" and insert "OLMSTED"

Page 1, lines 11 and 13, delete "Olmstead" and insert "Olmsted"

Page 2, line 9, delete "BILLS" and insert "BIDS"

Page 3, line 10, delete "Olmstead" and insert "Olmsted"

Amend the title as follows:

Page 1, line 2, delete "Olmstead" and insert "Olmsted"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 887:** A bill for an act relating to public administration; providing St. Paul with additional authority in regard to the teacher training institute; amending Laws 1994, chapter 643, section 72.

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

Page 1, line 18, after "leased" insert "to"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 453:** A bill for an act relating to towns; providing for damage award to affected property owner when town board adopts a recorded town road map; amending Minnesota Statutes 1994, section 164.35, subdivision 4.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 715:** A bill for an act relating to towns; prohibiting the Minnesota pollution control agency from charging towns a fee for permits for certain town road, bridge, or culvert projects; amending Minnesota Statutes 1994, section 116.07, subdivision 4d.

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

Page 4, line 9, delete "or any other law"

Page 4, line 10, after "fee" insert "in excess of \$85"

Amend the title as follows:

Page 1, line 2, delete "prohibiting" and insert "limiting"

Page 1, line 3, delete "from charging towns a"

And when so amended the bill be re-referred to the Committee on Environment and Natural Resources without recommendation. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 752:** A bill for an act relating to telecommunications; allowing for alternative regulation of telephone companies for a limited period; authorizing rulemaking to promote fair and reasonable competition for local exchange service; making technical changes; amending Minnesota Statutes 1994, sections 237.01, subdivision 6; 237.09; and 237.16; 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 1994, section 237.01, subdivision 6, is amended to read:

Subd. 6. [TELECOMMUNICATIONS CARRIER.] "Telecommunications carrier" means a person, firm, association, or corporation authorized to furnish one or more of the following telephone service services to the public, but not otherwise authorized to furnish local exchange service: (1) interexchange telephone service; (2) local telephone service pursuant to a certificate granted under the authority of section 237.16, subdivision 4, before August 1, 1995; or (3) local service pursuant to a certificate granted under section 237.16, for the first time after August 1, 1995, except if granted to a successor to a telephone company otherwise authorized to furnish local exchange service. Telecommunications carrier does not include entities that derive more than 50 percent of their revenues from operator services provided to transient locations such as hotels, motels, and hospitals. In addition, telecommunications carrier does not include entities that provide centralized equal access services.

Sec. 2. Minnesota Statutes 1994, section 237.035, is amended to read:

237.035 [TELECOMMUNICATIONS CARRIER EXEMPTION.]

(a) Telecommunications carriers are ~~not~~ subject to regulation under this chapter, ~~except that only to the extent required under paragraphs (b) to (e).~~

(b) Telecommunications carriers shall comply with ~~the requirements of section~~ sections 237.121 and 237.74.

(c) Telecommunications carriers shall comply with section 237.16, subdivisions 8 and 9.

(d) To the extent a telecommunications carrier offers local service, it shall obtain a certificate under section 237.16 for that local service.

(e) In addition, a telecommunications carrier's local service is subject to this chapter except that:

(1) a telecommunications carrier is not subject to rate-of-return or earnings investigations under section 237.075 or 237.081; and

(2) a telecommunications carrier is not subject to section 237.22.

Sec. 3. Minnesota Statutes 1994, section 237.09, is amended to read:

**237.09 [DISCRIMINATION PROHIBITED.]**

Subdivision 1. [GENERALLY.] No telephone company, or any agent or officer thereof, shall, directly or indirectly, in any manner, knowingly or willfully, charge, demand, collect, or receive from any person, firm, or corporation, a greater or less compensation for any intrastate service rendered or to be rendered by it than it charges, demands, collects, or receives from any other firm, person, or corporation for a like and contemporaneous intrastate service under similar circumstances.

Subd. 2. [PARTICULAR SERVICES.] (a) A telephone company that offers or provides a service or services, service elements, features, or functionalities on a separate, stand-alone basis to any customer shall provide that service, service element, feature, or functionality pursuant to tariff to all similarly situated persons, including all telecommunications carriers and competitors. To the extent prohibited by the Federal Communications Commission or public utilities commission, a telephone company shall not give preference or discriminate in providing services, products, or facilities to an affiliate or to its own or an affiliate's retail department that sells to consumers.

(b) For purposes of establishing an appropriate rate or price floor for a rate for a telephone service, a telephone company shall impute, on a service-by-service basis, into the rate or price for that service, the tariffed rate or price for the same services, service elements, or network functions that the company provides to others who use it to provide a service that competes with the telephone service offered by the company. A company is not required to impute a rate or price under this paragraph if it demonstrates to the commission, in an expedited proceeding under section 237.61, that:

(1) the competitor can obtain substantially equivalent services, service elements, or network functions within the relevant market or geographic area on reasonably comparable terms and conditions through self-provision or from a provider other than the telephone company; or

(2) application of the imputation requirement otherwise would be inconsistent with the public interest.

**Sec. 4. [237.121] [PROHIBITED PRACTICES.]**

A telephone company or telecommunications carrier may not do any of the following with respect to services regulated by the commission:

(1) upon request, fail to disclose in a timely and uniform manner information necessary for the design of equipment and services that will meet the specifications for interconnection;

(2) intentionally impair the speed, quality, or efficiency of services, products, or facilities offered to a consumer under a tariff, contract, or price list;

(3) fail to provide a service, product, or facility to a consumer other than a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(4) refuse to provide a service, product, or facility to a telephone company or telecommunications carrier in accordance with its applicable tariffs, price lists, or contracts and with the commission's rules and orders;

(5) impose restrictions on the resale or shared use of its services or network functions, provided that:

- (i) it may require that residential service may not be resold as a different class of service; and
- (ii) the commission may prohibit resale of services it has approved for provision for not-for-profit entities at rates less than those offered to the general public; or

(6) provide telephone service to a person acting as a telephone company or telecommunications carrier if the commission has ordered the telephone company or telecommunications carrier to discontinue service to that person.

Sec. 5. Minnesota Statutes 1994, section 237.16, is amended to read:

237.16 [CONSTRUCTING TELEPHONE LINES AND EXCHANGES LOCAL EXCHANGE COMPETITION, RULES.]

Subdivision 1. [LOCAL NEW SERVICE, CERTIFICATE OF AUTHORITY.] (a) For the purpose of bringing about ~~uniformity of practice~~ fair and reasonable competition for local exchange telephone services, the commission shall have has the exclusive ~~right~~ authority to grant authority to:

(1) authorize any telephone company person to construct telephone lines or exchanges for furnishing or to otherwise furnish local service to subscribers in any municipality of this state, and to prescribe the terms and conditions upon which construction or service delivery may be carried on; and whenever the commission grants such authority, it shall be in the form of a permit of indeterminate duration — coupled with the right to the municipality to purchase the telephone plant within the city, as hereinafter provided. No lines or equipment shall be constructed or installed for the purpose of furnishing local telephone service to the inhabitants or telephone users in any locality in this state, where there is then in operation in the locality or territory affected thereby another telephone company already furnishing such service, without first securing from the commission a declaration, after a public hearing, that public convenience requires such proposed telephone lines or equipment; but

(2) establish terms and conditions for the entry of telephone service providers so as to protect consumers from monopolistic practices and preserve the state's commitment to universal service.

(b) No person shall provide telephone service in Minnesota without first obtaining a determination that the person possesses the technical, managerial, and financial resources to provide the proposed telephone services and a certificate of authority from the commission under terms and conditions the commission finds to be consistent with fair and reasonable competition, universal service, the provision of affordable telephone service at a quality consistent with commission rules, and the commission's rules.

(c) The commission shall make a determination on an application for a certificate within 120 days of the filing of the application.

(d) The governing body of any municipality shall have the same powers of regulation which it now possesses with reference to the location of poles and wires so as to prevent any interference with the safe and convenient use of streets and alleys by the public.

(e) A telephone company or telecommunications carrier shall provide for repair or restoration of streets, alleys, and other public areas to their original condition if necessitated by the installation or operation of telephone or telecommunications carrier facilities.

Subd. 2. [CERTIFICATE OF TERRITORIAL AUTHORITY.] All telephone companies operating exchanges in the state of Minnesota as of April 21, 1961, shall be entitled to receive a certificate of territorial authority from the commission authorizing such company to continue to serve the areas presently included within the exchange boundaries as indicated by the exchange boundary maps now on record with the commission provided however that such exchange boundaries shall be subject to review by the commission upon the filing of a complaint by any interested party, the time for filing such complaints to be limited to 60 days after the passage of Laws 1961, chapter 637. If more than one company files maps indicating service in the same

~~territory, the commission shall, after hearing, on reasonable notice to the interested parties, determine, from such evidence as it may reasonably require, which of such companies shall be entitled to a certificate of territorial authority. In making such determination, the commission shall consider the ability of such company to furnish thereafter reasonably adequate service in the territory in question. Any company operating a switchboard that does not presently have a map on record with the commission shall have three months from April 21, 1961, to file such map showing the territory being served by such company.~~

~~Subd. 3. [MAPS; RULES.] The style, size and kind of map, together with the information to be shown thereon, shall be as required by Every company authorized to provide local telephone service under this section shall file a territorial map. The map must comply with the rules prescribed by the commission. Such rules shall indicate the time and place for filing such maps and shall require that such maps be kept current.~~

~~Subd. 4. [NEW AMENDED CERTIFICATE REQUIRED FOR EXPANSION.] No company authorized to provide local service shall construct or operate any line, plant or system, or any extension thereof, or provide local telephone service in any area for which it has not been certified nor shall any person acquire ownership or control thereof, of another telephone company either directly or indirectly, without first obtaining from the commission a determination that the present or future public convenience and necessity require or will require such construction, operation, or acquisition, and a new an amended certificate of territorial authority; provided that. The applicant for an amended certificate shall file with the commission notice of the expansion or acquisition, along with a new map under subdivision 3, identifying the territory to be served. Notice of the filing shall be served on any affected municipality and local telephone company certified in that territory. If no objection is filed with the commission by any interested party or raised by the commission within 20 days of the filing, it is considered approved, except if it involves an acquisition governed by section 237.23, in which case no certificate shall be granted until approval is obtained pursuant to that section and subdivision 1 of this section. If an objection is filed, the commission shall determine whether to approve the amendment in an expedited proceeding under section 237.61. This section shall not be construed to require a telephone company operating an exchange in Minnesota to secure a certificate for an extension within any territory within which such company has heretofore filed maps or for substitute facilities within such territories, or for extensions into territories contiguous to that already occupied by such company and not receiving similar service from another company if no certificate of territorial authority has been issued to or applied for by any other company.~~

~~Subd. 5. [REVOCAION.] Any certificate of ~~territorial~~ authority may, after notice of hearing and a hearing, be revoked by the commission, in whole or in part, for: the failure of the its holder thereof to furnish reasonably adequate telephone service within the area or areas determined and defined in such the certificate of territorial authority; failure to meet the terms and conditions of its certificate; or intentional violation of the commission's rules or orders.~~

~~Subd. 6. [EXPANSION OF SERVICE AREA NOT REQUIRED.] Nothing contained in This section shall be construed to does not require any telephone company operating exchanges providing local service in the state of Minnesota to render telephone service in any portion of any territorial area in which such not included on the telephone company does not render and does not propose to render telephone service company's territorial map.~~

~~Subd. 7. [EXISTING CERTIFICATES RETAINED.] This section does not limit the ability of telephone companies possessing certificates of territorial authority on August 1, 1995, including, but not limited to, certificates authorizing resale of local telephone service, to continue to provide telephone service within their designated territories.~~

~~Subd. 8. [RULES.] (a) Before August 1, 1997, the commission shall adopt rules applicable to all telephone companies and telecommunications carriers required to obtain or having obtained a certificate for provision of telephone service using any existing federal standards as minimum standards and incorporating any additional standards or requirements necessary to ensure the provision of high quality telephone services throughout the state. The rules must, at a minimum:~~

- ~~(1) define procedures for competitive entry and exit;~~
- ~~(2) require the provisions of equal access and interconnection with the company's network and~~



other features, functions, and services which the commission considers necessary to promote fair and reasonable competition;

(3) require unbundling of network services and functions to at least the level required by existing federal standards;

(4) prescribe, if necessary, methods of reciprocal compensation between telephone companies;

(5) provide for local telephone number portability;

(6) prescribe appropriate regulatory standards for new local telephone service providers, that facilitate and support the development of competitive services;

(7) protect against cross-subsidization, unfair competition, and other practices harmful to promoting fair and reasonable competition;

(8) prescribe methods for the preservation of universal and affordable local telephone services;

(9) prescribe standards for quality of service; and

(10) provide for the continued provision of local emergency telephone services under chapter 403.

(b) Before January 1, 1998, in a separate rulemaking, the commission shall adopt separate rules regarding the issues described in paragraph (a), clauses (1) to (10), as may be appropriate to provision of competitive local telephone service in areas served by telephone companies with less than 50,000 subscribers originally certified to provide local telephone services before January 1, 1988.

Subd. 9. [UNIVERSAL SERVICE FUND.] The commission shall establish and require contributions to a universal service fund, to be supported by all providers of telephone services, whether or not they are telephone companies under section 237.01, including, but not limited to, local telephone companies, independent telephone companies, cooperative telephone companies, municipal telephone companies, telecommunications carriers, radio common carriers, personal communication service providers, and cellular carriers. Services that should be considered for inclusion as universal include, at a minimum, single-party service with touch-tone capability, line quality capable of carrying facsimile and data transmissions, equal access, emergency services number capability, statewide telecommunications relay service for the hearing-impaired, and blocking of long-distance toll services. The fund must be administered and distributed in accordance with rules adopted by the commission and designed to preserve the availability of universal service throughout the state. Any state universal service fund must be coordinated with any federal universal service fund. The department shall make recommendations to the legislature by January 1, 1996, regarding a plan for contributions to and expenditures from the universal service fund. In particular, the department shall address the following issues:

(1) what additional services should be included in the basic set of essential telephone services which the state should encourage in its mandate to ensure universal service;

(2) whether and how expenditures from the fund should be used to ensure citizens access to local government and other public access programming; and

(3) whether expenditures from the fund should be used to encourage construction of infrastructure for, and access to, advanced services, especially in high-cost areas of the state, and, if the commission determines the fund should be used for this purpose, a plan to accomplish these goals.

Subd. 10. [INTERIM AUTHORITY.] (a) Before adopting the rules required under subdivision 8, the commission shall grant an applicant a certificate to provide a proposed local telephone service when the commission finds that the applicant meets the conditions of subdivision 1. Any applicant for a certificate pursuant to subdivision 1 shall, at the time its application is filed, provide notice of its application to all local telephone companies authorized to provide local exchange service in the geographic area identified in the application. The applicant and telephone companies shall negotiate a temporary arrangement pertaining to interconnection matters for the

effective interconnection of local exchange networks, pending the adoption of the rules under subdivision 8. If the applicant and the telephone companies fail to reach agreement within 60 days of filing the application, the commission shall set the terms of the temporary arrangement at the time of the issuance of the certificate.

(b) Any company previously certified to provide local telephone services may request a temporary arrangement for the effective interconnection with the local exchange network of another telephone company in the same territory, pursuant to the time frames and procedures of this subdivision.

(c) In addition, through and until the rules are adopted under subdivision 8, each telephone company serving more than 50,000 access lines in the state shall:

(1) permit interconnection or discontinue interconnection for intrastate services to the same extent and in the same manner and time frame as the Federal Communications Commission requires interconnection or permits discontinuance of interconnection for interstate services; and

(2) unbundle its intrastate services and facilities used for intrastate services to the same extent and in the same manner as the Federal Communications Commission requires unbundling for interstate purposes.

Subd. 11. [INTERIM AUTHORITY IN AREAS SERVED BY TELEPHONE COMPANIES WITH LESS THAN 50,000 SUBSCRIBERS.] (a) Before adopting the rules required under subdivision 8 for telephone companies with less than 50,000 subscribers, when an applicant requests certification to provide local telephone service in an area served by a telephone company with less than 50,000 subscribers originally certified to provide local telephone service before January 1, 1988, the commission shall grant the application if it finds the applicant meets the requirements of subdivision 1. The commission shall make its determination on the application, including whether to provide a temporary arrangement for the effective interconnection of the local exchange networks, after a hearing under chapter 14 or expedited proceeding under section 237.61, within nine months of the application, and considering any facts unique to that telephone company. In addition, if an application is granted, that telephone company shall:

(1) permit interconnection or discontinue interconnection for intrastate services to the same extent and in the same manner and time frame as the Federal Communications Commission may thereafter require for that small telephone company for interstate purposes.

(2) unbundle its intrastate services and facilities used for intrastate services to the same extent and in the same manner as the Federal Communications Commission may thereafter require for that telephone company for interstate purposes.

(b) If a telephone company with less than 50,000 subscribers is authorized by the Federal Communications Commission to provide video common carrier services before the rules required under subdivision 8 are adopted, an application under this subdivision for certification to provide local telephone service in an area served by that telephone company shall be determined within 120 days of its filing.

Subd. 12. [EXTENSION OF INTEREXCHANGE FACILITIES.] In order to promote the development of competitive interexchange services and facilities, any interexchange facility that is owned by a certified telephone company, independent telephone company, telecommunications carrier or an affiliate and that is used to provide service to customers located in areas for which it has been previously certified to provide service may be extended to meet and interconnect with the facility of another telephone company, small telephone company, or telecommunications carrier, whether at a point inside or outside of its territories, without further proceeding, order, or determination of current or future public convenience and necessity, upon mutual consent with the other telephone company, small telephone company, or telecommunications carrier whose facilities will be met and interconnected. Written notice of the extension and interconnection must be provided to the public utilities commission and department of public safety within 30 days after completion. The written notice must be served on all local exchange companies certified before January 1, 1988, in all areas where the facilities are located.

Subd. 13. [APPLICATION OF OTHER LAW.] Notwithstanding any provisions of sections

237.035 and 237.74 to the contrary, before adopting the rules under subdivision 8, the local services provided by a telecommunications carrier are subject to this chapter in the same manner as those local services of a telephone company regulated under this chapter, except that the telecommunications carrier is not subject to section 237.22 and is not subject to rate-of-return regulation or earnings investigations under section 237.075 or 237.081. Before offering a local telephone service a telecommunications carrier must be certified to provide local service under this section.

Sec. 6. Minnesota Statutes 1994, section 237.461, subdivision 2, is amended to read:

Subd. 2. [CIVIL PENALTY.] A person who knowingly and intentionally violates a provision of this chapter or rule or order of the commission adopted under this chapter shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of at least \$100 and not more than ~~\$1,000~~ \$5,000 for each day of each violation. The civil penalties provided for in this section may be recovered by a civil action brought by the attorney general in the name of the state. Amounts recovered under this section must be paid into the state treasury.

Sec. 7. [237.76] [PURPOSE.]

A telephone company may petition the commission for approval of an alternative regulation plan under sections 237.76 to 237.774. The purpose of an alternative regulation plan is to provide a telephone company's customers with service of a quality consistent with commission rules at affordable rates, to facilitate the development of telecommunication alternatives for customers, and to provide, where appropriate, a regulatory environment with greater flexibility than is available under traditional rate-of-return regulation as reflected in other provisions of this chapter.

Sec. 8. [237.761] [ALTERNATIVE REGULATION PLAN; SERVICES.]

Subdivision 1. [CLASSIFICATION OF SERVICES.] An alternative regulation plan must contain provisions that provide for classification of all telephone services as price regulated, flexibly priced, or nonprice regulated consistent with subdivisions 2 to 5.

Subd. 2. [PRICE-REGULATED SERVICE; DEFINITION.] For purposes of this section, the term "price-regulated service" includes only those services that are:

- (1) essential for providing local telephone service and access to the local telephone network;
- (2) integrally related to privacy, health, and safety of the company's customers; and
- (3) for which no reasonable alternative exists within the relevant market or geographic area on reasonably comparable terms and conditions.

Subd. 3. [SPECIFIC PRICE-REGULATED SERVICES.] Price-regulated telephone services are the following:

- (1) residential and business service for local calling, including measured local service, two-party service, private branch exchange (PBX) trunks, trunk type hunting services, direct inward dialing, the network access portion of central office switched exchange service, and public access lines for customer-owned coin-operated telephones;
- (2) extended area service;
- (3) switched network access service;
- (4) call tracing;
- (5) calling number blocking;
- (6) touch tone service when provided separately from basic local exchange service;
- (7) local exchange, white-page, printed directories;
- (8) 911 emergency services;

- (9) installation and repair of local network access;
- (10) local operator services, excluding directory assistance; and
- (11) toll service blocking and 1-900 or 976 access blocking.

Subd. 4. [FLEXIBLY PRICED SERVICES.] (a) A service not listed in subdivision 3 or not otherwise determined to be price regulated under subdivision 6 or 7 or nonprice regulated must be classified as a flexibly priced service.

(b) Flexibly priced services are regulated consistent with section 237.60, subdivision 2, except that:

(1) rate decreases may be effective immediately upon filing and are considered approved if no objection is filed or raised by an interested party or the commission within ten days after the filing; and

(2) rate increases may be effective 20 days after filing and are considered approved if no objection is filed or raised by an interested party or the commission within 20 days after the filing.

Subd. 5. [NON-PRICE-REGULATED SERVICES.] (a) A service must be classified as nonprice regulated if the commission finds, based upon evidence filed by the telephone company and other evidence available to the commission and consistent with the company's proposed plan, that there is sufficient competition to justify classification as nonprice regulated. In making that determination, the factors the commission shall consider include:

(1) the number, size, and identity of competitors providing the same or functionally equivalent service;

(2) the geographic area in which competitive service is actually available to and being used by customers, to the extent this information is available to the commission;

(3) the importance of the service to the public; and

(4) the effect of classification of the service on the development of a competitive telecommunications market.

(b) Telephone companies shall file tariffs or price lists for non-price-regulated services with the commission, but the rates for these services are not subject to commission approval or investigation except as provided in subdivision 6 and sections 237.762, subdivision 6, 237.770, and 237.771.

Subd. 6. [RECLASSIFICATION.] An alternative regulation plan may contain provisions allowing for the reclassification of services during the course of the plan upon a showing that the service meets the criteria contained in subdivision 2, 3, 4, or 5, and the plan, for the requested classification.

Subd. 7. [NEW SERVICES; CLASSIFICATION; RATES.] At the time the company first offers a service, it shall file a tariff or price list and the proposed classification for the service under the plan along with a written explanation of why the proposed classification is consistent with this section. New services classified as flexibly priced or nonprice regulated may be offered on one day's notice to the commission and the department. New services classified as price regulated may be offered pursuant to the terms set forth in the plan. A service is not considered a new service if it consists of a repackaging including bundling, unbundling, or repricing of an already existing service. If no interested party or the commission objects to the company's proposed classification within 30 days of the filing of the petition, the company's proposed classification of the service is approved. If an objection is filed, the commission shall determine the classification of the service within 90 days of the filing of the new service.

Sec. 9. [237.762] [RATES; PRICES.]

Subdivision 1. [INITIAL RATES.] As part of its evaluation of an alternative regulation plan, the commission shall determine whether the telephone company's existing service substantially

complies with commission rules and if its rates and rate design are appropriate in light of the proposed plan or whether changes should be made before the plan is implemented or phased in during the course of the plan. An alternative regulation plan approved by the commission under this section must provide that the recurring and nonrecurring rates or prices that may be charged by a telephone company for price-regulated services are no higher than the approved rate or prices on file with the commission for those services on the date of the filing of the plan. Furthermore, no plan may in any way change the terms or conditions of any access charge settlements approved by the commission or exempt any company from compliance with any commission access charge order issued before the filing of a plan. The plan must address implementation of additional access charge reductions that may occur during that portion of the plan that extends beyond expiration of commission-approved settlements.

Subd. 2. [NEW SERVICE; RATES.] For services offered by the telephone company for the first time after August 1, 1995, the rates or prices must equal or exceed the total service long-run incremental cost of the service.

Subd. 3. [RATE CHANGES.] (a) An alternative regulation plan must set forth the procedures under which the telephone company may reduce the rates or prices for price-regulated services below the initial rates or prices or thereafter increase the rates or prices during the term of the plan. The rates or prices may not be reduced below the total service long-run incremental cost of providing the service. The rates or prices may not exceed the initial rates or prices for the service determined under subdivision 1 for the first three years of the plan. After a plan has been in effect for three years, price-regulated rates may be changed as appropriate under a procedure set forth in an approved plan. Rates for price-regulated services may not be increased unless the company has demonstrated substantial compliance with the quality of service standards set forth in the plan.

(b) An approved plan may allow changes in rates for price-regulated services after three years to reflect:

(1) substantial financial impacts of government mandates to construct specific telephone infrastructure and increases or decreases in state and federal taxes, if the mandate applies to local telephone companies and the company would not otherwise be compensated through some other manner under the plan; and

(2) changes in jurisdictional allocations from the Federal Communications Commission, the amount of which the telephone company cannot control and for which equal and opposite exogenous changes are made on the federal level.

Subd. 4. [BUNDLED RATES.] When the rates or prices for services are unbundled, the price for each basic network function must be set to equal or exceed its total service long-run incremental cost. Before August 1, 1997, if the rates or prices for price-regulated services are bundled, the bundled rate or price may not exceed the sum of the unbundled rates or prices for the individual service elements or services or the total initial bundled rate or price for those service elements or services.

Subd. 5. [INCOME-NEUTRAL CHANGES.] Other than as authorized in this subdivision, an alternative regulation plan must not permit income-neutral rate changes for price-regulated services during the plan except as is necessary to implement extended area service or any successor to that service. Any plan must provide that after the rules issued pursuant to section 237.16 are adopted, rates for price-regulated services may be increased, as approved by the commission, to the extent necessary to carry out the purpose of those rules. However, rate increases, if any, for those services must be incorporated with a universal service fund so that the effective rate for the customers of those services does not increase during the first three years of the plan.

Subd. 6. [RATES FOR OTHER SERVICES.] The telephone company shall file price lists with the commission for all flexibly priced or non-price-regulated services. The rate or price for each flexibly priced and non-price-regulated service must be equal to or exceed the total service long-run incremental cost of providing that service. In any proceeding regarding the appropriateness of a rate or price for a flexibly priced or non-price-regulated service, the telephone company has the burden of proving that the rate or price is above the total service long-run incremental cost of providing that service.

**Sec. 10. [237.763] [EXEMPTION FROM RATE-OF-RETURN REGULATION AND RATE INVESTIGATIONS.]**

Except as provided in the plan and any subsequent plans, a company that has an alternative regulation plan approved under section 237.764, is not subject to the rate-of-return regulation or earnings investigations provisions of section 237.075 or 237.081 during the term of the plan. A company with an approved plan is not subject to the provisions of section 237.57; 237.58; 237.59; 237.60, subdivisions 1, 2, 4, and 5; 237.62; 237.625; 237.63; or 237.65, during the term of the plan. Except as specifically provided in this section or in the approved plan, the commission retains all of its authority under section 237.081 to investigate other matters and to issue appropriate orders, and the department retains its authority under sections 216A.07 and 237.15 to investigate matters other than the earnings of the company.

**Sec. 11. [237.764] [PLAN ADOPTION; EFFECT.]**

Subdivision 1. [PETITION, NOTICE, HEARING, AND DECISION.] (a) Before acting on a petition for approval of an alternative regulation plan, the commission shall conduct any public meetings it may consider necessary.

(b) The commission shall require the petitioning telephone company to provide notice of the proposed plan to its customers, along with a summary description of the plan provisions and the dates, times, and locations of public meetings scheduled by the commission.

(c) The company's petition shall contain an explanation of how ratepayers will benefit from the plan and a justification of the appropriateness of earnings levels and rates in light of the proposed plan as well as any proposed changes in rates for price-regulated services for the first three years of the proposed plan. If a telephone company has completed a general rate proceeding, rate investigation, or audit of its earnings by the department or commission within two years of the initial application for an alternative form of regulation plan, the commission order or department audit report, updated for the most recent calendar year, is sufficient justification of earnings levels to initiate the filing of an alternative regulation plan.

(d) The commission shall conduct a proceeding under section 237.61 to decide whether to approve the plan and shall grant discovery as appropriate.

(e) The commission shall issue findings of fact and conclusions concerning the appropriateness of the proposed initial rates and the proposed plan, or any modifications to it, but may not order that a modified plan take effect without the agreement of the petitioning telephone company. The commission shall issue its decision on a plan within six months after receiving the petition to approve the plan unless the commission and the petitioning company agree to an extension of the time for commission action.

(f) If a settlement is submitted to the commission, the commission shall accept, reject, or modify the proposed settlement within 60 days from the date it was submitted.

Subd. 2. [SETTLEMENT; STIPULATION; FINAL ORDER.] Upon receipt of a petition for an alternative regulation plan, the commission shall convene a conference including all interested parties to encourage settlement or stipulation of issues. Any settlement or stipulation must be submitted to the commission, which shall accept or reject the proposal in its entirety or modify it. If the commission modifies the proposal, all parties have 30 days to comment on the proposed modifications, after which the commission shall issue its final order. If the final order contains modifications to the proposal, each party to the settlement has ten days to reject the proposed modifications, in which case the matter must be decided under section 237.61. After appropriate notice and hearing for all parties, the commission may adopt a stipulation submitted by a substantial number of, but less than all, parties.

Subd. 3. [EFFECT ON INCENTIVE PLAN.] The approval of a plan under this section automatically terminates any existing incentive plan previously approved under section 237.625 upon the effective date of the plan approved under this section, provided, however, the company remains obligated to share earnings under the terms of the incentive plan through the date of the termination of that plan and also is required to complete the performance of any other unexecuted commitments under the incentive plan.

Sec. 12. [237.765] [QUALITY OF SERVICE.]

For an alternative regulation plan to be approved by the commission under sections 237.76 to 237.774, the plan must contain and the commission shall require:

(1) evidence that current service quality substantially complies with commission rules as to justify lessened rate regulation;

(2) a baseline measurement of the quality of service levels as achieved by the company during the previous three years, to the extent the data are available, and specific statewide standards for measuring the quality of price-regulated and flexibly priced services provided by the company, including, but not limited to (i) time intervals for installation, (ii) time intervals for restoration or repair of service, (iii) trouble rates, (iv) exchange access line held orders, and (v) customer service answer time;

(3) provisions for reporting to the commission at least annually the company's performance as to the quality of service standards by quarter for the previous year;

(4) provisions that index quality of service standards for local residence services to similar standards for local business services;

(5) appropriate remedies, including penalties and customer-specific adjustments or payments to compensate customers for specific quality of service failures, so as to ensure substantial compliance with the quality of service standards set forth in the plan; and

(6) provisions for informing customers of their rights as to quality of service and how customers can register their complaints regarding service.

Any penalties under clause (5) may be paid into a universal service fund or returned to customers under a method set forth in the plan.

Sec. 13. [237.766] [PLAN DURATION.]

An alternative regulation plan approved by the commission under section 237.764 must remain in force as approved for the term specified in the plan, which must be for no less than four years. Within six months prior to the termination of the plan, the plan must be reviewed by the commission and, with the consent of the company, revised or renewed consistent with sections 237.76 to 237.774, after notice to and comment by all interested parties. The plan must specify the reports required of the telephone company for review of the plan and specify that the telephone company shall maintain records in sufficient detail to facilitate the review.

Sec. 14. [237.767] [DISCONTINUANCE OF SERVICE.]

Without the express approval of the commission, a telephone company subject to a plan may not discontinue the provision of a service or basic network function that has been classified as price regulated or flexibly priced.

Sec. 15. [237.768] [PERIODIC FINANCIAL REPORTS.]

In addition to the reports required under section 237.766, an alternative regulation plan may require a telephone company to file with the department an annual report of financial matters for the previous calendar year on or before May 1 of each year on report forms furnished by the department of public service in the same manner as is required of other telephone companies on August 1, 1995. In addition, any company subject to a plan shall file with the commission and department a copy of any filings it has made to the Federal Communications Commission regarding the provisions of video programming provided through a video dial tone facility in Minnesota. An alternative regulation plan may require a telephone company to maintain its accounts in accordance with the system of accounts prescribed for the company by the commission under section 237.10.

Sec. 16. [237.769] [UNBUNDLING AND INTERCONNECTION.]

Every plan must contain, and the commission shall approve, rates for and procedures under

which the telephone company will, on or before the effective date of the plan, permit interconnection with and unbundle its intrastate services and facilities to the same extent and in the same manner as the Federal Communications Commission requires the interconnection and unbundling for interstate purposes for that company. Any company under a plan is subject to any rules adopted under section 237.16 on the same date as those rules are applicable to other companies.

Sec. 17. [237.770] [SUBSIDIZATION.]

No telephone company shall subsidize flexibly priced or non-price-regulated services from other services. A telephone service is not subsidized if the aggregate revenues for the service equal or exceed the total service long-run incremental costs of providing the service. If the commission determines, after a proceeding under section 237.081, that subsidization exists, it shall order changes in rates to price the subsidized service above total service long-run incremental cost and may invoke any other remedies otherwise available under this chapter.

Sec. 18. [237.771] [DISCRIMINATION.]

The rates of a telephone company under a plan must be the same in all geographic locations of the state except for good cause. A plan may contain provisions that define good cause, including consideration of the ability to respond to competition. Sections 237.09 and 237.121 apply to a telephone company under a plan.

Sec. 19. [237.772] [COST STUDY METHODOLOGY.]

Subdivision 1. [TOTAL SERVICE LONG-RUN INCREMENTAL COST.] (a) For purposes of this chapter, total service long-run incremental cost (TSLRIC) means the total cost to the company of supplying a service, group of services, or basic network function. The term "long-run" means a period of time sufficient so that all inputs are avoidable based on the total increment of service, group of services, or basic network function and includes the relevant costs resulting from the company's decision to provide the service, group of services, or basic network function, holding constant the production levels of all other services, groups of services, or basic network functions provided by the company.

(b) A telephone company is not required to prepare or file TSLRIC or variable cost studies for all of its services as a prerequisite to filing a plan. However, the commission may order cost studies to be prepared for specific services as a condition of approval of the plan.

Subd. 2. [PETITION FOR VARIABLE COST STUDY.] To the extent that this section or the commission may require a company to provide a TSLRIC study, a company may submit a petition to the commission for permission to submit a variable cost study instead of a TSLRIC study. The commission shall grant the petition if the telephone company demonstrates:

(1) that a TSLRIC study is burdensome in relation to its annual revenue from the service involved;

(2) in the case of an existing service, that the service is no longer being offered to new customers; or

(3) if the telephone company shows other good cause.

Sec. 20. [237.773] [ALTERNATIVE REGULATION FOR SMALL TELEPHONE COMPANIES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "small telephone company" means a local exchange telephone company with fewer than 50,000 subscribers that has made an election under subdivision 2 whether or not the company is subject to sections 237.58, 237.59, 237.60, subdivisions 1, 2, and 5, 237.62, and 237.625.

Subd. 2. [ELECTION; EFFECT.] A local telephone company with fewer than 50,000 subscribers may elect to become a small telephone company by notice to the commission, in writing, of its decision. The small telephone company may not revoke its election for three years after making the election. While that election remains in effect, a small telephone company is not



subject to the rate-of-return regulation or earnings investigation provisions of section 237.075 or 237.081.

If, before electing under this subdivision, a small telephone company has been found by the commission to have significant quality of service problems in violation of applicable commission rules, that company must either resolve the quality of service problems or develop a plan to resolve the quality of service problems in conformance with section 237.765. The quality of service plan must be approved by the commission in order for an election under this subdivision to be effective. The commission shall make a determination on the quality of service plan within 60 days after it is submitted.

Subd. 3. [LOCAL RATES.] (a) Except as provided in paragraph (b), a small telephone company shall not implement a rate increase for any service listed in section 237.761, subdivision 3, beyond the level in effect 60 days prior to an election under subdivision 2, until the later of January 1, 1998, or two years after making an election. However, a small telephone company may implement any new service and establish rates for any new service and may change rates for any other service at any time subject to the requirements of section 237.761, subdivision 4.

A small company shall provide to its customers the ability to block, at no extra charge, any new service which it offers, provides, or bills. This requirement shall not apply to services that require affirmative subscription by the customer. Nothing in this section shall prevent the commission from requiring blocking or other privacy or safety protections for other types of telecommunications services under section 237.081.

(b) At any time following one year after electing under subdivision 2, a small telephone company may change rates for local services except switched network access services, listed in section 237.761, subdivision 3, to reflect:

(1) changes in state and federal taxes;

(2) changes in jurisdictional allocations from the Federal Communications Commission, the amount of which the small telephone company cannot control and for which equal and opposite exogenous changes are made on the federal level;

(3) substantial financial impacts of investments in network upgrades which are made; or

(i) if the investment exceeds 20 percent of the gross plant investment of the company; or

(ii) as the result of government mandates to construct specific telephone infrastructure, if the mandate applies to local telephone companies and the company would not otherwise be compensated.

A small telephone company may change rates for local services listed in section 237.761, subdivision 3, at any time, to implement extended area service or any successor to that service on an income neutral basis.

A small telephone company proposing an increase under this subdivision, shall provide 60 days' advance written notice to the department and each of the company's customers including the individual rates affected and the procedure necessary for the customers to petition for investigation. If the department receives a petition within 45 days after the notice from five percent or 500, whichever is fewer, of the customers of the small telephone company, the department shall determine if the petition is valid and, if so, may investigate the rate change to determine if it conforms to the limitations of this subdivision. The department shall report its findings to the commission, which shall either adopt the report or order changes to conform to this subdivision.

(c) On or after the later of January 1998, or two years after making an election under subdivision 2, a small telephone company may increase rates for local services, except switched network access services, listed in section 237.761, subdivision 3.

A small telephone company proposing an increase shall provide 60 days' advance written notice to its customers including individual rates affected and the procedure necessary for the customers to petition for investigation. If the commission receives a petition within 45 days after

such notice, from five percent or 500, whichever is fewer, of the customers of the small telephone company, the department shall determine if the petition is valid and, if so, may investigate the proposed rate increase to determine if it is appropriate in light of rates charged by other local exchange telephone companies for comparable services, taking into account calling scope, quality of service, the availability of competitive alternatives, service costs, and the features available to the customers. The department shall file a report with the commission which shall then approve appropriate rates for those services. Rates established by the commission under this paragraph shall not be increased within one year of implementation.

Subd. 4. [ACCESS RATES.] (a) No election by a small telephone company may in any way change the terms or conditions of any interexchange access charge settlements approved by the commission before an election under subdivision 2.

(b) While any interexchange access charge settlement approved by the commission remains in effect, the commission and department shall enforce the agreement without further investigation of interexchange access charges or earnings relating to the interexchange access service. Except as specifically provided in this section, the commission retains all of its authority under section 237.081 to investigate other matters relating to interexchange access charges and to issue appropriate orders, and the department retains its authority under sections 216A.07 and 237.15 to investigate matters relating to interexchange access charges.

Subd. 5. [DEPRECIATION.] While an election under subdivision 2 is in effect, the company shall be subject to complaints by the department or others concerning its depreciation rates and practices pursuant to section 237.081, subdivision 1a, and shall submit to the department the information required by Minnesota Rules, parts 7810.7700 and 7810.7800, but shall not otherwise be subject to section 237.22 or the certification procedures of Minnesota Rules, part 7810.7000.

**Sec. 21. [237.774] [OTHER LAWS.]**

Except as provided in sections 237.76 to 237.773, a telephone company subject to a plan approved under sections 237.764 and 237.773, shall comply with any state or federal laws governing the provision of telephone services. Nothing contained in sections 237.76 to 237.773 is intended in any way to change or modify the definitions contained in section 237.01 or what constitutes the provision of telephone service under this chapter or other laws.

**Sec. 22. [PUBLIC ACCESS.]**

The department shall investigate how to ensure citizen access to local government and other public access programming on emerging communication technologies such as video dial-tone and satellite transmission equivalent to that required of cable franchise operators pursuant to Minnesota Statutes, chapter 238, and the alternatives available to the state to ensure that access.

The department shall make recommendations to the legislature by January 1, 1996, concerning public access.

**Sec. 23. [EFFECTIVE DATE; EXPIRATION.]**

Sections 1 to 22 are effective August 1, 1995, and expire January 1, 2006."

Amend the title as follows:

Page 1, line 7, after the first semicolon, insert "237.035;" and delete "and"

Page 1, line 8, after the semicolon, insert "and 237.461, subdivision 2;"

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

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

**H.F. No. 670** 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.  
670S.F. No.  
494

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 670 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 670 and insert the language after the enacting clause of S.F. No. 494, the first engrossment; further, delete the title of H.F. No. 670 and insert the title of S.F. No. 494, the first engrossment.

And when so amended H.F. No. 670 will be identical to S.F. No. 494, and further recommends that H.F. No. 670 be given its second reading and substituted for S.F. No. 494, and that the Senate File be indefinitely postponed.

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 845:** A bill for an act relating to health; MinnesotaCare; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; delaying the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; establishing prescription drug coverage for low-income Medicare beneficiaries; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily insured; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivision 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.48; 62J.55; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62P.03; 62P.05, by adding a subdivision; 62P.07, subdivision 4; 62P.31; 62Q.01, subdivisions 2, 3, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.25; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, by adding a subdivision; 256B.057, subdivision 3; 270.101, subdivision 1; 290.01, subdivision 19a; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, section 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; and 62Q.27; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

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

Page 11, line 13, delete "is" and insert "are"

Page 14, line 29, delete "policy holder" and insert "policyholder"

Page 17, line 8, delete "Supplement" and insert "supplement"

Page 18, lines 5 and 6, delete "medicare" and insert "Medicare"

Page 18, line 23, delete "7" and insert "10"

Page 18, line 35, delete the comma and insert "and"

Page 20, line 12, delete "reviewed" and insert "revised"

Page 21, lines 4 and 7, delete "collected" and insert "obtained by the commissioner"

Page 21, line 20, before "as" insert "of the risk adjustment system"

Page 21, after line 32, insert:

"Sec. 17. Minnesota Statutes 1994, section 62Q.03, is amended by adding a subdivision to read:

Subd. 12. [PARTICIPATION BY ALL HEALTH PLAN COMPANIES.] Upon its implementation, all health plan companies, as a condition of licensure, must participate in the risk adjustment system to be implemented under this section."

Page 25, line 32, after "decision" insert "by a health plan company"

Page 25, line 34, delete "a" and insert "the"

Page 32, line 4, delete everything before "the" and insert "further define"

Page 32, line 11, after the period, insert "In developing the standard exclusions, the commissioners shall consider current market practices and the effect of exclusions on the cost of premiums."

Page 33, line 6, delete "out-of-network"

Page 33, line 14, delete "in network" and insert "in-network"

Page 33, lines 16 and 17, delete "by health plan companies"

Page 33, line 18, before the period, insert "by the health plan companies or at prices reflecting discounts received from bulk purchasing by the individual health care provider"

Page 34, after line 1, insert:

"(f) Cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services."

"(g) Cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services."

Page 34, line 15, delete from "over" through page 34, line 17, to "counseling"

Page 34, line 18, delete "(iii)" and insert "(ii)" and delete "and"

Page 34, line 19, delete "(iv)" and insert "(iii)"

Page 34, after line 20, insert:

"(iv) postnatal care; and"

Page 34, line 21, after "(2)" insert "if coverage for" and after "services" insert "is offered, these services"

Page 34, line 25, delete "coinsurance"

Page 34, line 27, delete from "over" through page 34, line 28, to "screening" and insert "vision and hearing exams, mental health and chemical dependency assessment or diagnosis"

Page 34, line 30, delete "Coinsurance"

Page 35, line 5, after "(2)" insert "if coverage for" and after "services" insert "is offered, these services"

Page 35, delete lines 17 to 19

Page 35, line 20, delete "(2)" and insert "(1)"

Page 35, line 22, delete "(3)" and insert "(2)"

Page 35, line 25, delete "(4)" and insert "(3)"

Page 35, line 26, delete "(5)" and insert "(4)"

Page 35, line 28, delete "(6)" and insert "(5)"

Page 35, line 30, delete "(7)" and insert "(6)"

Page 35, lines 32 and 33, delete "(hospital and residential)"

Page 35, line 34, delete "(8)" and insert "(7) if coverage for" and after "services" insert "is offered, these services"

Page 36, line 1, delete "(9)" and insert "(8)"

Page 36, line 19, after "(5)" insert "if coverage for" and after "services" insert "is offered, these services"

Page 37, line 23, delete "29" and insert "30"

Page 38, line 14, delete the new language

Page 38, lines 15 to 19, delete the new language and strike the old language

Page 38, line 20, strike "all-payer law pursuant to chapter 62P" and delete the new language

Pages 38 and 39, delete sections 2 to 4 and insert:

"Sec. 2. Minnesota Statutes 1994, section 62J.04, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTED GROWTH LIMITS AND ENFORCEMENT.] (a) The commissioner shall publish the final adjusted growth limit in the State Register by January 31 of the year that the expenditure limit is to be in effect. The adjusted limit must reflect the actual regional consumer price index for urban consumers for the previous calendar year, and may deviate from the previously published projected growth limits to reflect differences between the actual regional consumer price index for urban consumers and the projected Consumer Price Index for urban consumers. The commissioner shall report to the legislature by February 15 of each year on differences between the projected increase in health care expenditures, the actual expenditures based on data collected, and the impact and validity of growth limits within the overall health care reform strategy.

(b) The commissioner shall enforce limits on growth in spending ~~and revenues for integrated service networks and for the regulated all-payer option health plan companies and revenues for providers.~~ If the commissioner determines that artificial inflation or padding of costs or prices has occurred in anticipation of the implementation of growth limits, the commissioner may adjust the base year spending totals or growth limits or take other action to reverse the effect of the artificial inflation or padding.

(c) The commissioner shall impose and enforce overall limits on growth in ~~revenues and~~

spending for ~~integrated service networks~~ health plan companies, with adjustments for changes in enrollment, benefits, severity, and risks. ~~If an integrated service network a health plan company exceeds the growth limits, the commissioner may reduce future limits on growth in aggregate premium revenues expenses for that integrated service network health plan company by up to the amount overspent. If the integrated service network system health plan company exceeds a systemwide spending limit, the commissioner may reduce future limits on growth in premium revenues expenses for the integrated service network system health plan company by up to the amount overspent.~~

~~(d) The commissioner shall set prices, utilization controls, and other requirements for the regulated all-payer option to ensure that the overall costs of this system, after adjusting for changes in population, severity, and risk, do not exceed the growth limits. If growth limits for a calendar year are exceeded, the commissioner may reduce reimbursement rates or otherwise recoup amounts exceeding the limit for all or part of the next calendar year. To the extent possible, the commissioner may reduce reimbursement rates or otherwise recoup amounts over the limit from individual providers who exceed the growth limits.~~

~~(e) The commissioner, in consultation with the Minnesota health care commission, shall research and make recommendations to the legislature regarding the implementation of growth limits for integrated service networks and the regulated all-payer option health plan companies and providers. The commissioner must consider both spending and revenue approaches and will report on the implementation of the interim limits as defined in sections 62P.04 and 62P.05. The commissioner must examine and make recommendations on the use of annual update factors based on volume performance standards as a mechanism for achieving controls on spending in the all-payer option. The commissioner must make recommendations regarding the enforcement mechanism and must consider mechanisms to adjust future growth limits as well as mechanisms to establish financial penalties for noncompliance. The commissioner must also address the feasibility of systemwide limits imposed on all integrated service networks health plan companies.~~

~~(e) The commissioner, in consultation with the health care commission, shall make recommendations and report to the legislature by December 30, 1995, on the most effective way to implement growth limits on the fee-for-service system, in the absence of a regulated all-payer system.~~

~~(f) The commissioner shall report to the legislative commission on health care access by December 1, 1994, on trends in aggregate spending and premium revenue for health plan companies. The commissioner shall use data submitted under section 62P.04 and other available data to complete this report.~~

Sec. 3. Minnesota Statutes 1994, section 62J.152, subdivision 5, is amended to read:

Subd. 5. [USE OF TECHNOLOGY EVALUATION.] (a) The final report on the technology evaluation and the commission's comments and recommendations may be used:

- (1) by the commissioner in retrospective and prospective review of major expenditures;
- (2) by integrated service networks and other group purchasers and by employers, in making coverage, contracting, purchasing, and reimbursement decisions;
- ~~(3) by government programs and regulators of the regulated all-payer option, in making coverage, contracting, purchasing, and reimbursement decisions;~~
- (4) by the commissioner and other organizations in the development of practice parameters;
- ~~(5) (4) by health care providers in making decisions about adding or replacing technology and the appropriate use of technology;~~
- ~~(6) (5) by consumers in making decisions about treatment;~~
- ~~(7) (6) by medical device manufacturers in developing and marketing new technologies; and~~
- ~~(8) (7) as otherwise needed by health care providers, health care plans, consumers, and purchasers.~~

(b) At the request of the commissioner, the health care commission, in consultation with the health technology advisory committee, shall submit specific recommendations relating to technologies that have been evaluated under this section for purposes of retrospective and prospective review of major expenditures and coverage, contracting, purchasing, and reimbursement decisions affecting state programs ~~and the all-payer option.~~

Sec. 4. Minnesota Statutes 1994, section 62Q.01, subdivision 4, is amended to read:

Subd. 4. [HEALTH PLAN COMPANY.] "Health plan company" means:

- (1) a health carrier as defined under section 62A.011, subdivision 2;
- (2) an integrated service network as defined under section 62N.02, subdivision 8; or
- (3) ~~an all-payer insurer as defined under section 62P.02; or~~
- (4) a community integrated service network as defined under section 62N.02, subdivision 4a.

Sec. 5. Minnesota Statutes 1994, section 62Q.30, is amended to read:

62Q.30 [EXPEDITED FACT FINDING AND DISPUTE RESOLUTION PROCESS.]

The commissioner shall establish an expedited fact finding and dispute resolution process to assist enrollees of ~~integrated service networks and all-payer insurers~~ health plan companies with contested treatment, coverage, and service issues to be in effect July 1, 1997. The commissioner may order an integrated service network or an all-payer insurer to provide or pay for a service that is within the ~~universal standard benefits set health coverage.~~ If the disputed issue relates to whether a service is appropriate and necessary, the commissioner shall issue an order only after consulting with appropriate experts knowledgeable, trained, and practicing in the area in dispute, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner shall take steps including but not limited to fining, suspending, or revoking the license of ~~an integrated service network or an all-payer insurer~~ a health plan company that is the subject of repeated orders by the commissioner that suggests a pattern of inappropriate underutilization.

Sec. 6. Minnesota Statutes 1994, section 62Q.41, is amended to read:

62Q.41 [ANNUAL IMPLEMENTATION REPORT.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop an annual implementation report to be submitted to the legislature each year beginning January 1, 1995, describing the progress and status of rule development and implementation of the integrated service network system ~~and the regulated all-payer option~~, and providing recommendations for legislative changes that the commissioner determines may be needed.

Sec. 7. Laws 1994, chapter 625, article 5, section 5, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEGISLATION.] The commissioners of health and commerce, in consultation with the Minnesota health care commission and the legislative commission on health care access, shall draft proposed legislation to recodify, simplify, and standardize all statutes, rules, regulatory requirements, and procedures relating to health plan companies. The recodification and regulatory reform must become effective simultaneously with the full implementation of the integrated service network system ~~and the regulated all-payer option~~ on July 1, 1997. The commissioners of health and commerce shall submit to the legislature by January 1, 1996, a report on the recodification and regulatory reform with proposed legislation."

Page 39, after line 33, insert:

"Sec. 9. [REPEALER.]

Minnesota Statutes 1994, sections 62J.152, subdivision 6; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; and 62P.33, are repealed."

Page 40, line 29, delete "provided that coverage" and insert "Coverage"

Page 41, line 14, delete "allowed"

Page 41, line 15, after "Code" insert "allowed in calculating state personal income tax liability under chapter 290"

Page 41, line 31, delete "form" and insert "return"

Page 42, line 4, delete "form" and insert "return"

Pages 48 and 49, delete section 4

Page 50, delete section 6

Page 85, after line 14, insert:

"Section 1. [62J.66] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62J.66 and 62J.68, the following definitions apply.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of administration.

Subd. 3. [CONTRACT PRICE.] "Contract price" means the price of a prescription drug, as established through negotiations between the multistate pharmaceutical contracting alliance and drug manufacturers and drug wholesalers.

Subd. 4. [ELIGIBLE SENIOR.] "Eligible senior" means a senior citizen eligible for the senior drug purchasing benefit program under section 62J.68, subdivision 3.

Subd. 5. [MULTISTATE PHARMACEUTICAL CONTRACTING ALLIANCE.] "Multistate pharmaceutical contracting alliance" or "alliance" means the alliance established and administered by the commissioner of administration, under the authority granted in section 471.59.

Subd. 6. [SENIOR CITIZEN.] "Senior citizen" means a resident of Minnesota who is age 65 or older.

Subd. 7. [SENIOR DRUG PURCHASING BENEFIT PROGRAM.] "Senior drug purchasing benefit program" means the program established in section 62J.68.

Sec. 2. [62J.68] [SENIOR DRUG PURCHASING BENEFIT PROGRAM.]

Subdivision 1. [ESTABLISHMENT AND ADMINISTRATION.] The commissioner of administration shall extend drug prices negotiated through the multistate pharmaceutical contracting alliance to eligible seniors participating in the senior drug purchasing benefit program. The commissioner shall: (1) establish and administer the senior drug purchasing benefit program, to be operational by July 1, 1996; (2) negotiate multistate contracting prices for prescription drugs for eligible seniors; and (3) enroll participating pharmacies into the senior drug purchasing benefit program.

Subd. 2. [PARTICIPATING PHARMACIES.] The commissioner shall accept as a participating pharmacy any pharmacy that agrees to comply with the requirements established by the commissioner for participation in the senior drug purchasing benefit program.

Subd. 3. [ELIGIBILITY.] (a) Senior citizens are eligible for the program if:

(1) their household income does not exceed 200 percent of the federal poverty guidelines;

(2) they are enrolled in Medicare Part A and Part B;

(3) they do not have coverage for prescription drugs under a health plan, as defined in section 62Q.01, subdivision 3;

(4) they do not have coverage for prescription drugs under a Medicare supplement plan, as



defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended; and

(5) they are not eligible for the medical assistance, general assistance medical care, or the MinnesotaCare programs.

(b) Eligibility shall be determined by the commissioner of human services. The commissioner of human services may use volunteers to carry out this requirement.

Subd. 4. [PURCHASE OF PRESCRIPTION DRUGS.] Participating pharmacies shall charge eligible seniors, for each prescription filled, the contract price of the prescription drug, plus a dispensing fee in the amount established by the commissioner.

Subd. 5. [PHARMACY REIMBURSEMENT.] The commissioner, using electronic credit exchange, shall reimburse pharmacies on a weekly basis for each prescription drug purchased by an eligible senior. The reimbursement for each prescription must equal the difference between the pharmacy's purchase price for the prescription drug and the sum of the contract price for the prescription drug and the dispensing fee. The commissioner may contract with an on-line claims adjudicator to process pharmacy claims. The cost for on-line claims processing may be passed on to participating pharmacies.

Subd. 6. [ADMINISTRATIVE COSTS.] An administrative fee, to be determined by the commissioner, may be used by the commissioner for administrative and contract costs. This administrative fee shall be set at a percentage of estimated acquisition cost and may be determined through negotiations with drug manufacturers and drug wholesalers."

Page 86, line 30, after "1" insert "or 4a"

Page 86, line 31, strike "subdivision" and delete "4a" and insert "those subdivisions"

Page 87, line 21, delete "section" and insert "subdivision"

Page 89, lines 20 and 21, delete "employer subsidized" and insert "employer-subsidized"

Page 91, after line 8, insert:

"Sec. 10. Minnesota Statutes 1994, section 256.9358, subdivision 3, is amended to read:

Subd. 3. [SLIDING SCALES AFTER JUNE 30, 1993.] Beginning July 1, 1993, the sliding scales begin with a premium of 1.5 percent of gross family income for individuals with incomes below the limits for the medical assistance program set at 133-1/3 percent of the AFDC payment standard and proceed through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit to a gross monthly income of \$1,600 for an individual, \$2,160 for a household of two, \$2,720 for a household of three, \$3,280 for a household of four, and \$3,840 for a household of five, and \$4,400 for households of six or more persons. ~~For the period October 1, 1992 through June 30, 1993, the commissioner shall employ a sliding scale that sets required premiums at percentages of gross family income equal to two-thirds of the percentages specified in this subdivision.~~

Page 91, line 11, delete "SLIDING SCALES AFTER JUNE 30, 1995" and insert "MINIMUM PREMIUM PAYMENT"

Page 91, after line 14, insert:

"Sec. 12. Minnesota Statutes 1994, section 256B.057, subdivision 3, is amended to read:

Subd. 3. [QUALIFIED MEDICARE BENEFICIARIES.] A person who is entitled to Part A Medicare benefits, whose income is equal to or less than ~~85~~ 150 percent of the federal poverty guidelines, and whose assets are no more than twice the asset limit used to determine eligibility for the supplemental security income program, is eligible for medical assistance reimbursement of

Part A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective premiums for enrollment with a health maintenance organization or a competitive medical plan under section 1876 of the Social Security Act, and prescription drugs. ~~The income limit shall be increased to 90 percent of the federal poverty guidelines on January 1, 1990; and to 100 percent on January 1, 1991.~~ Reimbursement of the Medicare coinsurance and deductibles, when added to the amount paid by Medicare, must not exceed the total rate the provider would have received for the same service or services if the person were a medical assistance recipient with Medicare coverage. Increases in benefits under Title II of the Social Security Act shall not be counted as income for purposes of this subdivision until the first day of the second full month following publication of the change in the federal poverty guidelines. The coverage of drugs shall be in accordance with section 256B.0625, subdivision 13, except that a copayment of \$3 shall be required for each prescription filled. Medical assistance payment for prescription drugs for persons eligible under this subdivision shall be reduced by \$3 to account for the copayment.

Sec. 13. [EFFECTIVE DATE.]

The amendments to section 12 (section 256B.057, subdivision 3) shall be effective only if federal approval is obtained and a notice of approval is published in the State Register. The effective date shall be July 1, 1996, or the first of the month occurring 90 days after the receipt of written federal approval, whichever is later.

Page 92, line 12, delete the comma

Page 107, line 10, after "participation" insert a comma

Page 107, line 18, delete "MCHA" and insert "the comprehensive health association"

Page 107, line 19, delete the first "and" and insert "the"

Page 107, line 26, delete "are" and insert "is"

Page 107, line 27, after "plan" insert a comma

Page 109, line 13, delete "clause" and insert "paragraph"

Page 120, line 6, strike from "the" through page 120, line 7, to "option" and insert "health plan companies"

Page 120, line 8, strike from "community" through page 120, line 9, to "insurers" and insert "health plan companies"

Page 120, line 13, strike the second "an"

Page 120, strike line 14

Page 120, line 15, strike "network" and insert "a health plan company" and strike "an"

Page 120, line 16, delete the new language and strike the old language

Page 120, line 17, strike "network" and insert "a health plan company"

Page 120, after line 26, insert:

"Sec. 10. Minnesota Statutes 1994, section 62M.02, subdivision 12, is amended to read:

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; or

(7) accident only coverage issued by a licensed and tested insurance agent; or

(8) workers' compensation.

Sec. 11. Minnesota Statutes 1994, section 62M.07, is amended to read:

**62M.07 [PRIOR AUTHORIZATION OF SERVICES.]**

(a) 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.201, 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; and

(6) a system for making determinations, and notifying providers and enrollees of these determinations, during weekends to allow access for determination.

(b) No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of emergency confinement or emergency treatment. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon after the beginning of the emergency confinement or emergency treatment as reasonably possible.

Sec. 12. Minnesota Statutes 1994, section 62M.09, subdivision 5, is amended to read:

Subd. 5. [WRITTEN CLINICAL CRITERIA.] A utilization review organization's decisions must be supported by written clinical criteria and review procedures, based on improved patient care or proven patient outcomes. Clinical criteria and review procedures must be established with appropriate involvement from actively practicing 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, at a minimum, the periodic annual evaluation and updating of the written criteria based on sound clinical principles.

Sec. 13. Minnesota Statutes 1994, section 62M.10, is amended by adding a subdivision to read:

Subd. 7. [AVAILABILITY OF CRITERIA.] Upon request, a utilization review organization shall provide to an enrollee or to an attending physician or provider the criteria used for a specific procedure to determine the necessity, appropriateness, and efficacy of that procedure and identify the database, professional treatment guideline, or other basis for the criteria.

Sec. 14. Minnesota Statutes 1994, section 62P.05, subdivision 4, is amended to read:

Subd. 4. [MONITORING AND ENFORCEMENT.] Health care providers shall submit to the commissioner of health, in the form and at the times required by the commissioner, all information the commissioner determines to be necessary to implement and enforce this section. The commissioner shall regularly audit all health clinics employing or contracting with over 100 physicians. The commissioner shall also audit, at times and in a manner that does not interfere with delivery of patient care, a sample of smaller clinics and other health care providers. Providers that exceed revenue limits based on two-year average revenue data shall be required by the commissioner to pay back the amount exceeding the revenue limits during the following calendar year.

Pharmacists may adjust their revenue figures for increases in drug product costs that are set by the manufacturer. The commissioner shall consult with pharmacy groups, including pharmacies, wholesalers, drug manufacturers, health plans, and other interested parties, to determine the methodology for measuring and implementing the interim growth limits while taking into account the adjustments for drug product costs.

The commissioner shall monitor providers meeting the growth limits based on their current fees on an annual basis. The fee charged for each service must be based on a weighted average across 12 months and compared to the weighted average for the previous 12-month period. The percentage increase in the average fee from 1993 to 1994, and from 1994 to 1995, ~~from 1995 to 1996, and from 1996 to 1997~~ is subject to the growth limits established under section 62J.04, subdivision 1, paragraph (b). The percentage increase in the average fee from 1995 to 1996, and from 1996 to 1997 is subject to the change in the regional consumer price index for urban consumers for the previous year published in the State Register in January of the year that the growth limit is in effect. The audit process may include a review of the provider's monthly fee schedule, and a random claims analysis for the provider during different parts of the year to monitor variations in fees. The commissioner shall require providers that exceed growth limits, based on annual fees, to pay back during the following calendar year the amount of fees received exceeding the limit.

The commissioner shall notify each provider that has exceeded its revenue or fee limit, at least 30 days before taking action, and shall provide each provider with ten days to provide an explanation for exceeding the revenue or fee limit. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

The commissioner may approve a different repayment schedule for a health care provider that takes into account the provider's financial condition.

A provider may appeal the commissioner's order to pay back the amount exceeding the revenue or fee limit by mailing a written notice of appeal to the commissioner within 30 days after the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The provider shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the health care access fund."

Page 120, line 30, delete ", as defined in Minnesota Rules, chapter 4650,"

Page 121, line 4, after the period, insert "For purposes of this subdivision, small rural hospital is defined as a licensed hospital with less than 50 beds."

Page 121, after line 4, insert:

"Sec. 16. Minnesota Statutes 1994, section 72A.20, is amended by adding a subdivision to read:

Subd. 32. [UNFAIR HEALTH RISK AVOIDANCE.] No insurer or health plan company may design a network of providers, policies on access to providers, or marketing strategy in such a way as to discourage enrollment by individuals or groups whose health care needs are perceived as likely to be more expensive than the average. This subdivision does not prohibit underwriting and rating practices that comply with Minnesota law.

Sec. 17. Minnesota Statutes 1994, section 72A.20, is amended by adding a subdivision to read:

Subd. 33. [PROHIBITION OF INAPPROPRIATE INCENTIVES.] No insurer or health plan company may give any financial incentive to a health care provider based on the number of services denied or referrals not authorized by the provider. This subdivision does not prohibit capitation or other compensation methods that serve to hold health care providers financially accountable for the cost of caring for a patient population."

Page 129, line 4, before the period, insert ", except that the revisor shall retain the reference to "children's health plan" in Minnesota Statutes, section 256.9357, subdivision 1"

Page 129, line 15, delete "17 to 21 and 22" and insert "24 to 29"

Page 132, line 21, delete "program" and insert "coverage"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "delaying" and insert "repealing"

Page 1, line 9, delete "establishing"

Page 1, delete line 10

Page 1, line 11, delete "beneficiaries" and insert "creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens"

Page 1, line 14, delete "insured" and insert "uninsured"

Page 1, line 21, delete "subdivision" and insert "subdivisions 1a and"

Page 1, line 23, after the first semicolon, insert "62J.152, subdivision 5;"

Page 1, line 27, after "2;" insert "62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision;"

Page 1, delete lines 30 and 31 and insert "62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and"

Page 1, line 36, after "62Q.25;" insert "62Q.30; 62Q.41; 72A.20, by adding subdivisions;"

Page 1, line 43, before "by" insert "subdivision 3, and"

Page 2, line 3, delete "section" and insert "sections 5, subdivision 1; and"

Page 2, line 8, after "1a;" insert "62J.152, subdivision 6;"

Page 2, line 10, after "7a;" insert "62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33;"

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

### **Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 512:** A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; amending Minnesota Statutes 1994, sections 13.82, subdivision 10, and by adding subdivisions; 245A.04, subdivision 3; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 268.09, subdivision 1; 595.02, subdivision 3; 609.205; 609.224, subdivision 2; 609.72, by adding a subdivision; and 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; 626.556, subdivision 2; and 626.557, subdivisions 10a, 11, 11a, 12, 13, 15, and 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

VULNERABLE ADULTS ACT AMENDMENTS

Section 1. Minnesota Statutes 1994, section 626.557, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature declares that the public policy of this state is to protect adults who, because of physical or mental disability or dependency on institutional services, are particularly vulnerable to ~~abuse or neglect~~ maltreatment; to assist in providing safe environments for vulnerable adults; and to provide safe institutional or residential services, community-based services, or living environments for vulnerable adults who have been abused or neglected; and to assist persons charged with the care of vulnerable adults to provide safe environments maltreated.

In addition, it is the policy of this state to require the reporting of suspected ~~abuse or neglect~~ maltreatment of vulnerable adults, to provide for the voluntary reporting of ~~abuse or neglect~~ maltreatment of vulnerable adults, to require the investigation of the reports, and to provide protective and counseling services in appropriate cases.

Sec. 2. Minnesota Statutes 1994, section 626.557, subdivision 3, is amended to read:

Subd. 3. [~~PERSONS MANDATED TO TIMING OF REPORT.~~] ~~A professional or the professional's delegate who is engaged in the care of vulnerable adults, education, social services, law enforcement, or any of the regulated occupations referenced in subdivision 2, clause (g)(3) and (4), or an employee of a rehabilitation facility certified by the commissioner of economic security for vocational rehabilitation, or an employee of or person providing services in a facility who has knowledge of the abuse or neglect of a vulnerable adult, has reasonable cause to believe~~ (a) A mandated reporter who has reason to believe that a vulnerable adult is being or has been abused or neglected maltreated, or who has knowledge that a vulnerable adult has sustained a physical injury which is not reasonably explained by the history of injuries provided by the caretaker or caretakers of the vulnerable adult shall immediately report the information to the local police department, county sheriff, local welfare agency, or appropriate licensing or certifying agency common entry point. If an individual is a vulnerable adult solely because the individual is admitted to a facility, a mandated reporter is not required to report suspected maltreatment of the individual that occurred prior to admission, unless:

(1) the individual was admitted to the facility from another facility and the reporter has reason to believe that the vulnerable adult was maltreated in the previous facility; or

(2) the reporter knows or has reason to believe that the individual is a vulnerable adult as defined in section 626.5572, subdivision 21, clause (4). The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff and the appropriate licensing agency or agencies.

(b) A person not required to report under the provisions of this subdivision section may voluntarily report as described above. Medical examiners or coroners shall notify the police department or county sheriff and the local welfare department in instances in which they believe that a vulnerable adult has died as a result of abuse or neglect.

(c) Nothing in this subdivision shall be construed to require the reporting or transmittal of information regarding an incident of abuse or neglect or suspected abuse or neglect if the incident has been reported or transmitted to the appropriate person or entity section requires a report of known or suspected maltreatment, if the reporter knows or has reason to know that a report has been made to the common entry point.

(d) Nothing in this section shall preclude a reporter from also reporting to a law enforcement agency.

Sec. 3. Minnesota Statutes 1994, section 626.557, subdivision 3a, is amended to read:

Subd. 3a. [REPORT NOT REQUIRED.] The following events are not required to be reported under this section:

(a) Where federal law specifically prohibits a person from disclosing patient identifying information in connection with a report of suspected abuse or neglect under Laws 1983, chapter 273, section 3 maltreatment, then that person need not make a required report otherwise required by this section, unless the vulnerable adult, or the vulnerable adult's guardian, conservator, or legal representative, has consented to disclosure in a manner which conforms to federal requirements. Facilities whose patients or residents are covered by such a federal law shall seek consent to the disclosure of suspected abuse or neglect maltreatment from each patient or resident, or a guardian, conservator, or legal representative, upon the patient's or resident's admission to the facility. Persons who are prohibited by federal law from reporting an incident of suspected abuse or neglect maltreatment shall promptly immediately seek consent to make a report.

(b) Except as defined in subdivision 2, paragraph (d), clause (1), Verbal or physical aggression occurring between patients, residents, or clients of a facility, or self-abusive behavior of these persons does not constitute "abuse" maltreatment for the purposes of subdivision 3 unless it causes serious harm. The operator of the facility or a designee shall record incidents of aggression and self-abusive behavior in a manner that facilitates periodic to facilitate review by licensing agencies and county and local welfare agencies.

(c) Accidents as defined in section 626.5572, subdivision 3.

(d) Events occurring in a facility that result from an individual's single mistake, as defined in section 626.5572, subdivision 17, paragraph (c), clause (4).

(e) Nothing in this section shall be construed to require a report of abuse financial exploitation, as defined in section 626.5572, subdivision 2 9, paragraph (d), clause (4), solely on the basis of the transfer of money or property by gift or as compensation for services rendered.

Sec. 4. Minnesota Statutes 1994, section 626.557, subdivision 4, is amended to read:

Subd. 4. [REPORT REPORTING.] A person required to report under subdivision 3 mandated reporter shall immediately make an oral report immediately by telephone or otherwise. A person required to report under subdivision 3 shall also make a report as soon as possible in writing to the appropriate police department, the county sheriff, local welfare agency, or appropriate licensing agency. The written report shall to the common entry point. Use of a telecommunications device for the deaf or other similar device shall be considered an oral report. The common entry point may not require written reports. To the extent possible, the report must be of sufficient content to identify the vulnerable adult, the caretaker caregiver, the nature and extent of the suspected abuse or neglect maltreatment, any evidence of previous abuse or neglect maltreatment, the name and address of the reporter, the time, date, and location of the incident, and any other information that the reporter believes might be helpful in investigating the suspected abuse or neglect maltreatment. Written reports received by a police department or a county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff and the appropriate licensing agency or agencies.

Sec. 5. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 4a. [INTERNAL REPORTING OF MALTREATMENT.] (a) Each facility shall establish and enforce an ongoing written procedure in compliance with applicable licensing rules, to ensure that all cases of suspected maltreatment are reported. If a facility has an internal reporting procedure, then a mandated reporter may meet the reporting requirements of this section by reporting internally. However, the facility remains responsible for complying with the immediate reporting requirements of this section.

(b) A facility with an internal reporting procedure that receives an internal report by a mandated reporter shall give the mandated reporter a written notice stating whether the facility has reported

the incident to the common entry point. The written notice must be provided within two working days and in a manner that protects the confidentiality of the reporter.

(c) The written response to the mandated reporter shall note that if the mandated reporter is not satisfied with the action taken by the facility on whether to report the incident to the common entry point, then the mandated reporter may report externally.

(d) A facility may not prohibit a mandated reporter from reporting externally, and a facility is prohibited from retaliating against a mandated reporter who reports an incident to the common entry point in good faith. The written notice by the facility must inform the mandated reporter of this protection from retaliatory measures by the facility against the mandated reporter for reporting externally.

Sec. 6. Minnesota Statutes 1994, section 626.557, subdivision 5, is amended to read:

~~Subd. 5. [IMMUNITY; FROM LIABILITY PROTECTION FOR REPORTERS.]~~ (a) A person ~~making a voluntary or mandated report under subdivision 3 or participating in an investigation under this section is immune from any civil or criminal liability that otherwise might result from the person's actions, if the person is acting in good faith who makes a good faith report is immune from any civil or criminal liability that might otherwise result from making the report, or from participating in the investigation, or for failure to comply with the reporting obligation.~~

(b) A person employed by a ~~local welfare~~ lead agency or a state licensing agency who is conducting or supervising an investigation or enforcing the law in compliance with ~~subdivision 10, 11, or 12~~ this section or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care.

(c) A person who knows or has reason to know a report has been made to a common entry point and who in good faith participates in an investigation of alleged maltreatment is immune from civil or criminal liability that otherwise might result from making a report or from failure to comply with the reporting obligation or from participating in the investigation.

(d) The identity of any reporter may not be disclosed, except as provided in subdivision 12b.

Sec. 7. Minnesota Statutes 1994, section 626.557, subdivision 6, is amended to read:

~~Subd. 6. [FALSIFIED REPORTS.] A person or facility who intentionally makes a false report under the provisions of this section shall be liable in a civil suit for any actual damages suffered by the facility, or person or persons so reported and for any punitive damages set by the court or jury up to \$10,000 and attorney fees.~~

Sec. 8. Minnesota Statutes 1994, section 626.557, subdivision 7, is amended to read:

~~Subd. 7. [FAILURE TO REPORT.] (a) A person required to report by this section who intentionally fails to report is guilty of a misdemeanor.~~

(b) A person required by this section to report A mandated reporter who negligently or intentionally fails to report is liable for damages caused by the failure. Nothing in this subdivision imposes vicarious liability for the acts or omissions of others.

Sec. 9. Minnesota Statutes 1994, section 626.557, subdivision 8, is amended to read:

~~Subd. 8. [EVIDENCE NOT PRIVILEGED.] No evidence regarding the abuse or neglect maltreatment of the vulnerable adult shall be excluded in any proceeding arising out of the alleged abuse or neglect maltreatment on the grounds of lack of competency under section 595.02.~~

Sec. 10. Minnesota Statutes 1994, section 626.557, subdivision 9, is amended to read:

~~Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER THE COMMON ENTRY POINT.] A person required to report under the provisions of subdivision 3 who has reasonable cause to believe that a vulnerable adult has died as a direct or indirect result of abuse or neglect shall report that information to the appropriate medical examiner or coroner in~~



addition to the local welfare agency, police department, or county sheriff or appropriate licensing agency or agencies. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff, the local welfare agency, and, if applicable, each licensing agency. A person or agency that receives a report under this subdivision concerning a vulnerable adult who was receiving services or treatment for mental illness, mental retardation or a related condition, chemical dependency, or emotional disturbance from an agency, facility, or program as defined in section 245.91, shall also report the information and findings to the ombudsman established under sections 245.91 to 245.97. (a) Each county board shall designate a common entry point for reports of suspected maltreatment. Two or more county boards may jointly designate a single common entry point. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to take calls from reporters of suspected maltreatment. The common entry point shall use a standard intake form that includes:

- (1) the time and date of the report;
- (2) the name, address, and telephone number of the person reporting;
- (3) the time, date, and location of the incident;
- (4) the names of the persons involved, including but not limited to, perpetrators, alleged victims, and witnesses;
- (5) whether there was a risk of imminent danger to the alleged victim;
- (6) a description of the suspected maltreatment;
- (7) the disability, if any, of the alleged victim;
- (8) the relationship of the alleged perpetrator to the alleged victim;
- (9) whether a facility was involved and, if so, which agency licenses the facility;
- (10) any action taken by the common entry point;
- (11) whether law enforcement has been notified;
- (12) whether the reporter wishes to receive notification of the initial and final reports; and
- (13) if the report is from a facility with an internal reporting procedure, the name, mailing address, and telephone number of the person who initiated the report internally.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.

(g) When a centralized database is available, the common entry point has access to the centralized database and must log the reports in on the database.

Sec. 11. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9a. [EVALUATION AND REFERRAL OF REPORTS MADE TO THE COMMON ENTRY POINT.] The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals as follows:

- (1) if the common entry point determines that there is an immediate need for adult protective services, the common entry point agency shall immediately notify the appropriate county agency;
- (2) if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;
- (3) if the report references alleged or suspected maltreatment and there is no immediate need for adult protective services, the common entry point shall notify the appropriate lead agency as soon as possible, but in any event no longer than two working days;
- (4) if the report does not reference alleged or suspected maltreatment, the common entry point may determine whether the information will be referred; and
- (5) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies and the ombudsman established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law.

Sec. 12. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9b. [RESPONSE TO REPORTS.] Law enforcement is the primary agency to conduct investigations of any incident in which there is reason to believe a crime has been committed. Law enforcement shall initiate a response immediately. If the common entry point notified a county agency for adult protective services, law enforcement shall cooperate with that county agency when both agencies are involved. County adult protection shall initiate a response immediately. Each lead agency shall complete the investigative process for reports within its jurisdiction. Any other lead agency, county, adult protective agency, licensed facility, or law enforcement agency shall cooperate and may assist another agency upon request within the limits of its resources and expertise. The lead agency shall obtain the results of any investigation conducted by law enforcement officials. The lead agency has the right to enter facilities and inspect and copy records as part of investigations. Each lead agency shall develop guidelines for prioritizing reports for investigation.

Sec. 13. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9c. [LEAD AGENCY; NOTIFICATIONS, DISPOSITIONS, AND DETERMINATIONS.] (a) Upon request of the reporter, the lead agency shall notify the reporter that it has received the report, and provide information on the initial disposition of the report within five business days of receipt of the report, provided that the notification will not endanger the vulnerable adult or hamper the investigation.

(b) Upon conclusion of every investigation it conducts, the lead agency shall make a final disposition as defined in section 626.5572, subdivision 8.

(c) When determining whether the facility or individual is the responsible party for substantiated maltreatment, the lead agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were in accordance with, and followed the terms of, an erroneous physician order, prescription, resident care plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible for the issuance of the erroneous order, prescription, plan, or directive or knows or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) the comparative responsibility between the facility, other caregivers, and requirements placed upon the employee, including but not limited to, the facility's compliance with related regulatory standards and factors such as the adequacy of facility policies and procedures, the adequacy of facility training, the adequacy of an individual's participation in the training, the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a consideration of the scope of the individual employee's authority; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

(d) The lead agency shall complete its final disposition within 60 calendar days. If the lead agency is unable to complete its final disposition within 60 calendar days, the lead agency shall notify the vulnerable adult or the vulnerable adult's legal guardian, when known, and the facility, where applicable, of the reason for the delay and the projected completion date, provided that the notification will not endanger the vulnerable adult or hamper the investigation. If the lead agency is unable to complete its final disposition by a subsequent projected completion date, the lead agency shall again notify the vulnerable adult or the vulnerable adult's legal guardian, when known, and the facility, where applicable, of the reason for the delay and the revised projected completion date provided that the notification will not endanger the vulnerable adult or hamper the investigation. A lead agency's inability to complete the final disposition within 60 calendar days or by any projected completion date does not invalidate the final disposition.

(e) Within ten calendar days of completing the final disposition, the lead agency shall provide a copy of the public investigation memorandum, when required to be completed under this section, to the following persons: (1) the vulnerable adult, or the vulnerable adult's legal guardian, if known; (2) the reporter, if the reporter requested notification when making the report, provided this notification would not endanger the well-being of the vulnerable adult; (3) the alleged perpetrator, if known; (4) the facility; and (5) the ombudsman for long-term care, or the ombudsman for mental health and mental retardation, as appropriate.

(f) The lead agency shall notify the vulnerable adult who is the subject of the report or the vulnerable adult's legal guardian, if known, and any person or facility determined to have maltreated a vulnerable adult, of their appeal rights under this section.

(g) If the lead agency does not complete the investigation by the projected completion date, the lead agency shall again notify the vulnerable adult or the vulnerable adult's legal guardian, when known, and the facility, where applicable, of the delay and the revised projected completion date.

(h) The lead agency shall routinely provide investigation memoranda for substantiated reports to the appropriate licensing boards. These reports must include the names of substantiated perpetrators. The lead agency may not provide investigative memoranda for inconclusive or false reports to the appropriate licensing boards unless the lead agency's investigation gives reason to believe that there may have been a violation of the applicable professional practice laws.

(i) In order to avoid duplication, licensing boards shall consider the findings of the lead agency in their investigations if they choose to investigate. This does not preclude licensing boards from considering other information.

(j) The lead agency must provide to the commissioner of human services its final dispositions, including the names of all substantiated perpetrators. The commissioner of human services shall establish records to retain the names of substantiated perpetrators.

Sec. 14. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9d. [ADMINISTRATIVE RECONSIDERATION OF THE FINAL DISPOSITION.] Any individual or facility which a lead agency determines has maltreated a vulnerable adult, or the vulnerable adult or vulnerable adult's legal guardian, regardless of the lead agency's determination, who contests the lead agency's final disposition of an allegation of maltreatment, may request the lead agency to reconsider its final disposition. The request for reconsideration must be submitted in writing to the lead agency within 15 calendar days after receipt of notice of final disposition.

If the lead agency denies the request or fails to act upon the request within 15 calendar days after receiving the request for reconsideration, the person or facility entitled to a fair hearing under section 256.045, may submit to the commissioner of human services a written request for a hearing under that statute.

If, as a result of the reconsideration, the lead agency changes the final disposition, it shall notify the parties specified in subdivision 9c, paragraph (d).

If the lead agency denies the request or fails to act upon the request within 15 calendar days after receiving the request for reconsideration, the vulnerable adult or vulnerable adult's designee may submit a challenge to accuracy and completeness of the data as provided in section 13.04.

Sec. 15. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9e. [EDUCATION REQUIREMENTS.] (a) The commissioners of health, human services, and public safety shall cooperate in the development of a joint program for education of lead agency investigators in the appropriate techniques for investigation of complaints of maltreatment. This program must be developed by July 1, 1996. The program must include but need not be limited to the following areas: (1) information collection and preservation; (2) analysis of facts; (3) levels of evidence; (4) conclusions based on evidence; (5) interviewing skills, including specialized training to interview people with unique needs; (6) report writing; (7) coordination and referral to other necessary agencies such as law enforcement and judicial agencies; (8) human relations and cultural diversity; (9) the dynamics of adult abuse and neglect within family systems and the appropriate methods for interviewing relatives in the course of the assessment or investigation; (10) the protective social services that are available to protect alleged victims from further abuse, neglect, or financial exploitation; and (11) the methods by which lead agency investigators and law enforcement workers cooperate in conducting assessments and investigations in order to avoid duplication of efforts.

(b) The commissioners of health, human services, and public safety shall offer at least annual education to others on the requirements of this section, on how this section is implemented, and investigation techniques.

(c) The commissioner of human services, in coordination with the commissioner of public safety, shall provide training for the common entry point staff as required in this subdivision and the program courses described in this subdivision, at least four times per year. At a minimum, the training must be held twice annually in the seven-county metropolitan area and twice annually outside the seven-county metropolitan area. The commissioners shall give priority in the program areas cited in paragraph (a) to persons currently performing assessments and investigations pursuant to this section.

(d) The commissioner of public safety shall notify in writing law enforcement personnel of any new requirements under this section. The commissioner of public safety shall conduct regional training for law enforcement personnel regarding their responsibility under this section.

(e) Each lead agency investigator must complete the education program specified by this subdivision within the first 12 months of work as a lead agency investigator.

A lead agency investigator employed when these requirements take effect must complete the program within the first year after training is available or as soon as training is available.

All lead agency investigators having responsibility for investigation duties under this section must receive a minimum of eight hours of continuing education or in-service training each year specific to their duties under this section.

Sec. 16. Minnesota Statutes 1994, section 626.557, subdivision 10, is amended to read:

Subd. 10. [~~DUTIES OF LOCAL WELFARE~~ THE COUNTY SOCIAL SERVICE AGENCY UPON A RECEIPT OF A REPORT.] (a) ~~The local welfare~~ Upon receipt of a report from the common entry point staff, the county social service agency shall immediately investigate assess and offer emergency and continuing protective social services for purposes of preventing further abuse or neglect maltreatment and for safeguarding and enhancing the welfare of the abused or neglected maltreated vulnerable adult. Local welfare agencies may enter facilities and inspect and copy records as part of investigations. In cases of suspected sexual abuse, the local welfare county social service agency shall immediately arrange for and make available to the victim vulnerable adult appropriate medical examination and treatment. The investigation shall not be limited to the written records of the facility, but shall include every other available source of information. When necessary in order to protect the vulnerable adult from further harm, the local welfare county social service agency shall seek authority to remove the vulnerable adult from the situation in which the neglect or abuse maltreatment occurred. The local welfare county social service agency shall may also investigate to determine whether the conditions which resulted in the reported abuse or neglect maltreatment place other vulnerable adults in jeopardy of being abused or neglected maltreated and offer protective social services that are called for by its determination. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) If the report indicates, or if the local welfare agency finds that the suspected abuse or neglect occurred at a facility, or while the vulnerable adult was or should have been under the care of or receiving services from a facility, or that the suspected abuse or neglect involved a person licensed by a licensing agency to provide care or services, the local welfare agency shall immediately notify each appropriate licensing agency, and provide each licensing agency with a copy of the report and of its investigative findings. County social service agencies may enter facilities and inspect and copy records as part of an investigation. The inquiry is not limited to the written records of the facility, but may include every other available source of information.

(c) When necessary in order to protect a vulnerable adult from serious harm, the local county social service agency shall immediately intervene on behalf of that adult to help the family, ~~victim~~ vulnerable adult, or other interested person by seeking any of the following:

(1) a restraining order or a court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;

(2) the appointment of a guardian or conservator pursuant to sections 525.539 to 525.6198, or guardianship or conservatorship pursuant to chapter 252A;

(3) replacement of ~~an abusive or neglectful~~ a guardian or conservator suspected of maltreatment and appointment of a suitable person as guardian or conservator, pursuant to sections 525.539 to 525.6198; or

(4) a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609.

The expenses of legal intervention must be paid by the county in the case of indigent persons, under section 525.703 and chapter 563.

In proceedings under sections 525.539 to 525.6198, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee shall present the petition with representation by the county attorney. The county shall contract with or arrange for a suitable person or ~~nonprofit~~ organization to provide ongoing guardianship services. If the county presents evidence to the probate court that it has made a diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator. The county shall not retaliate against the employee for any action taken on behalf of the ward or conservatee even if the action is adverse to the county's interest. Any person retaliated against in violation of this subdivision shall have a cause of action against the county and shall be entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

Sec. 17. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 12b. [DATA MANAGEMENT.] (a) [COUNTY DATA.] In performing any of the duties of this section as a lead agency, the county social service agency shall maintain appropriate records. Data collected by the county social service agency under this section are welfare data under section 13.46. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data received and maintained by the common entry point are confidential data on individuals as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall destroy data after one calendar year after date of receipt.

(b) [LEAD AGENCY DATA.] The commissioner of health and the commissioner of human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. During an investigation by a lead agency, data collected under this section are confidential. Upon completion of the investigation, the data are classified as provided in clauses (1) and (2) and paragraph (c).

(1) The investigation memorandum must contain the following data, which is public:

(i) name of facility investigated;

(ii) a statement of the nature of the alleged maltreatment;

- (iii) pertinent information obtained from medical or other records reviewed;
- (iv) identity of the investigator;
- (v) a summary of the investigation's findings;
- (vi) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;
- (vii) a statement of any action taken by the facility;
- (viii) a statement of any action taken by the lead agency; and
- (ix) when a lead agency's determination has substantiated maltreatment, the investigation memorandum shall also identify, if known, whether an individual or individuals were responsible for the substantiated maltreatment, and whether a facility was responsible for the substantiated maltreatment.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

- (i) the name of the vulnerable adult;
- (ii) the identity of the individual alleged to be the perpetrator;
- (iii) the identity of the individual substantiated as the perpetrator; and
- (iv) the identity of all individuals interviewed as part of the investigation.

(c) [IDENTITY OF REPORTER.] The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) [DESTRUCTION OF DATA.] Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services must be destroyed under the following schedule:

- (1) reports determined to be false, two years after the finding was made;
- (2) reports determined to be inconclusive, four years after the finding was made;
- (3) reports determined to be substantiated, seven years after the finding was made; and
- (4) data from reports which were not investigated by a lead agency and for which there is no final disposition, one year from the date of the report.

(e) [SUMMARY OF REPORTS.] The commissioner of health and the commissioner of human services shall each annually prepare a summary of the number and type of reports of alleged maltreatment involving licensed facilities reported under this act.

(f) [RECORD RETENTION POLICY.] Each lead agency must have a record retention policy.

(g) [EXCHANGE OF INFORMATION.] Notwithstanding laws to the contrary, lead agencies, prosecuting authorities, and law enforcement agencies may exchange information, provided the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, and licensing agencies investigating the alleged maltreatment under this section.

(h) [COMPLETION TIME.] Each lead agency shall keep records of the length of time it takes to complete its investigations.

(i) [NOTIFICATION OF OTHER AFFECTED PARTIES.] If a lead agency has reason to believe that maltreatment occurred, the lead agency may notify other affected parties if the lead agency determines the information will safeguard the well-being of the affected parties or to dispel widespread rumor or unrest.

(j) [FEDERAL REQUIREMENTS.] Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 18. Minnesota Statutes 1994, section 626.557, subdivision 14, is amended to read:

Subd. 14. [ABUSE PREVENTION PLANS.] (a) Each facility, except home health agencies, shall establish and enforce an ongoing written abuse prevention plan. The plan shall contain an assessment of the physical plant, its environment, and its population identifying factors which may encourage or permit abuse, and a statement of specific measures to be taken to minimize the risk of abuse. The plan shall comply with any rules governing the plan promulgated by the licensing agency.

(b) Each facility, including a home health care agency, shall develop an individual abuse prevention plan for each vulnerable adult residing there. Facilities designated in subdivision 2, clause (b)(2) or clause (b)(3) shall develop plans for any vulnerable adults receiving services from them. The plan shall contain an individualized assessment of the person's susceptibility to abuse, and a statement of the specific measures to be taken to minimize the risk of abuse to that person. For the purposes of this clause, the term "abuse" includes self-abuse.

Sec. 19. Minnesota Statutes 1994, section 626.557, subdivision 16, is amended to read:

~~Subd. 16. [ENFORCEMENT IMPLEMENTATION AUTHORITY.] (a) A facility that has not complied with this section within 60 days of the effective date of passage of emergency rules is ineligible for renewal of its license. A person required by subdivision 3 to report and who is licensed or credentialed to practice an occupation by a licensing agency who willfully fails to comply with this section shall be disciplined after a hearing by the appropriate licensing agency. By September 1, 1995, the attorney general, and the commissioners of health and human services, in coordination with representatives of other entities that receive or investigate maltreatment reports, shall develop the common report form described in subdivision 9. The form may be used by mandated reporters, county social service agencies, law enforcement entities, licensing agencies, or ombudsman offices.~~

~~(b) Licensing agencies The commissioner of health shall as soon as possible promulgate rules necessary to implement the requirements of subdivisions 11, 12, 13, 14, 15, and 16, clause (a) this section. Agencies The commissioner of health may promulgate emergency rules pursuant to sections 14.29 to 14.36.~~

~~(c) The commissioner of human services shall promulgate amend as necessary any rules as necessary to implement the requirements of subdivision 10 adopted under the authority of this section.~~

~~(d) By December 31, 1995, the commissioners of health, human services, and public safety shall develop criteria for the design of a statewide database utilizing data collected on the common intake form of the common entry point. The statewide database must be accessible to all entities required to conduct investigations under this section, and must be accessible to ombudsman and advocacy programs.~~

~~(e) By September 1, 1995, each lead agency shall develop the guidelines required in subdivision 9b.~~

Sec. 20. Minnesota Statutes 1994, section 626.557, subdivision 17, is amended to read:

Subd. 17. [RETALIATION PROHIBITED.] (a) A facility or person shall not retaliate against

any person who reports in good faith suspected ~~abuse or neglect~~ maltreatment pursuant to this section, or against a vulnerable adult with respect to whom a report is made, because of the report.

(b) In addition to any remedies allowed under sections 181.931 to 181.935, any facility or person which retaliates against any person because of a report of suspected ~~abuse or neglect~~ maltreatment is liable to that person for actual damages and, in addition, a penalty, punitive damages up to \$10,000, and attorney fees.

(c) There shall be a rebuttable presumption that any adverse action, as defined below, within 90 days of a report, is retaliatory. For purposes of this clause, the term "adverse action" refers to action taken by a facility or person involved in a report against the person making the report or the person with respect to whom the report was made because of the report, and includes, but is not limited to:

- (1) Discharge or transfer from the facility;
- (2) Discharge from or termination of employment;
- (3) Demotion or reduction in remuneration for services;
- (4) Restriction or prohibition of access to the facility or its residents; or
- (5) Any restriction of rights set forth in section 144.651.

Sec. 21. Minnesota Statutes 1994, section 626.557, subdivision 18, is amended to read:

Subd. 18. [OUTREACH.] The commissioner of human services shall ~~establish~~ maintain an aggressive program to educate those required to report, as well as the general public, about the requirements of this section using a variety of media. The commissioner of human services shall print and make available the form developed under subdivision 9.

Sec. 22. [626.5572] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of section 626.557, the following terms have the meanings given them, unless otherwise specified.

Subd. 2. [ABUSE.] "Abuse" means:

(a) Any act against a vulnerable adult, which constitutes a violation of any of the following criminal statutes, or attempts or aiding and abetting in the commission of the crimes listed in clauses (1) to (4); a violation means any action which meets the elements of the crime or the conviction of the crime:

- (1) assault in the first through fifth degrees as defined in sections 609.221 to 609.224;
- (2) the use of drugs to injure or facilitate crime as defined in section 609.235;
- (3) the solicitation, inducement, and promotion of prostitution as defined in section 609.322;  
and
- (4) criminal sexual conduct in the first through fifth degrees as defined in sections 609.342 to 609.3451.

(b) Conduct which is not an accident or therapeutic conduct as defined in this section, which produces or could reasonably be expected to produce physical pain or injury or emotional distress including, but not limited to, the following:

- (1) hitting, slapping, kicking, pinching, biting, or corporal punishment of a vulnerable adult;
- (2) use of repeated or malicious oral, written, or gestured language toward a vulnerable adult or the treatment of a vulnerable adult which would be considered by a reasonable person to be disparaging, derogatory, humiliating, harassing, or threatening;
- (3) use of any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, including the forced separation of the vulnerable adult from other persons against the will of the vulnerable adult or the legal representative of the vulnerable adult; and



(4) use of any aversive or deprivation procedures for persons with developmental disabilities or related conditions not authorized under section 245.825.

(c) Any sexual contact as defined in section 609.341 between a facility staff person or a person providing services in the facility and a resident, patient, or client of that facility.

(d) The act of forcing, compelling, coercing, or enticing a vulnerable adult against the vulnerable adult's will to perform services for the advantage of another.

(e) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, chapter 145C or 252A, or section 253B.03 or 525.539 to 525.6199, refuses consent or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or to provide nutrition and hydration parenterally or through intubation.

(f) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult.

(g) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (1) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or (2) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner.

Subd. 3. [ACCIDENT.] "Accident" means a sudden, unforeseen, and unexpected occurrence or event which:

(1) is not likely to occur and which could not have been prevented by exercise of due care; and

(2) if occurring while a vulnerable adult is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

Subd. 4. [CAREGIVER.] "Caregiver" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

Subd. 5. [COMMON ENTRY POINT.] "Common entry point" means the entity designated by each county responsible for receiving reports under section 626.557.

Subd. 6. [FACILITY.] (a) "Facility" means a hospital or other entity required to be licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve adults under section 144A.02; a residential or nonresidential facility required to be licensed to serve adults under sections 245A.01 to 245A.16; a home care provider licensed or required to be licensed under section 144A.46; or a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627.

(b) For home care providers and personal care attendants, the term "facility" refers to the provider or person or organization that exclusively offers, provides, or arranges for personal care services, and does not refer to the client's home or other location at which services are rendered.

Subd. 7. [FALSE.] "False" means a preponderance of the evidence shows that an act that meets the definition of maltreatment did not occur.

Subd. 8. [FINAL DISPOSITION.] "Final disposition" is the determination of an investigation by a lead agency that a report of maltreatment under this act is substantiated, inconclusive, false, or that no determination will be made. When a lead agency determination has substantiated maltreatment, the final disposition also identifies, if known, which individual or individuals were responsible for the substantiated maltreatment, and whether a facility was responsible for the substantiated maltreatment.

Subd. 9. [FINANCIAL EXPLOITATION.] "Financial exploitation" means:

(a) In breach of a fiduciary relationship recognized elsewhere in law, including pertinent regulations, contractual obligations, documented consent by a competent person, or the obligations of a responsible party under section 144.6501 a person:

(1) engages in unauthorized expenditure of funds entrusted to the actor by the vulnerable adult which results or is likely to result in detriment to the vulnerable adult; or

(2) fails to use the financial resources of the vulnerable adult to provide food, clothing, shelter, health care, therapeutic conduct or supervision for the vulnerable adult, and the failure results or is likely to result in detriment to the vulnerable adult.

(b) In the absence of legal authority a person:

(1) willfully uses, withholds, or disposes of funds or property of a vulnerable adult;

(2) obtains for the actor or another the performance of services by a third person for the wrongful profit or advantage of the actor or another to the detriment of the vulnerable adult;

(3) acquires possession or control of, or an interest in, funds or property of a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or

(4) forces, compels, coerces, or entices a vulnerable adult against the vulnerable adult's will to perform services for the profit or advantage of another.

(c) Nothing in this definition requires a facility or caregiver to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

Subd. 10. [IMMEDIATELY.] "Immediately" means as soon as possible, but no longer than 24 hours from the time initial knowledge that the incident occurred has been received.

Subd. 11. [INCONCLUSIVE.] "Inconclusive" means there is less than a preponderance of evidence to show that maltreatment did or did not occur.

Subd. 12. [INITIAL DISPOSITION.] "Initial disposition" is the lead agency's determination of whether the report will be assigned for further investigation.

Subd. 13. [LEAD AGENCY.] "Lead agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The department of health is the lead agency for the facilities which are licensed or are required to be licensed as hospitals, home care providers, nursing homes, residential care homes, or boarding care homes.

(b) The department of human services is the lead agency for the programs licensed or required to be licensed as adult day care, adult foster care, programs for people with developmental disabilities, mental health programs, chemical health programs, or personal care provider organizations.

(c) The county social service agency or its designee is the lead agency for all other reports.

Subd. 14. [LEGAL AUTHORITY.] "Legal authority" includes, but is not limited to: (1) a fiduciary relationship recognized elsewhere in law, including pertinent regulations; (2) a contractual obligation; or (3) documented consent by a competent person.

Subd. 15. [MALTREATMENT.] "Maltreatment" means abuse as defined in subdivision 2, neglect as defined in subdivision 17, or financial exploitation as defined in subdivision 9.

Subd. 16. [MANDATED REPORTER.] "Mandated reporter" means a professional or professional's delegate who is engaged in: (1) social services; (2) law enforcement; (3) education; (4) the care of vulnerable adults; (5) any of the occupations referred to in section 214.01, subdivision 2; (6) an employee of a rehabilitation facility certified by the commissioner of jobs and training for vocational rehabilitation; (7) an employee or person providing services in a facility as defined in subdivision 6; or (8) a person that performs the duties of the medical examiner or coroner.

Subd. 17. [NEGLECT.] "Neglect" means:

(a) The failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is:

(1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and

(2) which is not the result of an accident or therapeutic conduct.

(b) The absence or likelihood of absence of care or services, including but not limited to, food, clothing, shelter, health care, or supervision necessary to maintain the physical and mental health of the vulnerable adult which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort considering the physical or mental capacity or dysfunction of the vulnerable adult.

(c) For purposes of this section, a vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, chapter 145C or 252A, or section 253B.03 or 525.539 to 525.6199, refuses or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult, or to provide nutrition and hydration parenterally or through intubation;

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult;

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in sexual contact with: (i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner; or

(4) an individual makes a single mistake in the provision of therapeutic conduct to a vulnerable adult which: (i) does not result in injury or harm which reasonably requires the care of a physician or mental health professional, whether or not the care was sought; (ii) is immediately reported internally by the employee or person providing services in the facility; and (iii) is sufficiently documented for review and evaluation by the facility and any applicable licensing and certification agency.

(d) Nothing in this definition requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

Subd. 18. [REPORT.] "Report" means a statement concerning all the circumstances surrounding the alleged or suspected maltreatment of a vulnerable adult which are known to the reporter at the time the statement is made.

Subd. 19. [SUBSTANTIATED.] "Substantiated" means a preponderance of the evidence shows that an act that meets the definition of maltreatment occurred.

Subd. 20. [THERAPEUTIC CONDUCT.] "Therapeutic conduct" means the provision of program services, health care, or other personal care services done in good faith in the interests of the vulnerable adult by: (1) an individual, facility, or employee or person providing services in a facility under the rights, privileges and responsibilities conferred by state license, certification, or registration; or (2) a caregiver.

Subd. 21. [VULNERABLE ADULT.] "Vulnerable adult" means any person 18 years of age or older who:

(1) is a resident or inpatient of a facility;

(2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (4);

(3) receives services from a home care provider required to be licensed under section 144A.46; or from a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627; or

(4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:

(i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and

(ii) because of the dysfunction or infirmity and the need for assistance, the individual has an impaired ability to protect himself or herself from maltreatment.

Sec. 23. [REPEALER.]

Minnesota Statutes 1994, section 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19, are repealed.

## ARTICLE 2 EVIDENTIARY STANDARDS AND CRIMINAL PENALTIES

Section 1. Minnesota Statutes 1994, 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 during the time period between a previous conviction under this section, sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713, or any similar law of another state, and the end of the five years following discharge from sentence for that conviction, is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. Whoever violates the provisions of subdivision 1 against a family or household member as defined in section 518B.01, subdivision 2, during the time period between a previous conviction under this section or sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713 against a family or household member, and the end of the five years following discharge from sentence for that conviction is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under this section or sections 609.221 to 609.2231 or 609.713 is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(c) A caregiver, as defined in section 609.232, who violates the provisions of subdivision 1 against a vulnerable adult, as defined in section 609.232, is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 2. [609.232] [CRIMES AGAINST VULNERABLE ADULTS; DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 609.2325, 609.233, 609.2335, and 609.234, the terms defined in this section have the meanings given.

Subd. 2. [CAREGIVER.] "Caregiver" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

Subd. 3. [FACILITY.] (a) "Facility" means a hospital or other entity required to be licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve adults under section 144A.02; a home care provider licensed or required to be licensed under section 144A.46; a residential or nonresidential facility required to be licensed to serve adults under sections 245A.01 to 245A.16; or a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627.

(b) For home care providers and personal care attendants, the term "facility" refers to the provider or person or organization that exclusively offers, provides, or arranges for personal care services, and does not refer to the client's home or other location at which services are rendered.

Subd. 4. [IMMEDIATELY.] "Immediately" means as soon as possible, but no longer than 24 hours from the time of initial knowledge that the incident occurred has been received.

Subd. 5. [LEGAL AUTHORITY.] "Legal authority" includes, but is not limited to:

- (1) a fiduciary relationship recognized elsewhere in law, including pertinent regulations;
- (2) a contractual obligation; or
- (3) documented consent by a competent person.

Subd. 6. [MALTREATMENT.] "Maltreatment" means any of the following:

- (1) abuse under section 609.2325;
- (2) neglect under section 609.233; or
- (3) financial exploitation under section 609.2335.

Subd. 7. [OPERATOR.] "Operator" means any person whose duties and responsibilities evidence actual control of administrative activities or authority for the decision making of or by a facility.

Subd. 8. [PERSON.] "Person" means any individual, corporation, firm, partnership, incorporated and unincorporated association, or any other legal, professional, or commercial entity.

Subd. 9. [REPORT.] "Report" means a statement concerning all the circumstances surrounding the alleged or suspected maltreatment, as defined in this section, of a vulnerable adult which are known to the reporter at the time the statement is made.

Subd. 10. [THERAPEUTIC CONDUCT.] "Therapeutic conduct" means the provision of program services, health care, or other personal care services done in good faith in the interests of the vulnerable adult by: (1) an individual, facility or employee, or person providing services in a facility under the rights, privileges, and responsibilities conferred by state license, certification, or registration; or (2) a caregiver.

Subd. 11. [VULNERABLE ADULT.] "Vulnerable adult" means any person 18 years of age or older who:

- (1) is a resident or inpatient of a facility; or

(2) possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction that impairs the individual's ability to, without assistance, provide adequately for the individual's own care and protection from maltreatment, regardless of residence or whether any type of service is received; or

(3) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (2); or

(4) receives services from a home care provider required to be licensed under section 144A.46; or from a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627.

### Sec. 3. [609.2325] [CRIMINAL ABUSE.]

Subdivision 1. [CRIMES.] (a) A caregiver who, with intent to produce physical or mental pain or injury to a vulnerable adult, subjects a vulnerable adult to any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, is guilty of criminal abuse and may be sentenced as provided in subdivision 3.

This paragraph does not apply to therapeutic conduct.

(b) A caregiver, facility staff person, or person providing services in a facility who engages in sexual contact, as defined in section 609.341, under circumstances other than those described in sections 609.342 to 609.3451, with a resident, patient, or client of the facility is guilty of criminal abuse and may be sentenced as provided in subdivision 3.

Subd. 2. [EXEMPTIONS.] For the purposes of this section, a vulnerable adult is not abused for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, chapter 145C or 252A, or section 253B.03 or 525.539 to 525.6199, refuses to consent or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or to provide nutrition and hydration parenterally or through intubation;

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult; or

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (i) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner.

Subd. 3. [PENALTIES.] (a) A person who violates subdivision 1, paragraph (a), may be sentenced as follows:

(1) if the act results in the death of a vulnerable adult, imprisonment for not more than 15 years or payment of a fine of not more than \$30,000, or both;

(2) if the act results in great bodily harm, imprisonment for not more than ten years or payment of a fine of not more than \$20,000, or both;

(3) if the act results in substantial bodily harm or the risk of death, imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both; or

(4) in other cases, imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both.

(b) A person who violates subdivision 1, paragraph (b), 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. 4. [609.233] [CRIMINAL NEGLECT.]

Subdivision 1. [CRIME.] (a) A caregiver or operator who commits any of the acts or omissions listed in paragraph (b) is guilty of criminal neglect and may be sentenced as provided in subdivision 3, if the act or omission constitutes a conscious disregard for danger to human life and reckless indifference to the risk of harm.

(b) This subdivision applies to the following acts or omissions:

(1) the failure or omission to supply a vulnerable adult with care or services, including but not limited to food, clothing, shelter, health care, or supervision when the care or services are reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical or mental capacity or dysfunction of the vulnerable adult, and the failure or omission is not therapeutic conduct; or

(2) knowingly permitting conditions to exist by failing to take corrective action within the scope of that person's authority, resulting in the abuse, as defined in section 626.5572, subdivision 2, or neglect, as defined in section 626.5572, subdivision 17, of a vulnerable adult.

Subd. 2. [EXEMPTIONS.] A vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, chapter 145C or 252A, or section 253B.03 or 525.539 to 525.6199, refuses to consent or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or to provide nutrition and hydration parenterally or through intubation;

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult; or

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner.

Subd. 3. [CRIMINAL PENALTIES.] A person who violates this section may be sentenced as follows:

(1) if the act results in great bodily harm, imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both;

(2) if the act results in substantial bodily harm or the risk of death, imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both; or

(3) otherwise, imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both.

Subd. 4. [DEFENSES.] Nothing in this section requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

**Sec. 5. [609.2335] [FINANCIAL EXPLOITATION OF A VULNERABLE ADULT.]**

Subdivision 1. [CRIME.] Whoever does any of the following acts commits the crime of financial exploitation:

(1) in breach of a fiduciary relationship recognized elsewhere in law, including pertinent regulations, contractual obligations, documented consent by a competent person, or the obligations of a responsible party under section 144.6501, intentionally fails to use the financial resources of the vulnerable adult to provide food, clothing, shelter, health care, therapeutic conduct, or supervision for the vulnerable adult; or

(2) in the absence of legal authority:

(i) acquires possession or control of an interest in funds or property of a vulnerable adult through the use of undue influence, harassment, or duress; or

(ii) forces, compels, coerces, or entices a vulnerable adult against the vulnerable adult's will to perform services for the profit or advantage of another.

Subd. 2. [DEFENSES.] Nothing in this section requires a facility or caregiver to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

Subd. 3. [CRIMINAL PENALTIES.] A person who violates subdivision 1, clause (1) or clause (2), item (i), may be sentenced as provided in section 609.52, subdivision 3. A person who violates subdivision 1, clause (2), item (ii), may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

**Sec. 6. [609.234] [FAILURE TO REPORT.]**

Any mandated reporter who is required to report under section 626.557, who knows or has reason to believe that a vulnerable adult is being or has been maltreated, as defined in section 626.5572, subdivision 15, and who does any of the following is guilty of a misdemeanor:

(1) intentionally fails to make a report;

(2) knowingly provides information which is false, deceptive, or misleading; or

(3) intentionally fails to provide all of the material circumstances surrounding the incident which are known to the reporter when the report is made.

Sec. 7. Minnesota Statutes 1994, section 609.72, is amended by adding a subdivision to read:

Subd. 3. [CAREGIVER; PENALTY FOR DISORDERLY CONDUCT.] A caregiver, as defined in section 609.232, who violates the provisions of subdivision 1 against a vulnerable adult, as defined in section 609.232, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

**Sec. 8. [REPEALER.]**

Minnesota Statutes 1994, sections 609.23 and 609.231, are repealed.

**Sec. 9. [EFFECTIVE DATE.]**

Sections 1 to 10 are effective August 1, 1995, and apply to crimes committed on or after that date.

**ARTICLE 3**

**OTHER LAWS AFFECTING VULNERABLE ADULTS**



Section 1. Minnesota Statutes 1994, section 13.82, is amended by adding a subdivision to read:

Subd. 5c. [VULNERABLE ADULT IDENTITY DATA.] Active or inactive investigative data that identify a victim of vulnerable adult maltreatment under section 626.557 are private data on individuals. Active or inactive investigative data that identify a reporter of vulnerable adult maltreatment under section 626.557 are private data on individuals, unless the subject of the report compels disclosure under section 626.557, subdivision 12b, paragraph (c).

Sec. 2. Minnesota Statutes 1994, section 13.82, is amended by adding a subdivision to read:

Subd. 5d. [INACTIVE VULNERABLE ADULT MALTREATMENT DATA.] Investigative data that becomes inactive under subdivision 5, paragraph (a) or (b), and that relate to the alleged maltreatment of a vulnerable adult by a caregiver or facility are private data on individuals.

Sec. 3. Minnesota Statutes 1994, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of a law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

- (a) when access to the data would reveal the identity of an undercover law enforcement officer;
- (b) when access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;
- (c) when access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant;
- (d) when access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual;
- (e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred;
- (f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller; or
- (g) when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness; or
- (h) when access to the data would reveal the identity of a mandated reporter under sections 626.556 and 626.557.

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions necessary to protect the identity of individuals described in clauses (d) and (g).

Sec. 4. [144.057] [BACKGROUND STUDIES ON LICENSEES.]

The commissioner shall perform background study activities for hospitals or other entities required to be licensed under sections 144.50 and 144.58; nursing homes required to be licensed to serve adults under section 144A.02; and home care providers licensed or required to be licensed under section 144A.46. The commissioner shall adopt rules to establish procedures for these background study activities that address disqualifications, reconsiderations, and related issues.

Until the rules are adopted, the commissioner shall use the procedures in chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. When the commissioner adopts rules, the standards and procedures must be substantially similar to those found in chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. Background checks carried out under this subdivision satisfy the background check requirements for home health care providers required by section 144A.45.

Sec. 5. Minnesota Statutes 1994, 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)~~ (5) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, the commissioner of health 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); and
- (5) any person who, as an individual or as a member of an organization, exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, and 256B.0625, subdivision 19.

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), ~~or~~ (5) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) ~~or~~, (3), ~~or~~ (5) 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)~~ (5) shall be conducted at least upon application for initial license and reapplication for a license. 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)~~ (5), 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, the commissioner of health, 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) (5).

(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), or (5) 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) Termination of persons in paragraph (a), clause (1), (2), (3), or (4), or (5) 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.

(h) The commissioner may establish records to fulfill the requirements of this section.

(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.

(j) An individual who is subject to an applicant background study under this section and whose disqualification in connection with a license would be subject to the limitations on reconsideration set forth in subdivision 3b, paragraph (c), shall be disqualified for conviction of the crimes specified in the manner specified in subdivision 3b, paragraph (c). The commissioner of human services shall amend Minnesota Rules, part 9543.3070, to conform to this section.

(k) An individual must be disqualified if it has been determined that the individual failed to make required reports under sections 626.556, subdivision 3, or 626.557, subdivision 3, for incidents in which: (1) the final disposition under section 626.556 or 626.557 was substantiated maltreatment, and (2) the maltreatment was recurring or serious as defined in Minnesota Rules, part 9543.3020, subpart 10.

(l) An individual subject to disqualification under this subdivision has the applicable rights in subdivision 3a, 3b, or 3c.

Sec. 6. Minnesota Statutes 1994, section 256.045, subdivision 1, is amended to read:

Subdivision 1. [POWERS OF THE STATE AGENCY.] The commissioner of human services may appoint one or more state human services referees to conduct hearings and recommend orders in accordance with subdivisions 3, 3a, 3b, 4a, and 5. Human services referees designated pursuant to this section may administer oaths and shall be under the control and supervision of the commissioner of human services and shall not be a part of the office of administrative hearings established pursuant to sections 14.48 to 14.56.

Sec. 7. Minnesota Statutes 1994, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a county agency under sections 252.32, 256.031 to 256.036, and 256.72 to 256.879, chapters 256B, 256D,

256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, or any individual or facility determined by a lead agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557, may contest that action or, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

The hearing for an individual or facility under section 626.557 is the only administrative appeal to the final lead agency disposition specifically, including a challenge to the accuracy and completeness of data under section 13.04.

For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section.

An applicant or recipient is not entitled to receive social services beyond the services included in the amended community social services plan developed under section 256E.081, subdivision 3, if the county agency has met the requirements in section 256E.081.

Sec. 8. Minnesota Statutes 1994, section 256.045, is amended by adding a subdivision to read:

Subd. 3b. [STANDARD OF EVIDENCE FOR MALTREATMENT HEARINGS.] The state human services referee shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under section 626.557.

The state human services referee shall recommend an order to the commissioner of health or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapter 245A and sections 144.50 to 144.58 and 144A.02 to 144A.46, the commissioner's findings as to whether maltreatment occurred is conclusive.

Sec. 9. Minnesota Statutes 1994, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] (a) All hearings held pursuant to subdivision 3, 3a, 3b, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, or former recipient, person, or facility contesting maltreatment objects. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services referee shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, or former recipient, person, or facility contesting maltreatment shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county agency at the hearing at a reasonable time before the date of the hearing and during the hearing. In cases alleging discharge for maltreatment, either party may subpoena the private data relating to the investigation memorandum prepared by the lead agency under section 626.557, provided the name of the reporter may not be disclosed.

(b) The private data must be subject to a protective order which prohibits its disclosure for any other purpose outside the hearing provided for in this section without prior order of the district court. Disclosure without court order is punishable by a sentence of not more than 90 days imprisonment or a fine of not more than \$700, or both. These restrictions on the use of private data do not prohibit access to the data under section 13.03, subdivision 6. Upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal, except in appeals brought under subdivision 3b. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3.

Sec. 10. Minnesota Statutes 1994, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF HUMAN SERVICES.] This subdivision does not apply to appeals under subdivision 3b. A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the county agency and the applicant, recipient, former recipient, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the county agency and the applicant, recipient, former recipient, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing or seek judicial review of an order issued under this section.

Sec. 11. Minnesota Statutes 1994, section 256.045, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL POWERS OF THE COMMISSIONER; SUBPOENAS.] (a) The commissioner of human services may initiate a review of any action or decision of a county agency and direct that the matter be presented to a state human services referee for a hearing held under subdivision 3, 3a, 3b, or 4a. In all matters dealing with human services committed by law to the discretion of the county agency, the commissioner's judgment may be substituted for that of the county agency. The commissioner may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 3, 3a, 3b, or 4a may request that the commissioner issue a subpoena to compel the attendance of witnesses at the hearing. The issuance, service, and enforcement of subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules of Civil Procedure.

(c) The commissioner may issue a temporary order staying a proposed demission by a

residential facility licensed under chapter 245A while an appeal by a recipient under subdivision 3 is pending or for the period of time necessary for the county agency to implement the commissioner's order.

Sec. 12. Minnesota Statutes 1994, section 256.045, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL REVIEW.] Any party who is aggrieved by an order of the commissioner of human services may appeal the order to the district court of the county responsible for furnishing assistance, or, in appeals under subdivision 3b, the county where the maltreatment occurred, by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision, with the exception of appeals taken under subdivision 3b. The commissioner may elect to become a party to the proceedings in the district court. Except for appeals under subdivision 3b, any party may demand that the commissioner furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services referee, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner under subdivision 5 may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 13. Minnesota Statutes 1994, section 256.045, subdivision 8, is amended to read:

Subd. 8. [HEARING.] Any party may obtain a hearing at a special term of the district court by serving a written notice of the time and place of the hearing at least ten days prior to the date of the hearing. Except for appeals under subdivision 3b, the court may consider the matter in or out of chambers, and shall take no new or additional evidence unless it determines that such evidence is necessary for a more equitable disposition of the appeal.

Sec. 14. Minnesota Statutes 1994, section 256.045, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] Any party aggrieved by the order of the district court may appeal the order as in other civil cases. Except for appeals under subdivision 3b, no costs or disbursements shall be taxed against any party nor shall any filing fee or bond be required of any party.

Sec. 15. Minnesota Statutes 1994, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from any employment under paragraph (a), (b), or (d) shall be disqualified for waiting week credit and benefits. For separations under paragraphs (a) and (b), the disqualification shall continue until four calendar weeks have elapsed following the individual's separation and the individual has earned eight times the individual's weekly benefit amount in insured work.

(a) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued employment with such employer. For the purpose of this paragraph, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(b) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with work or for misconduct which interferes with and adversely affects employment.

(c) [EXCEPTIONS TO DISQUALIFICATION.] An individual shall not be disqualified under paragraphs (a) and (b) under any of the following conditions:

(1) the individual voluntarily discontinued employment to accept employment offering substantially better conditions or substantially higher wages or both;

(2) the individual is separated from employment due to personal, serious illness provided that such individual has made reasonable efforts to retain employment.

An individual who is separated from employment due to the individual's illness of chemical dependency which has been professionally diagnosed or for which the individual has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment the individual knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain employment.

(3) the individual accepts work from a base period employer which involves a change in location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(4) the individual left employment because of reaching mandatory retirement age and was 65 years of age or older;

(5) the individual is terminated by the employer because the individual gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which the individual receives the individual's normal wage or salary which is equal to or greater than the weekly benefit amount;

(6) the individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(7) the individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual;

(8) the individual is separated from employment based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act on behalf of the individual;

(9) except as provided in paragraph (d), separations from part-time employment will not be disqualifying when the claim is based on sufficient full-time employment to establish a valid claim from which the claimant has been separated for nondisqualifying reasons; or

(10) the individual accepts employment which represents a substantial departure from the individual's customary occupation and experience and would not be deemed suitable work as defined under subdivision 2, paragraphs (a) and (b), and within a period of 30 days from the commencement of that work voluntarily discontinues the employment due to reasons which would have caused the work to be unsuitable under the provisions of subdivision 2 or, if in commission sales, because of a failure to earn gross commissions averaging an amount equal to or in excess of the individual's weekly benefit amount. Other provisions notwithstanding, applying this provision precludes the use of these wage credits to clear a disqualification.

(d) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with work or gross misconduct which interferes with and adversely affects the individual's employment. For a separation under this clause, the commissioner shall impose a total disqualification for the benefit year and cancel all of the wage credits from the last employer from whom the individual was discharged for gross misconduct connected with work.

For the purpose of this paragraph "gross misconduct" is defined as misconduct involving assault and battery or the malicious destruction of property or arson or sabotage or embezzlement or any other act, including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a health care facility, as defined in section 626.5572, gross misconduct also includes misconduct involving an act of patient or resident abuse, financial exploitation, or recurring or serious neglect, as defined in section 626.557, ~~subdivision 2, clause (d)~~ and applicable rules.

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with the individual's work.

(e) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing paragraphs, excepting paragraphs (c)(3), (c)(5), and (c)(8), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure to accept an offer of suitable reemployment or to accept reemployment which offered substantially the same or better hourly wages and conditions of work as were previously provided by that employer, but was deemed unsuitable under subdivision 2, shall not be used as a factor in determining the future contribution rate of the employer whose offer of reemployment was not accepted or whose offer of reemployment was refused solely due to the distance of the available work from the individual's residence, the individual's own serious illness, the individual's other employment at the time of the offer, or if the individual is in training with the approval of the commissioner.

Benefits paid by another state as a result of Minnesota transferring wage credits under the federally required combined wage agreement shall not be directly charged to either the taxing or reimbursing employer.

(f) [ACTS OR OMISSIONS.] An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after separation from employment with the employer.

(g) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from the individual's own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment."

Delete the title and insert:

"A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; amending Minnesota Statutes 1994, sections 13.82, subdivision 10, and by adding subdivisions; 245A.04, subdivision 3; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 268.09, subdivision 1; 609.224, subdivision 2; 609.72, by adding a subdivision; and 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; and 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19."

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. 446, 588, 305, 423, 121, 687, 673, 378, 700, 691, 526, 427, 16, 144, 453 and 752 were read the second time.



**SECOND READING OF HOUSE BILLS**

H.F. Nos. 216, 887 and 670 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Moe, R.D. moved that the name of Ms. Olson be added as a co-author to S.F. No. 699. The motion prevailed.

Mr. Laidig moved that the name of Ms. Krentz be added as a co-author to S.F. No. 720. The motion prevailed.

Mr. Ourada moved that his name be stricken as a co-author to S.F. No. 760. The motion prevailed.

Ms. Ranum moved that the name of Mr. Mondale be added as a co-author to S.F. No. 881. The motion prevailed.

Ms. Ranum moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 882. The motion prevailed.

Mr. Stumpf moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 951. The motion prevailed.

Ms. Anderson moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 946. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Limmer be added as a co-author to S.F. No. 948. The motion prevailed.

Mr. Metzen moved that the name of Mr. Limmer be added as a co-author to S.F. No. 1010. The motion prevailed.

Mr. Kramer moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1016. The motion prevailed.

Mr. Mondale moved that the name of Mr. Novak be added as a co-author to S.F. No. 1019. The motion prevailed.

**Mr. Johnson, D.E. introduced--**

**Senate Resolution No. 34:** A Senate resolution commending West Central Tribune on the occasion of its 100th anniversary.

Referred to the Committee on Rules and Administration.

**Mr. Larson introduced--**

**Senate Resolution No. 35:** A Senate resolution congratulating Hillcrest Lutheran Academy of Fergus Falls, Minnesota, on winning the Junior Engineering Technological Society (JETS) state academic competition.

Referred to the Committee on Rules and Administration.

**Mr. Larson introduced--**

**Senate Resolution No. 36:** A Senate resolution congratulating Fergus Falls High School on winning the Junior Engineering Technological Society (JETS) state academic competition.

Referred to the Committee on Rules and Administration.

**Mr. Moe, R.D. introduced--**

**Senate Concurrent Resolution No. 7:** A Senate concurrent resolution relating to adjournment for more than three days.

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

1. Upon its adjournment on Wednesday, March 15, 1995, the House of Representatives may set its next day of meeting more than three days after the day of adjournment.

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

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

Ms. Flynn moved that S.F. No. 691, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Cohen moved that S.F. No. 1002 be withdrawn from the Committee on Crime Prevention and re-referred to the Committee on Judiciary. The motion prevailed.

Ms. Johnson, J.B. moved that S.F. No. 902 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

Ms. Lesewski moved that S.F. No. 637 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

**CALENDAR**

**S.F. No. 145:** A bill for an act relating to motor vehicles; providing time limit for refunding motor vehicle registration tax overpayment; amending Minnesota Statutes 1994, section 168.16.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	

So the bill passed and its title was agreed to.

**CONSENT CALENDAR**

**S.F. No. 318:** A bill for an act relating to insurance; changing the date on which crop hail

insurance rates must be filed with the commissioner; amending Minnesota Statutes 1994, section 60A.32; repealing Minnesota Statutes 1994, section 70A.06, subdivision 5.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 521:** A bill for an act relating to adoption; requiring the listing of all children freed for adoption on the state adoption exchange within 20 days; amending Minnesota Statutes 1994, section 259.75, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	

So the bill passed and its title was agreed to.

**H.F. No. 37:** A bill for an act relating to local government; allowing either the town of Glen or the town of Kimberly in Aitkin county to have an alternate annual meeting day.

Was read the third time 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:

Anderson	Berglin	Chmielewski	Finn	Janezich
Beckman	Bertram	Cohen	Flynn	Johnson, D.E.
Belanger	Betzold	Day	Frederickson	Johnson, D.J.
Berg	Chandler	Dille	Hanson	Johnson, J.B.

Johnston	Larson	Neuville	Price	Spear
Kelly	Lessard	Novak	Reichgott Junge	Stevens
Kiscaden	Limmer	Oliver	Riveness	Stumpf
Kleis	Marty	Olson	Robertson	Terwilliger
Knutson	Merriam	Ourada	Runbeck	Vickerman
Kramer	Metzen	Pappas	Sams	Wiener
Krentz	Moe, R.D.	Pariseau	Samuelson	
Laidig	Mondale	Piper	Scheevel	
Langseth	Morse	Pogemiller	Solon	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

**H.F. No. 554:** A bill for an act relating to securities; regulating enforcement actions against licensees; modifying the definition of investment metal; amending Minnesota Statutes 1994, sections 80A.07, subdivision 5; and 80A.14, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 831:** A bill for an act relating to crime; expanding the definition of "value" in the theft statute; amending Minnesota Statutes 1994, section 609.52, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Stumpf
Cohen	Kiscaden	Merriam	Pogemiller	Terwilliger
Day	Kleis	Metzen	Price	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Mondale	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 127:** A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water or natural wetlands in Hennepin 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:

Anderson	Flynn	Krentz	Morse	Runbeck
Beckman	Frederickson	Kroening	Neuville	Sams
Belanger	Hanson	Laidig	Novak	Samuelson
Berg	Janezich	Langseth	Oliver	Scheevel
Berglin	Johnson, D.E.	Larson	Olson	Solon
Bertram	Johnson, D.J.	Lesewski	Ourada	Spear
Betzold	Johnson, J.B.	Lessard	Pappas	Stevens
Chandler	Johnston	Limmer	Pariseau	Stumpf
Chmielewski	Kelly	Marty	Piper	Terwilliger
Cohen	Kiscaden	Merriam	Price	Vickerman
Day	Kleis	Metzen	Reichgott Junge	Wiener
Dille	Knutson	Moe, R.D.	Riveness	
Finn	Kramer	Mondale	Robertson	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

H.F. Nos. 95, 749 and 362, which the committee recommends to pass.

H.F. No. 125, which the committee reports progress, subject to the following motion:

Mr. Beckman moved that the amendment made to H.F. No. 125 by the Committee on Rules and Administration in the report adopted March 9, 1995, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 125 was then progressed.

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

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

#### Messrs. Lessard and Merriam introduced--

**S.F. No. 1021:** A bill for an act relating to state departments; abolishing the pollution control agency; creating the department of environmental protection; amending Minnesota Statutes 1994, sections 15.01; 115C.03, subdivision 7a; 116.02, subdivisions 1, 2, 3, 4, and by adding subdivisions; 116.03, subdivisions 1 and 2; 116C.69, subdivision 3; and 514.673, subdivision 3; repealing Minnesota Statutes 1994, sections 116.02, subdivision 5; and 116.03, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

#### Mr. Lessard introduced--

**S.F. No. 1022:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Koochiching county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Lessard introduced--**

**S.F. No. 1023:** A bill for an act relating to public lands; notice requirements for sales of tax-forfeited lands; leasing of tax-forfeited lands; roads used by counties on tax-forfeited lands; amending Minnesota Statutes 1994, sections 282.02; and 282.04, subdivision 1, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Mr. Lessard introduced--**

**S.F. No. 1024:** A bill for an act relating to paternity; changing time limits for bringing certain actions; amending Minnesota Statutes 1994, section 257.57, subdivision 2.

Referred to the Committee on Judiciary.

**Messrs. Solon, Metzen and Larson introduced--**

**S.F. No. 1025:** A bill for an act relating to financial institutions; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; amending Minnesota Statutes 1994, section 47.20, subdivisions 5 and 10.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Oliver, Larson, Solon, Ms. Wiener and Mr. Day introduced--**

**S.F. No. 1026:** A bill for an act relating to insurance; regulating risk-based capital for insurers; enacting the model act of the National Association of Insurance Commissioners; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Sams, Ms. Lesewski, Messrs. Solon, Frederickson and Berg introduced--**

**S.F. No. 1027:** A resolution memorializing the President and Congress to abandon the proposed sale of the Western Area Power Administration.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Pappas, Messrs. Janezich, Metzen, Ms. Hanson and Mr. Oliver introduced--**

**S.F. No. 1028:** A bill for an act relating to the state building code; requiring temporary restroom facilities at certain construction and engineering projects; establishing standards for temporary restroom facilities; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Vickerman, Chmielewski and Ms. Lesewski introduced--**

**S.F. No. 1029:** A bill for an act relating to alternative transportation fuels; eliminating alternative fuel vehicle permits and providing for refunds of fees paid for unused portions of permits; specifying excise taxes for certain gasoline and special fuel; amending Minnesota Statutes 1994, sections 216C.01, subdivisions 1a and 1b; 296.01, subdivisions 30, 34, and by adding subdivisions; 296.02, subdivisions 1, 1a, and 1b; 296.025, subdivisions 1, 1a, and by adding a subdivision; and 296.0261, by adding a subdivision; repealing Minnesota Statutes 1994, section 296.0261, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9.

Referred to the Committee on Transportation and Public Transit.

**Mr. Hottinger introduced--**

**S.F. No. 1030:** A bill for an act relating to state government; providing certain people an opportunity for reinstatement of certain insurance benefits.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Hottinger introduced--**

**S.F. No. 1031:** A bill for an act relating to retirement; requiring certain notices to be sent to retired state employees before terminating insurance coverage; requiring the Minnesota state retirement system to permit deduction of certain insurance payments from retirement benefits; amending Minnesota Statutes 1994, sections 43A.23, by adding a subdivision; and 352.15, subdivision 3.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Sams introduced--**

**S.F. No. 1032:** A bill for an act relating to human services; modifying provisions relating to ancillary services on long-term care facilities; amending Minnesota Statutes 1994, section 256B.433, subdivision 3.

Referred to the Committee on Health Care.

**Messrs. Oliver, Larson, Solon, Metzen and Limmer introduced--**

**S.F. No. 1033:** A bill for an act relating to insurance; solvency; regulating disclosures, reinsurance, capital stock, managing general agents, and contracts issued on a variable basis; amending Minnesota Statutes 1994, sections 60A.03, subdivision 9; 60A.07, subdivision 10; 60A.09, subdivision 5; 60A.093, subdivision 2; 60A.705, subdivision 8; 60A.75; 60H.02, subdivision 4; 60H.05, subdivision 1; 60H.08; 61A.19; 67A.231; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Wiener, Messrs. Stumpf; Pogemiller; Moe, R.D. and Ms. Olson introduced--**

**S.F. No. 1034:** A bill for an act relating to education; establishing a consortium to meet statewide post-secondary learning needs; providing for a study and report for the development of an open learning institution; appropriating money.

Referred to the Committee on Education.

**Messrs. Terwilliger, Riveness, Mses. Runbeck, Wiener and Mr. Bertram introduced--**

**S.F. No. 1035:** A bill for an act relating to health; requiring the commissioner of health to prescribe minimum standards for all new landscape irrigation system installations; requiring the commissioner to license landscape irrigation contractors for installations in cities or towns of 5,000 or more; requiring bond and insurance filings; amending Minnesota Statutes 1994, sections 326.57, by adding a subdivision; 326.58; 326.60; 326.601, subdivisions 1, 2, 3, and 4; 326.61, by adding subdivisions; and 326.62.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Limmer, Ms. Olson, Messrs. Kramer, Betzold and Ms. Reichgott Junge introduced--**

**S.F. No. 1036:** A bill for an act relating to education; authorizing the use of a portion of capital expenditure facilities revenue for equipment uses; amending Minnesota Statutes 1994, section 124.243, subdivision 8.

Referred to the Committee on Education.

**Messrs. Chmielewski, Vickerman and Novak introduced--**

**S.F. No. 1037:** A bill for an act relating to workers' compensation; repealing the sunset of the targeted industry fund for loggers.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Sams, Pogemiller and Janezich introduced--**

**S.F. No. 1038:** A bill for an act relating to education; providing for an alternative debt service plan for independent school district Nos. 789, Clarissa, and 790, Eagle Bend.

Referred to the Committee on Education.

**Ms. Wiener, Messrs. Stevens, Hottinger, Laidig and Novak introduced--**

**S.F. No. 1039:** A bill for an act relating to insurance; workers' compensation; modifying provision relating to self-insurance; amending Minnesota Statutes 1994, sections 79A.01, by adding subdivisions; 79A.02, subdivisions 1 and 4; 79A.03, subdivisions 2, 6, 7, 8, 9, and 11; 79A.08; and 79A.09, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Samuelson, Hottinger, Solon, Belanger and Oliver introduced--**

**S.F. No. 1040:** A bill for an act relating to insurance; regulating the sale of long-term care insurance; making technical changes; amending Minnesota Statutes 1994, sections 61A.072, subdivisions 1, 4, and by adding a subdivision; 62A.011, subdivision 3; 62A.31, subdivision 6; 62L.02, subdivision 15; and 295.50, subdivisions 6 and 6a; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1994, sections 62A.46; 62A.48; 62A.50; 62A.52; 62A.54; and 62A.56.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Reichgott Junge, Piper, Mr. Samuelson, Mses. Ranum and Kiscaden introduced--**

**S.F. No. 1041:** A bill for an act relating to homeless youth; providing for transitional housing; appropriating money; amending Minnesota Statutes 1994, section 256E.115.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Reichgott Junge, Messrs. Betzold and Knutson introduced--**

**S.F. No. 1042:** A bill for an act relating to partnerships; modifying name requirements; eliminating a filing requirement; clarifying when debts arise or accrue; amending Minnesota Statutes 1994, sections 319A.02, subdivision 7; 319A.07; 319A.08; 322B.12, subdivision 1; and 323.14, by adding a subdivision.

Referred to the Committee on Judiciary.

**Messrs. Berg, Bertram and Larson introduced--**

**S.F. No. 1043:** A bill for an act relating to agriculture; modifying provisions related to farmed cervidae; amending Minnesota Statutes 1994, sections 17.451, subdivision 2; and 17.452, subdivisions 10 and 12.

Referred to the Committee on Agriculture and Rural Development.



**Messrs. Berg and Neuville introduced--**

**S.F. No. 1044:** A bill for an act relating to gambling; terminating existing tribal-state gaming compacts effective June 30, 1998.

Referred to the Committee on Gaming Regulation.

**Messrs. Hottinger, Murphy, Limmer, Riveness and Metzen introduced--**

**S.F. No. 1045:** A bill for an act relating to higher education; abolishing the higher education coordinating board and transferring some of its duties; creating a higher education services office and a higher education administrators council; amending Minnesota Statutes 1994, sections 15A.081, subdivision 7b; 126.663, subdivision 3; 126A.02, subdivision 2; 135A.10, subdivision 1; 136A.01; 136A.03; 136A.08; 136A.101, subdivisions 2 and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.62, subdivision 2; 136C.042, subdivision 1; and 298.2214, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136A; repealing Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.043; 136A.85; 136A.86; 136A.87; and 136A.88.

Referred to the Committee on Education.

**Mses. Anderson, Ranum and Mr. Knutson introduced--**

**S.F. No. 1046:** A bill for an act relating to crime prevention; limiting who can benefit from profits derived from prostitution; amending Minnesota Statutes 1994, section 609.323, subdivisions 2, 3, and by adding a subdivision.

Referred to the Committee on Crime Prevention.

**Mses. Reichgott Junge, Ranum, Messrs. Chandler, Mondale and Ms. Olson introduced--**

**S.F. No. 1047:** A bill for an act relating to education; modifying the state aid for school district tax abatements; amending Minnesota Statutes 1994, section 124A.032.

Referred to the Committee on Education.

**Mr. Hottinger, Ms. Flynn, Mr. Terwilliger, Mses. Pappas and Runbeck introduced--**

**S.F. No. 1048:** A bill for an act relating to local government; limiting development in unincorporated areas; proposing coding for new law in Minnesota Statutes, chapter 414.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Hottinger, Ms. Flynn, Mr. Terwilliger, Mses. Pappas and Runbeck introduced--**

**S.F. No. 1049:** A bill for an act relating to cities; providing for annexation; proposing coding for new law as Minnesota Statutes, chapter 414A; repealing Minnesota Statutes 1994, sections 414.01; 414.011; 414.012; 414.02; 414.031; 414.0325; 414.033; 414.035; 414.036; 414.041; 414.051; 414.06; 414.061; 414.063; 414.065; 414.067; 414.07; 414.08; and 414.09.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Reichgott Junge, Krentz, Ranum, Messrs. Mondale and Knutson introduced--**

**S.F. No. 1050:** A bill for an act relating to education; increasing the general formula allowance, training and experience revenue, and transportation revenue by inflationary amounts; amending Minnesota Statutes 1994, sections 124.225, subdivisions 3a, 7b, and 7d; and 124A.22, subdivisions 2 and 4.

Referred to the Committee on Education.

**Mr. Frederickson, Ms. Johnson, J.B.; Mr. Sams and Ms. Lesewski introduced--**

**S.F. No. 1051:** A bill for an act relating to emergency telephone services; requiring provider of cellular telephone services to include in its billings a notice regarding 911 calls; making technical changes; amending Minnesota Statutes 1994, sections 403.02, subdivision 1; 403.07, subdivision 1; and 403.09; proposing coding for new law in Minnesota Statutes, chapter 403.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Reichgott Junge; Johnson, J.B.; Ranum and Mr. Spear introduced--**

**S.F. No. 1052:** A bill for an act relating to abuse; conforming domestic abuse definitions; including persons with certain significant relationships; allowing certain minors to petition on their own behalf for orders for protection; modifying petition requirements; providing for subsequent petitions; modifying requirements for alternate service; extending time period for certain domestic abuse arrests; providing for licensure revocation for peace officers convicted of assault; appropriating money; amending Minnesota Statutes 1994, sections 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 611A.31, subdivision 2; 626.843, by adding a subdivision; 629.341, subdivision 1; and 629.72, subdivisions 1, 2, and 6.

Referred to the Committee on Judiciary.

**Mr. Finn introduced--**

**S.F. No. 1053:** A bill for an act relating to family law; child support enforcement; modifying the accrual of interest on child support arrearages; amending Minnesota Statutes 1994, section 548.091, subdivision 1a.

Referred to the Committee on Judiciary.

**Ms. Ranum, Messrs. Laidig, Beckman, Ms. Anderson and Mr. Kelly introduced--**

**S.F. No. 1054:** A bill for an act relating to juveniles; clarifying jurisdiction, procedures, and dispositions; directing that rules be adopted; providing for educational programs and studies; establishing youth service centers and pilot projects; providing direction to courts for secure placement dispositions; authorizing secure treatment program administrators to make certain decisions regarding juveniles; appropriating money; amending Minnesota Statutes 1994, sections 120.17, subdivisions 5a, 6, and 7; 120.181; 124.18, by adding a subdivision; 124.32, subdivision 6; 242.31, subdivision 1; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.193, subdivision 4; 260.215, subdivision 1; 260.291, subdivision 1; 609.055, subdivision 2; and 641.14; proposing coding for new law in Minnesota Statutes, chapters 120; and 260; repealing Minnesota Statutes 1994, section 121.166.

Referred to the Committee on Crime Prevention.

**Ms. Piper, Messrs. Terwilliger, Samuelson, Ms. Berglin and Mr. Kramer introduced--**

**S.F. No. 1055:** A bill for an act relating to occupations and professions; exempting certain social workers from requirement to obtain home care provider license; exempting some social workers employed in a hospital or nursing home from examination; modifying licensure requirements; requiring hospital and nursing home social workers to be licensed; amending Minnesota Statutes 1994, sections 144A.46, subdivision 2; 148B.23, subdivisions 1 and 2; 148B.27, subdivision 2, and by adding a subdivision; and 148B.60, subdivision 3; repealing Minnesota Statutes 1994, sections 148B.23, subdivision 1a; and 148B.28, subdivision 6.

Referred to the Committee on Health Care.

**Mr. Kroening and Ms. Anderson introduced--**

**S.F. No. 1056:** A bill for an act relating to real property; authorizing municipalities to establish trust or escrow accounts for proceeds from losses arising from fire or explosion of certain insured real property; authorizing municipalities to utilize escrowed funds to secure, repair, or demolish damaged or destroyed structures; shortening the period of redemption for certain properties sold at mortgage foreclosure sales; amending Minnesota Statutes 1994, section 580.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 65A.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Berg, Dille, Sams and Bertram introduced--**

**S.F. No. 1057:** A bill for an act relating to taxation; expanding the sales and use tax exemption for the sale of horses; amending Minnesota Statutes 1994, sections 297A.01, subdivision 3; and 297A.25, subdivision 57.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Johnson, D.E.; Beckman; Ms. Lesewski, Messrs. Dille and Vickerman introduced--**

**S.F. No. 1058:** A bill for an act relating to health; requiring the commissioner of health to study the need for an alternative licensing model for rural hospitals; requiring the rural health advisory committee to study regulatory barriers to health care access and the provision of efficient care.

Referred to the Committee on Health Care.

**Mrs. Pariseau introduced--**

**S.F. No. 1059:** A bill for an act relating to elections; recall of city officials; providing a process for recall of elected city officials; proposing coding for new law in Minnesota Statutes, chapter 205.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Chandler, Novak and Frederickson introduced--**

**S.F. No. 1060:** A bill for an act relating to employment; modifying provisions relating to reemployment insurance; amending Minnesota Statutes 1994, sections 268.04, subdivision 10; 268.06, subdivisions 3a, 18, 19, 20, and 22; 268.08, subdivision 6; 268.10, subdivision 2; 268.12, subdivision 12; 268.16, subdivision 6, and by adding a subdivision; 268.161, subdivisions 8 and 9; 268.162, subdivision 2; 268.163, subdivision 3; 268.164, subdivision 3; 268.18, subdivisions 1, 2, 3, and 6; 270A.09, subdivision 1a; 352.01, subdivision 2b; 352.22, subdivision 10; and 574.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 268.10, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10; and 268.12, subdivisions 9, 10, and 13.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Anderson, Mr. Kelly, Ms. Runbeck and Mr. Novak introduced--**

**S.F. No. 1061:** A bill for an act relating to landlord tenant; forcible entry and unlawful detainer; providing a partial refund of the filing fee in matters resolved after one court appearance; amending Minnesota Statutes 1994, section 566.07.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Finn and Ms. Flynn introduced--**

**S.F. No. 1062:** A bill for an act relating to civil actions; allowing recovery of damages for emotional anguish and grief; amending Minnesota Statutes 1994, section 573.02, subdivision 1.

Referred to the Committee on Judiciary.

**Messrs. Cohen and Hottinger introduced--**

**S.F. No. 1063:** A bill for an act relating to civil actions; providing for the survival of actions for personal injury after the death of the injured person; proposing coding for new law in Minnesota Statutes, chapter 573; repealing Minnesota Statutes 1994, section 573.01.

Referred to the Committee on Judiciary.

**Mrs. Pariseau and Ms. Johnston introduced--**

**S.F. No. 1064:** A bill for an act relating to taxation; property; exempting certain airport property; amending Minnesota Statutes 1994, section 272.01, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Price, Metzen, Limmer, Ms. Johnston and Mr. Solon introduced--**

**S.F. No. 1065:** A bill for an act relating to commerce; requiring licensing of motor vehicle brokers; permitting a new motor vehicle dealer to contract for the services of a motor vehicle broker and to pay a fee for those services; amending Minnesota Statutes 1994, section 168.27, subdivisions 1, 10, and by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Laidig introduced--**

**S.F. No. 1066:** A bill for an act relating to the environment; repealing obsolete provisions of pollution control agency rules and statutes; amending Minnesota Statutes 1994, sections 115B.22, subdivision 3a; and 116.36, subdivision 1; Minnesota Rules, parts 7009.0080; and 7035.2835, subpart 3; repealing Minnesota Statutes 1994, sections 116.36, subdivisions 2, 3, and 5; 116.37; and 116.98, subdivision 4; Minnesota Rules, parts 7011.0400; 7011.0405; 7011.0410; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; and 7100.0350.

Referred to the Committee on Environment and Natural Resources.

**Mr. Laidig introduced--**

**S.F. No. 1067:** A bill for an act relating to the environment; conforming state regulation of chlorofluorocarbons to federal law; amending Minnesota Statutes 1994, sections 116.731, subdivisions 2, 4, and 4a; and 116.735.

Referred to the Committee on Environment and Natural Resources.

**Mr. Laidig introduced--**

**S.F. No. 1068:** A bill for an act relating to the environment; conforming the definition of sewage sludge to federal language; amending Minnesota Statutes 1994, section 115A.03, subdivision 29.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Merriam, Laidig, Morse and Novak introduced--**

**S.F. No. 1069:** A bill for an act relating to natural resources protection; requiring disclosure of information to electric energy consumers regarding reduction of mercury emissions related to

generation sources of electricity they consume; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

**Ms. Pappas, Messrs. Hottinger, Mondale and Ms. Runbeck introduced--**

**S.F. No. 1070:** A bill for an act relating to counties; providing for the filling by appointment of certain offices in counties; providing for conforming changes; amending Minnesota Statutes 1994, sections 375A.10, subdivisions 2, 3, and 5; and 375A.12, subdivision 2.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnston, Messrs. Neuville and Betzold introduced--**

**S.F. No. 1071:** A bill for an act relating to crime; clarifying the definition of "dangerous weapon" in the criminal code; clarifying criminal liability for possessing a dangerous weapon on school property when the object possessed is not designed as a weapon; providing an exception for the possession or use of weapons when required for instructional purposes; amending Minnesota Statutes 1994, sections 609.02, subdivision 6; and 609.66, subdivision 1d.

Referred to the Committee on Crime Prevention.

**Ms. Anderson, Messrs. Cohen, Neuville, Beckman and Kelly introduced--**

**S.F. No. 1072:** A bill for an act relating to violence prevention; expanding funding for adult basic education; appropriating money.

Referred to the Committee on Education.

**Messrs. Chandler, Mondale, Riveness, Laidig and Limmer introduced--**

**S.F. No. 1073:** A bill for an act relating to the environment; establishing a private cause of action for abandonment of hazardous waste; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

**Mr. Chandler introduced--**

**S.F. No. 1074:** A bill for an act relating to retirement; providing for crediting of certain time served as a member of the St. Paul police relief association.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Piper, Mr. Betzold, Mses. Kiscaden and Berglin introduced--**

**S.F. No. 1075:** A bill for an act relating to health; modifying provisions relating to X-ray operators and inspections; establishing an advisory committee; amending Minnesota Statutes 1994, section 144.121, by adding subdivisions.

Referred to the Committee on Health Care.

**Mses. Johnson, J.B.; Lesewski; Messrs. Novak, Dille and Vickerman introduced--**

**S.F. No. 1076:** A bill for an act relating to energy; regulating wind energy conversion systems siting; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Anderson, Mr. Kelly, Mses. Runbeck and Pappas introduced--**

**S.F. No. 1077:** A bill for an act relating to real property; requiring recordation of contracts for deed and assignments; amending Minnesota Statutes 1994, section 507.235, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

**Messrs. Frederickson; Merriam; Kelly; Johnson, D.E. and Ms. Johnston introduced--**

**S.F. No. 1078:** A bill for an act relating to state finance; changing certain accounting procedures; changing the dollar threshold for approval of gifts to the state; changing procedures for collection of debt by the state; changing terminology for the petroleum tank release cleanup account; amending Minnesota Statutes 1994, sections 7.09, subdivision 1; 15.415; 16A.129, subdivision 3; 16A.28, subdivisions 1 and 6; 16A.40; 16A.57; 16A.72; 115C.02, by adding a subdivision; and 115C.08, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapter 16D; repealing Minnesota Statutes 1994, section 115C.02, subdivision 1a.

Referred to the Committee on Finance.

**Messrs. Frederickson and Johnson, D.E. introduced--**

**S.F. No. 1079:** A bill for an act relating to financing of government of this state; reducing 1995 appropriations; providing supplemental 1995 appropriations for certain purposes.

Referred to the Committee on Finance.

**Messrs. Price, Dille, Hottinger, Mses. Kiscaden and Pappas introduced--**

**S.F. No. 1080:** A bill for an act relating to taxation; cigarette and other tobacco taxes; increasing the tax on cigarettes and other tobacco products and providing for indexing the rates; providing for the proceeds of the increased tax; amending Minnesota Statutes 1994, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; and 297.32, subdivisions 1, 2, and 9; proposing coding for new law in Minnesota Statutes, chapter 297.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Frederickson, Chmielewski, Mses. Johnson, J.B. and Lesewski introduced--**

**S.F. No. 1081:** A bill for an act relating to employment; appropriating money for the displaced homemaker program.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Frederickson; Johnson, D.E.; Beckman; Ms. Johnston and Mr. Berg introduced--**

**S.F. No. 1082:** A bill for an act relating to waters; establishing a Minnesota river basin commission to coordinate clean-up efforts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103F.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Morse, Riveness, Stumpf, Pogemiller and Terwilliger introduced--**

**S.F. No. 1083:** A bill for an act relating to retirement; providing for early retirement incentives for employees of the state university, community college, technical college systems, and the higher education board.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Johnson, D.J.; Ms. Piper, Messrs. Vickerman and Samuelson introduced--**

**S.F. No. 1084:** A bill for an act relating to occupations and professions; providing for the licensure of opticians by the commissioner of health; requiring rulemaking; proposing coding for new law as Minnesota Statutes, chapter 148D.

Referred to the Committee on Health Care.

**Messrs. Chmielewski, Frederickson, Ms. Johnson, J.B.; Messrs. Novak and Metzen introduced--**

**S.F. No. 1085:** A bill for an act relating to energy; providing grants to identify energy-efficiency investment opportunities for business; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Johnson, D.J.; Novak; Moe, R.D.; Marty and Pogemiller introduced--**

**S.F. No. 1086:** A bill for an act relating to elections; campaign finance; prohibiting lobbying by a principal campaign committee or political party committee that issues refund receipt forms; amending Minnesota Statutes 1994, sections 10A.322, subdivisions 1, 2, 4, and by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Piper, Messrs. Hottinger and Scheevel introduced--**

**S.F. No. 1087:** A bill for an act relating to capital improvements; appropriating money for the Shooting Star Trail; authorizing the sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

**Ms. Krentz, Mr. Beckman, Ms. Flynn, Mr. Spear and Ms. Hanson introduced--**

**S.F. No. 1088:** A bill for an act relating to courts; civil actions; modifying the requirements for an application to proceed in forma pauperis; allowing the court to dismiss an action for false allegations of poverty or if it is frivolous or malicious; providing for a hearing; providing for the payment of fees and costs by inmates; providing for the disposition of damages recovered by an inmate; requiring disciplinary rules on false claims or evidence by an inmate; amending Minnesota Statutes 1994, sections 243.23, subdivision 3; and 563.01, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 243; 244; and 563.

Referred to the Committee on Judiciary.

**Mses. Lesewski, Johnston and Mr. Kramer introduced--**

**S.F. No. 1089:** A bill for an act relating to traffic regulations; allowing turn on red arrow traffic signal, under certain conditions; regulating speed limits in residential areas; providing for disposition of proceeds of fines collected for violation of work zone speed limits; making technical changes; amending Minnesota Statutes 1994, sections 169.06, subdivision 5; and 169.14, subdivisions 2 and 5d; repealing Minnesota Statutes 1994, section 169.01, subdivision 81.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Kramer, Scheevel, Kleis and Ourada introduced--**

**S.F. No. 1090:** A bill for an act relating to health; repealing reporting and study requirements relating to certain health facility grievance procedures; repealing Minnesota Statutes 1994, section 144.691, subdivision 4.

Referred to the Committee on Health Care.

**Mr. Kramer, Mses. Johnston, Krentz, Messrs. Ourada and Belanger introduced--**

**S.F. No. 1091:** A bill for an act relating to transportation; expanding authority of commissioner of transportation to regulate providers of special transportation service; classifying data; providing for administrative fees and penalties; amending Minnesota Statutes 1994, sections 13.99, by adding subdivisions; 174.30, subdivisions 2, 3, 4, 6, and by adding subdivisions; and 174.315.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Neuville and Knutson introduced--**

**S.F. No. 1092:** A bill for an act relating to public safety; clarifying duties of the office of crime victim ombudsman; amending Minnesota Statutes 1994, sections 611A.73, subdivision 3; and 611A.74.

Referred to the Committee on Crime Prevention.

**Ms. Robertson, Messrs. Janezich and Beckman introduced--**

**S.F. No. 1093:** A bill for an act relating to telecommunications; mandating that public and private schools be included as eligible system recipients and users of the STARS program; amending Minnesota Statutes 1994, section 16B.465.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Dille, Solon, Mses. Flynn and Johnson, J.B. introduced--**

**S.F. No. 1094:** A bill for an act relating to family law; child visitation; expanding grandparent and great-grandparent visitation rights; amending Minnesota Statutes 1994, section 257.022, by adding a subdivision; repealing Minnesota Statutes 1994, section 257.022, subdivisions 1, 2, and 2a.

Referred to the Committee on Judiciary.

**Mses. Ranum, Pappas, Messrs. Beckman, Knutson and Ms. Reichgott Junge introduced--**

**S.F. No. 1095:** A bill for an act relating to education; appropriating money for school breakfast and lunch programs.

Referred to the Committee on Education.

**Mr. Bertram introduced--**

**S.F. No. 1096:** A bill for an act relating to drivers' licenses; providing for firearms safety designation on driver's license; amending Minnesota Statutes 1994, section 171.07, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Bertram, Chmielewski, Ms. Johnston, Messrs. Langseth and Day introduced--**

**S.F. No. 1097:** A bill for an act relating to transportation; authorizing cities, counties, and transit commissions and authorities outside the metropolitan area to provide certain paratransit outside their service areas; requiring such service to be under contract; amending Minnesota Statutes 1994, section 174.24, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.



**Mr. Bertram introduced--**

**S.F. No. 1098:** A bill for an act relating to retirement; authorizing purchase of prior service credit by a certain member of the public employees retirement association.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Bertram and Kleis introduced--**

**S.F. No. 1099:** A bill for an act relating to elections; permitting election judges to serve outside the county where they reside in certain cases; amending Minnesota Statutes 1994, section 204B.19, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Messrs. Bertram and Berg introduced--**

**S.F. No. 1100:** A bill for an act relating to lawful gambling; allowing unlimited use of the proceeds of lawful gambling for payment of real estate taxes and assessments; amending Minnesota Statutes 1994, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

**Messrs. Bertram and Beckman introduced--**

**S.F. No. 1101:** A bill for an act relating to civil proceedings; expanding parties eligible for fees and expenses in certain proceedings involving the state; amending Minnesota Statutes 1994, section 15.471, subdivision 6.

Referred to the Committee on Judiciary.

**Ms. Berglin introduced--**

**S.F. No. 1102:** A bill for an act relating to health care; expanding medical assistance coverage to include tuberculosis related services; amending Minnesota Statutes 1994, section 256B.0625, subdivision 13, and by adding a subdivision.

Referred to the Committee on Health Care.

**Mses. Ranum, Piper, Messrs. Janezich, Knutson and Ms. Anderson introduced--**

**S.F. No. 1103:** A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Hottinger and Ms. Johnston introduced--**

**S.F. No. 1104:** A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**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. 47: Messrs. Morse, Marty and Frederickson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

**MEMBERS EXCUSED**

Ms. Ranum, Messrs. Hottinger and Murphy were excused from the Session of today. Mr. Novak was excused from the Session of today at 11:40 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, March 16, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-FIFTH DAY

St. Paul, Minnesota, Wednesday, March 15, 1995

The House of Representatives met on Wednesday, March 15, 1995, which was the Twenty-Fifth Legislative Day of the Seventy-Ninth Session of the Minnesota State Legislature. The Senate did not meet on this date.



## TWENTY-SIXTH DAY

St. Paul, Minnesota, Thursday, March 16, 1995

The Senate met at 9:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Sister Margaret Belanger.

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

Anderson	Flynn	Kroening	Neuville	Sams
Beckman	Frederickson	Laidig	Novak	Samuelson
Belanger	Hanson	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.J.	Lesewski	Ourada	Spear
Bertram	Johnson, J.B.	Lessard	Pappas	Stevens
Betzold	Johnston	Limmer	Pariseau	Stumpf
Chandler	Kelly	Marty	Piper	Vickerman
Chmielewski	Kiscaden	Merriam	Pogemiller	Wiener
Cohen	Kleis	Metzen	Price	
Day	Knutson	Mondale	Riveness	
Dille	Kramer	Morse	Robertson	
Finn	Krentz	Murphy	Runbeck	

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 17, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### METROPOLITAN COUNCIL

Barbara Butts Williams, 2222 Victory Memorial Pkwy., Minneapolis, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Charles W. Arnason, P.O. Box 274, 500 - 3rd St., Marine on St. Croix, Washington County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Terrence F. Flower, 13875 Mississippi Tr., Hastings, Dakota County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

David Hartley, 14633 Bowers Dr., Ramsey, Anoka County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Martha Head, 1616 W. 22nd St., Minneapolis, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Kevin Howe, 1763 Lansford Ln., Mendota Heights, Dakota County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Carol A. Kummer, 4818 - 30th Ave. S., Minneapolis, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Patrick Leung, 1598 - 23rd Ave. N.W., New Brighton, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Esther Newcome, 2374 Joy Ave., White Bear Lake, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Roger Scherer, 12001 Bass Lake Rd., Plymouth, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Bill Schreiber, 10001 Zane Ave. N., Brooklyn Park, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Julius Smith, 3200 Highpoint Dr., Chaska, Carver County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Mary Smith, 515 N. Ferndale, Wayzata, Hennepin County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Stephen B. Wellington, Jr., 2257 Gordon Ave., St. Paul, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

Diane Z. Wolfson, 1117 Goodrich Ave., St. Paul, Ramsey County, effective February 22, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Metropolitan and Local Government.)

February 27, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### PUBLIC UTILITIES COMMISSION

Joel Jacobs, 2608 - 116th Ln. N.W., Coon Rapids, Anoka County, effective March 5, 1995, for a term expiring on the first Monday in January, 2001.

(Referred to the Committee on Jobs, Energy and Community Development.)

Warmest regards,  
Arne H. Carlson, Governor

March 13, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1995 Session of the State Legislature has been received from the Office of the Governor and is 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 1995	Date Filed 1995
	164	9	2:31 p.m. March 10	March 10

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

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

**Senate Concurrent Resolution No. 7:** A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 13, 1995

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 64 and 323.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 321, 567, 654, 813, 413, 859, 595, 702, 715, 821, 866, 673, 778, 603, 323, 529, 544, 367 and 823.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 321:** A bill for an act relating to game and fish; continuing the authorization for residents under the age of 16 to take deer of either sex; amending Minnesota Statutes 1994, section 97B.301, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 174, now on General Orders.

**H.F. No. 567:** A bill for an act relating to data practices; providing for disclosure of certain hospital and health care provider tax data to the commissioner of human services and the United States Department of Health and Human Services; amending Minnesota Statutes 1994, section 270B.14, subdivision 1.

Referred to the Committee on Judiciary.

**H.F. No. 654:** A bill for an act relating to towns; clarifying authority of town board to alter or vacate town roads dedicated by plat; clarifying procedures; amending Minnesota Statutes 1994, sections 164.06, subdivision 1; and 164.07, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 534.

**H.F. No. 813:** A bill for an act relating to human services; establishing a temporary payment rate for a recently purchased intermediate care facility for persons with mental retardation or related conditions; amending Minnesota Statutes 1994, section 256B.501, by adding a subdivision.

Referred to the Committee on Health Care.

**H.F. No. 413:** A bill for an act relating to highways; designating the Veterans Memorial Highway; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 378, now on General Orders.

**H.F. No. 859:** A bill for an act relating to the city of Minneapolis; authorizing the city to determine the method for the sale of unclaimed property; repealing Laws 1919, chapter 396.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 833.

**H.F. No. 595:** A bill for an act relating to state government; giving the commissioner of finance certain authority over debts owed to the state; amending Minnesota Statutes 1994, section 16D.03, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 702:** A bill for an act relating to traffic regulations; allowing school authorities to appoint nonpupil adults to school safety patrols; amending Minnesota Statutes 1994, section 126.15, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 522, now on General Orders.

**H.F. No. 715:** A bill for an act relating to towns; providing for damage award to affected property owner when town board adopts a recorded town road map; amending Minnesota Statutes 1994, section 164.35, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 453, now on General Orders.

**H.F. No. 821:** A resolution memorializing Congress to fund the Amtrak system to enable it to continue to serve Minnesota.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 700, now on General Orders.

**H.F. No. 866:** A bill for an act relating to local government; authorizing home rule charter and statutory cities to make grants to nonprofit community food shelves; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Metropolitan and Local Government.

**H.F. No. 673:** A bill for an act relating to insurance; regulating risk-based capital for insurers; enacting the model act of the National Association of Insurance Commissioners; amending Minnesota Statutes 1994, section 13.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce and Consumer Protection.

**H.F. No. 778:** A bill for an act relating to human services; modifying certain asset and income



requirements for medical assistance; modifying the verification requirements for Minnesota supplemental aid; amending Minnesota Statutes 1994, sections 256B.056, by adding subdivisions; and 256D.405, by adding a subdivision; repealing Minnesota Statutes 1994, section 256D.425, subdivision 3.

Referred to the Committee on Health Care.

**H.F. No. 603:** A bill for an act relating to taxation; making technical and administrative changes, corrections, and clarifications; amending Minnesota Statutes 1994, sections 270.47; 270.48; 270.485; 270.494; 270.50; 270.52; 270.53; 270.69, subdivision 10; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivision 11; 272.121, subdivision 2; 273.11, subdivision 16; 273.1398, by adding a subdivision; 273.17, subdivision 2; 275.065, subdivision 6; 276.04, subdivision 2; 284.28, subdivision 2; 289A.18, subdivision 4; 289A.50, subdivision 1; 290.032, subdivisions 1 and 2; 290A.04, subdivisions 2h and 6; 295.50, subdivisions 1 and 4; 295.53, subdivisions 1 and 5; 295.55, by adding a subdivision; 295.57; 296.01, subdivision 34; 296.025, subdivision 1; 296.12, subdivisions 3 and 4; 297A.01, subdivision 3; 297E.02, subdivisions 1, 6, and 11; 297E.031, subdivision 1; 297E.13, subdivision 5; 298.75, subdivision 2; 325D.33, subdivision 4; 349.163, subdivision 5; 428A.01, subdivision 5; 428A.03, by adding a subdivision; 428A.05; 473.446, subdivision 1; and 473.711, subdivision 2; Laws 1994, chapter 587, article 1, section 27; repealing Minnesota Statutes 1994, sections 60A.15, subdivision 7; 270.49; 270.493; and 290A.04, subdivision 2i; Laws 1988, chapter 698, section 5; and Laws 1989, First Special Session chapter 1, article 7, section 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 514, now on General Orders.

**H.F. No. 323:** A bill for an act relating to housing; making the landlord the bill payer and customer of record on utility accounts in single-metered multiunit residential buildings; amending Minnesota Statutes 1994, section 504.185, subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

**H.F. No. 529:** A bill for an act relating to eminent domain proceedings; amending Minnesota Statutes 1994, sections 117.065; 117.115, subdivision 2; and 117.145.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 431.

**H.F. No. 544:** A bill for an act relating to courts; requiring the state court administrator to prepare a guide to informal probate.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 520.

**H.F. No. 367:** A bill for an act relating to debt; providing for prompt payment of subcontractors of municipal contractors; modifying certain provisions relating to liens and performance bonds; amending Minnesota Statutes 1994, sections 471.425, by adding a subdivision; 514.13; 574.28; 574.30; and 574.31, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 293, now on General Orders.

**H.F. No. 823:** A bill for an act relating to local government; authorizing Hennepin county to lease hospital or nursing home facilities under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Metropolitan and Local Government.

## REPORTS OF COMMITTEES

Ms. Flynn moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to the appointment. The motion prevailed.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 431:** A bill for an act relating to eminent domain proceedings; amending Minnesota Statutes 1994, sections 117.065; 117.115, subdivision 2; and 117.145.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 657:** A bill for an act relating to public administration; clarifying the authority and procedures of the board of government innovation and cooperation; establishing application procedures for cooperation planning grants; appropriating money; amending Minnesota Statutes 1994, sections 465.798; 465.799; 465.801; 465.81, subdivisions 1 and 3; 465.82, subdivision 2; 465.84; 465.85; and 465.87.

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

Page 2, lines 15 to 17, delete the new language

Page 3, lines 12 to 14, delete the new language

Page 4, lines 12 to 14, delete the new language

Pages 4 and 5, delete section 5

Page 6, line 14, delete everything before the second "local"

Page 8, line 23, after "The" insert "annual amount of"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "subdivisions" and insert "subdivision" and delete "and 3"

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

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

**H.F. No. 5:** A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds; coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, subdivision 11, and by adding subdivisions; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 10a, 16, and by adding a subdivision; 256.737, subdivisions 1a and 2; 256.74, by adding a subdivision; 256.81; 256.87, subdivisions 1, 1a, and 5; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.09, subdivision 2a, and by adding subdivisions; and 518.575; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; 256D; and 268; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.065; 256D.091; 256D.101; 256D.111; and 256D.113.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 256.035, subdivision 6d, is amended to read:

Subd. 6d. [LENGTH OF JOB SEARCH OBLIGATION TO SEEK AND OBTAIN FULL-TIME EMPLOYMENT.] (a) When the family support agreement specifies a date when job search should begin, the parental caregiver must participate in employment search activities. If, after three months of search, the parental caregiver does not find a job that is consistent with the parental caregiver's employment goal, the parent must accept any suitable employment. The search may be extended for up to three months if the parental caregiver seeks and needs additional job search assistance.

(b) When the family support agreement specifies job search consistent with the overall employment goal, the caregiver is expected to seek and accept full-time employment. For this purpose, full-time employment means 30 or more hours a week. Caregivers who are single parents with a child under six satisfy this requirement by working 20 or more hours a week.

(c) A caregiver currently enrolled in the Minnesota family investment plan who voluntarily quits suitable employment without good cause or without agreement of the case manager, or who is terminated for nonperformance, must notify the case manager or designee within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to notify the case manager or designee within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the revised family support agreement specifies job search, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction. A caregiver who voluntarily quits suitable employment with good cause or who is laid off must notify the case manager or designee within ten calendar days of the date employment ended to schedule a meeting to revise the family support agreement. A caregiver who fails to notify the case manager or designee within the required time or fails to attend a scheduled meeting to revise the family support agreement is subject to sanction. If the family support agreement specifies job search, the search is limited to three months to find a job related to the caregiver's overall employment goal. After three months, the caregiver must take any suitable employment. A caregiver who fails to comply is subject to sanction.

Sec. 2. [256.047] [EXPANSION OF MFIP TO RAMSEY COUNTY (MFIP-R).]

Subdivision 1. [MISSION STATEMENT.] The goal of MFIP-R employment and pre-employment services is to help caregivers increase their family income in a timely manner through paid employment.

Subd. 2. [SERVICE PROVIDING AGENCIES.] Employment and pre-employment services must be offered by providers certified by the commissioner of economic security who meet the standards in section 268.871, subdivision 1. County agencies must ensure that all services, including contracted services, meet the requirements of MFIP-R services according to section 256.048, subdivision 6.

Subd. 3. [STAFFING.] County agencies may hire MFIP-R staff, which includes employment specialists, job developers, and vocational counselors to provide pre-employment and employment services described in section 256.048, subdivision 6, and coordinate social and support services. County agencies are expected to ensure that staff providing employment and pre-employment services have the necessary training and experience to perform the specific services which they are assigned to do.

Sec. 3. [256.0475] [DEFINITIONS.]

Subdivision 1. [EMPLOYABILITY PLAN.] "Employability plan" means the plan developed by MFIP-R staff and the caregiver under section 256.048.

Subd. 2. [FAMILY SUPPORT AGREEMENT.] "Family support agreement" means the subsection of the employability plan which is limited to employment, education, employment and training services, and scheduled meetings with MFIP-R staff. For mandatory caregivers, noncompliance with the family support agreement may result in sanction.

Subd. 3. [MANDATORY CAREGIVER.] "Mandatory caregiver" means a caregiver who is required to develop a family support agreement under section 256.048, and is not exempt under that section.

Subd. 4. [MFIP-R.] "MFIP-R" means the pre-employment and employment program under section 256.048 provided to caregivers assigned to the Minnesota family investment plan in Ramsey county who receive financial assistance under sections 256.033, 256.034, and 256.036.

Sec. 4. [256.048] [INCOME SUPPORT AND TRANSITION.]

Subdivision 1. [EXPECTATIONS.] The requirement for a caregiver to develop a family support agreement is tied to the structure of the family and the length of time on assistance according to paragraphs (a) to (c).

(a) In a family headed by a single adult parental caregiver who has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for 12 or more months within the preceding 24 months, the parental caregiver must be developing and complying with the terms of the family support agreement commencing with the 13th month of assistance.

(b) For a family with a minor parental caregiver or a family whose parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the parental caregiver must be developing and complying with a family support agreement concurrent with the receipt of assistance. The terms of the family support agreement must include compliance with section 256.736, subdivision 3b. If the parental caregiver fails to comply with the terms of the family support agreement, the sanctions in subdivision 4 apply. When the requirements in section 256.736, subdivision 3b, have been met, a caregiver has fulfilled the caregiver's obligation. County agencies must continue to offer MFIP-R services if the caregiver wants to continue with an employability plan. Caregivers who fulfill the requirements of section 256.736, subdivision 3b, are subject to the expectations of paragraphs (a) and (c).

(c) In a family with two adult parental caregivers, at least one of whom has received AFDC, family general assistance, MFIP, or a combination of AFDC, family general assistance, and MFIP assistance for six or more months within the preceding 12 months, one parental caregiver must be developing and complying with the terms of the family support agreement commencing with the seventh month of assistance. The family and MFIP-R staff will designate the parental caregiver who will develop the family support agreement based on which parent has the greater potential to increase family income through immediate employment.

Subd. 2. [EXEMPTIONS.] A caregiver is exempt from expectations as provided in paragraphs (a) and (b).

(a) Except for clause (4), which applies only for a single-parent family, a caregiver in a single-parent or two-parent family is exempt from the expectations of MFIP-R if the caregiver is:

(1) ill, incapacitated, or 60 years of age or older;

(2) needed in the home because of the illness or incapacity of another family member;

(3) the parent of a child under one year of age and is personally providing care for the child. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year old parents as provided in section 256.736, subdivision 3b, paragraphs (f) and (g);

(4) the parent of a child under six years of age and is employed or participating in education or employment and training services for 20 or more hours per week. This exemption does not apply to the school attendance requirement for minor parents or 18- and 19-year-old parents as provided in section 256.736, subdivision 3b, paragraph (f), clause (5);

(5) working 30 hours or more per week or, if the number of hours cannot be verified, earns weekly, at least the federal minimum hourly wage rate multiplied by 30;

(6) in the second or third trimester of pregnancy; or

(7) not the natural parent, adoptive parent, or stepparent of a minor child in the assistance unit.

(b) In a two-parent household, only one parent may be exempt under paragraph (a), clause (2) or (3). If paragraph (a), clause (5), applies to either parent in a two-parent family, the other parent

is exempt. In a two-parent household, if the parent designated to develop a family support agreement becomes exempt and the exemption is expected to last longer than six months, then the second parent is required to develop a family support agreement unless otherwise exempt under paragraph (a).

Subd. 3. [GOOD CAUSE FOR FAILURE TO COMPLY.] Caregivers may claim the following reasons as good cause for failure to comply with the expectations of MFIP-R employment and pre-employment services:

- (1) needed child care is not available;
- (2) the job does not meet the definition of suitable employment according to section 256.736, subdivision 1a, paragraph (h);
- (3) the parental caregiver is ill, incapacitated, or injured;
- (4) a family member is ill and needs care by the parental caregiver;
- (5) the parental caregiver is unable to secure the necessary transportation;
- (6) the parental caregiver is in an emergency situation;
- (7) the schedule of compliance with the family support agreement conflicts with judicial proceedings;
- (8) the parental caregiver is already participating in acceptable activities;
- (9) the family support agreement requires an educational program for a parent under the age of 20, but the educational program is not offered in the school district;
- (10) activities identified in the family support agreement are not available;
- (11) the parental caregiver is willing to accept suitable employment but employment is not available;
- (12) the parental caregiver documents other verifiable impediments to compliance with the family support agreement beyond the parental caregiver's control; or
- (13) the family support agreement requires an educational program for a parent under the age of 20, but the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

Subd. 4. [SANCTION.] The county agency must reduce an assistance unit's assistance payment by ten percent of the transitional standard for the applicable family size when a caregiver, who is not exempt from the expectations in this section, fails to attend a mandatory briefing, fails to attend scheduled meetings with MFIP-R staff, or fails to develop or comply with the terms of the caregiver's family support agreement. MFIP-R staff must send caregivers a notice of intent to sanction. For the purpose of this section, "notice of intent to sanction" means MFIP-R staff must provide written notification to the caregiver that the caregiver is not fulfilling the requirement to develop or comply with the family support agreement. This notification must inform the caregiver of the right to request a conciliation conference within ten days of the mailing of the notice of intent to sanction or the right to request a fair hearing under section 256.045. If a caregiver requests a conciliation conference, the county agency must postpone implementation of the sanction pending completion of the conciliation conference. If the caregiver does not request a conciliation conference within ten calendar days of the mailing of the notice of intent to sanction, the MFIP-R staff must notify the county agency that the assistance payment should be reduced.

Upon notification from MFIP-R staff that an assistance payment should be reduced, the county agency must send a notice of adverse action to the caregiver stating that the assistance payment will be reduced in the next month following the ten-day notice requirement and state the reason for the action. For the purpose of this section, "notice of adverse action" means the county agency must send a notice of sanction, reduction, suspension, denial, or termination of benefits before

taking any of those actions. The caregiver may request a fair hearing under section 256.045, upon notice of intent to sanction or notice of adverse action, but the conciliation conference is available only upon notice of intent to sanction.

Subd. 5. [ORIENTATION.] The county agency must provide a financial assistance orientation which supplies information to caregivers about the MFIP-R and must encourage parental caregivers to engage in activities to stabilize the family and lead to employment and self-support.

Subd. 6. [PRE-EMPLOYMENT AND EMPLOYMENT SERVICES.] The county agency must provide services identified in clauses (1) to (10). Services include:

(1) a required briefing for all nonmandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services, an overview of job search techniques, and the opportunity to volunteer for MFIP-R job search activities and basic education services;

(2) a briefing for all mandatory caregivers assigned to MFIP-R, which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services;

(3) an MFIP assessment that meets the requirements of section 256.736, subdivision 10, paragraph (a), clause (14), and addresses caregivers' skills, abilities, interests, and needs;

(4) development, together with the caregiver, of an employability plan and family support agreement according to subdivision 7;

(5) coordination of services including child care, transportation, education assistance, and social services necessary to enable caregivers to fulfill the terms of the employability plan and family support agreement;

(6) provision of full-time English as a second language (ESL) classes;

(7) provision of a broad range of employment and pre-employment services including basic skills testing, interest and aptitude testing, career exploration, job search activities, community work experience program under section 256.737, or on-the-job training under section 256.738;

(8) evaluation of the caregiver's compliance with the employability plan and family support agreement and support and recognition of progress toward employment goals;

(9) provision of postemployment follow-up for up to six months after caregivers become exempt or exit MFIP-R due to employment if requested by the caregiver; and

(10) approval of education and training program activities.

Subd. 7. [EMPLOYABILITY PLAN AND FAMILY SUPPORT AGREEMENT.] (a) The caregiver and MFIP-R staff will develop an employability plan and family support agreement. The employability plan includes the caregiver's overall employment goal, activities necessary to reach that goal, a timeline for each activity, and the support services provided by the agency. All activities in the employability plan must contribute to the caregiver's overall employment goal.

(b) The family support agreement is the enforceable section of an employability plan for mandatory caregivers. The family support agreement must be limited to employment, education, or employment and training services, and scheduled meetings with MFIP-R staff. The family support agreement must be signed by both an MFIP-R staff and the parental caregiver.

(1) In developing an employability plan and family support agreement, MFIP-R staff must discuss with the caregiver the economic benefits under MFIP of taking available employment. MFIP-R staff must provide examples of how different levels of earnings increase available income.

(2) Activities in the family support agreement must enhance the family's opportunities to increase its income in a timely manner through paid employment.

(3) Each step of the family support agreement shall build upon prior steps and facilitate progress toward the caregiver's overall employment goal.

(4) Social services, such as mental health or chemical dependency services, parenting education, or budget management, can be included in the employability plan but not in the family support agreement and are not subject to sanctions under subdivision 4.

(5) The family support agreement must state the parental caregiver's obligations and the standards for satisfactory compliance with the requirements of MFIP-R.

Subd. 8. [REQUIREMENT TO ATTEND BRIEFING.] All MFIP-R caregivers are required to attend a mandatory briefing which includes a review of the information presented at an earlier MFIP-R orientation pursuant to subdivision 5, and an overview of services available under MFIP-R pre-employment and employment services.

Subd. 9. [REQUIREMENT TO PARTICIPATE IN JOB SEARCH.] The family support agreement for mandatory caregivers will include 30 hours per week of job search activity. The family support agreement for single parental caregivers with a child under the age of six may require no more than 20 hours of job search activity. Job search requirements do not apply to minor parental caregivers and parental caregivers under the age of 20 who must meet the educational requirement under section 256.736, subdivision 3b.

Subd. 10. [LENGTH OF JOB SEARCH.] Caregivers participating in job search shall have eight weeks to find employment which is consistent with the employment goal in the family support agreement. If after eight weeks of job search the parental caregiver does not find employment consistent with the overall employment goal, the caregiver must accept any suitable employment.

Subd. 11. [LEVEL OF EMPLOYMENT.] Caregivers participating in job search are expected to seek and accept full-time employment. Any caregiver satisfies this requirement by working at least 30 hours per week. Single parents with a child under the age of six satisfy the requirement by working at least 20 hours per week.

Subd. 12. [CESSATION OF EMPLOYMENT.] Mandatory caregivers who quit a job, are laid off, or are terminated must contact MFIP-R staff within ten calendar days of the date the employment ended to schedule a meeting to revise the family support agreement to incorporate job search activities to obtain suitable employment. A caregiver who fails to contact MFIP-R staff within ten calendar days, fails to attend a scheduled meeting to revise the family support agreement, or fails to accept an offer of suitable employment is subject to sanctions under subdivision 4.

Subd. 13. [EDUCATION AND TRAINING ACTIVITIES; BASIC EDUCATION.] Basic education, including adult basic education, high school or general equivalency diploma, or ESL may be included in the family support agreement when a caregiver is actively participating in job search activities as specified in the family support agreement, or employed at least 12 hours per week. Six months of basic education activities may be included in the family support agreement, and extension of basic education activities is contingent upon review and approval by MFIP-R staff.

Non-English speaking caregivers have the option to participate in full-time ESL activities for up to six months prior to participation in job search with approval of MFIP-R staff.

Subd. 14. [EDUCATION AND TRAINING ACTIVITIES; POST-SECONDARY EDUCATION.] (a) Mandatory caregivers who become exempt, and caregivers converted from STRIDE or ACCESS may have post-secondary education included in the family support agreement. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased in proportion to the number of credit hours being taken, up to a maximum of 12 hours weekly of work.

(b) Conditions for approval of a post-secondary education program include demonstration by the caregiver that:

(1) there is a market for full-time employees with this education or training where the caregiver will or is willing to reside upon completion of the program;

(2) the average wage level for employees with this education or training is significantly greater than the caregiver can earn without this education or training;

(3) the caregiver can meet the requirements for admission into the program; and

(4) there is a reasonable expectation that the caregiver will complete the training program based on such factors as the caregiver's current MFIP assessment; previous education, training, and work history; current motivation; and changes in previous circumstances.

(c) A comparison must be made between income foregone by delaying immediate entry into full-time paid employment while in pursuit of education or training and the probable income which will be earned following the education or training. The advantages and disadvantages to the family must be discussed with respect to both options.

(d) Activities under this subdivision are limited to the equivalent of two years of full-time education, with the following exceptions:

(1) caregivers in subdivision 15;

(2) caregivers who have already obtained a post-secondary degree. These caregivers are limited to course work necessary to upgrade skills, or obtain licensure or certification;

(3) extenuating circumstances that prohibit the caregiver from completing the program within the equivalent of two years.

(e) Caregivers in education or training programs must maintain satisfactory progress. "Satisfactory progress" in an education or training program means the caregiver remains in good standing as defined by the education or training institution and meets the requirements in the caregiver's MFIP-R employability plan. MFIP-R staff may withdraw approval of the caregiver's employability plan when the caregiver does not maintain satisfactory progress in the education or training program.

Subd. 15. [CONVERTED STRIDE AND ACCESS CASES.] Caregivers with an employability plan from STRIDE or ACCESS must develop an MFIP-R employability plan. With approval of the MFIP-R staff, the family support agreement for caregivers under this section may include continuation of educational activities, up to a baccalaureate degree, if initiated under STRIDE or ACCESS. Caregivers who continue these activities must also participate in job search or work at least 12 hours per week.

Subd. 16. [REVISIONS TO FAMILY SUPPORT AGREEMENT.] The caregiver may revise the family support agreement with approval of MFIP-R staff.

Subd. 17. [VOLUNTEERS FOR MFIP-R PRE-EMPLOYMENT AND EMPLOYMENT SERVICES.] (a) Upon request, local agencies must continue to offer MFIP-R services to:

(1) caregivers with a signed family support agreement who become exempt under subdivision 2; and

(2) caregivers randomly assigned to MFIP during the conversion period who have an active STRIDE or ACCESS plan.

(b) County agencies must also service the following caregivers, as funding allows:

(1) second parent in a two-parent family; and

(2) caregivers who have not reached the timing for mandatory participation.

(c) Volunteers under paragraph (a) may access all MFIP-R services. Volunteers under paragraph (b), clause (1), may access MFIP-R job search and basic education services only. Volunteers under paragraph (b), clause (2), may access only MFIP-R job search services.



(d) Caregivers identified in this subdivision are voluntary participants for MFIP-R pre-employment and employment services and may not be sanctioned for failure to cooperate unless they reach the timing of MFIP-R pre-employment and employment services under subdivision 6, or are no longer exempt under subdivision 2.

Subd. 18. [CONCILIATION.] The county agency must inform the mandatory parental caregiver of the option of a conciliation conference when the mandatory parental caregiver receives a notice of intent to sanction or cannot reach agreement with MFIP-R staff about the contents or interpretation of the family support agreement.

Conciliation procedures shall be available as provided in section 256.736, subdivision 11, paragraph (c). Upon receiving a notice of intent to sanction, a caregiver may request a hearing under section 256.045 without exercising the option of a conciliation conference.

Subd. 19. [CHILD CARE.] The commissioner shall ensure that each MFIP caregiver who is employed or is developing or is engaged in activities identified in an employability plan under subdivision 7, and who needs assistance with child care costs to be employed or to develop or comply with the terms for an employability plan, receives a child care subsidy through child care money appropriated for the MFIP. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under section 256H.15. A caregiver who is in the assistance unit and leaves the program as a result of increased earnings from employment, and needs child care assistance to remain employed, is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(a)(ii), on a copayment basis.

Subd. 20. [HEALTH CARE.] A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended, and Public Law Number 101-239, section 8015(b)(7).

Sec. 5. [256.049] [APPLICABILITY.]

Section 256.035 will not apply to the expansion of MFIP into Ramsey county (MFIP-R). Sections 256.047 to 256.048 will substitute for section 256.035 for the purposes of MFIP-R. Sections 256.031 to 256.034, and 256.036, 256.0361, and 268.871 are applicable to MFIP-R insofar as they are not inconsistent with sections 256.047 to 256.048. Minnesota Rules, part 9500.4220, does not apply to MFIP-R. Minnesota Rules, parts 9500.4000 to 9500.4210, and 9500.4230 to 9500.4340, are applicable to the expansion of MFIP into Ramsey county insofar as they are not inconsistent with sections 256.047 to 256.048.

Sec. 6. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 3b. [ELIGIBILITY NOT BARRED BY WORKING OVER 99 HOURS; PAST EMPLOYMENT HISTORY; 30-DAY WAITING PERIOD.] An individual receiving assistance may work over 99 hours per month and remain eligible for assistance, provided all other requirements of the aid to families with dependent children-unemployed parent program are met. The applicant is not required to demonstrate past employment history or 30 days of prior unemployment to be eligible for AFDC-unemployed parent. This subdivision is effective upon federal approval and implementation of the waiver under section 31, subdivision 4.

Sec. 7. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 5a. [PARENTING OR PREGNANT MINORS; RESTRICTION ON ASSISTANCE WITH FEDERAL EXCEPTIONS.] (a) The definitions in this paragraph only apply to this subdivision.

(1) "Minor parent" means an individual who:

(i) is under the age of 18;

(ii) has never been married or otherwise legally emancipated; and

(iii) is either the natural parent of a dependent child living in the same household or eligible for assistance paid to a pregnant woman under subdivision 5.

(2) "Household of a parent, legal guardian, or other adult relative" means the place of residence of:

(i) a natural or adoptive parent;

(ii) a legal guardian pursuant to appointment or acceptance under section 260.242, 525.615, or 525.6165, and related laws; or

(iii) another individual who is age 18 or over and related to the minor parent as specified in Code of Federal Regulations, title 45, section 233.90(c)(1)(v), provided that the residence is maintained as a home for the minor parent and child under Code of Federal Regulations, title 45, section 233.90(c)(1)(v)(B).

(3) "Adult-supervised supportive living arrangement" means a private family setting which assumes responsibility for the care and control of the minor parent and dependent child, or other living arrangement, not including a public institution, licensed by the commissioner of human services which ensures that the minor parent receives adult supervision and supportive services, such as counseling, guidance, independent living skills training, or supervision in a family-like setting.

(b) A minor parent and the dependent child who is in the care of the minor parent must reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC unless:

(1) the minor parent has no living parent or legal guardian whose whereabouts is known;

(2) no living parent or legal guardian of the minor parent allows the minor parent to live in the parent's or legal guardian's home;

(3) the minor parent lived apart from the minor parent's own parent or legal guardian for a period of at least one year before either the birth of the dependent child or the minor parent's application for AFDC;

(4) the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if the minor parent and the dependent child resided in the same residence with the minor parent's parent or legal guardian;

(5) the minor parent and dependent child have, on the effective date of this section, been living independently as part of an approved social services plan for less than one year; or

(6) an adult supervised supportive living arrangement is not available for the minor parent and the dependent child in the county in which the minor currently resides. If an adult supervised supportive living arrangement become available within the county, the minor parent and child must reside in that arrangement in order to continue receiving AFDC.

(c) Minor applicants must be informed orally and in writing about the eligibility requirements and their rights and obligations under the AFDC program. The county must advise the minor of the possible exemptions and specifically ask whether one or more of these exemptions is applicable. If the minor alleges one or more of these exemptions, then the county must assist the minor in obtaining the necessary verifications to determine whether or not these exemptions apply.

(d) If a minor parent alleges or the county worker suspects that paragraph (b), clause (4), applies, the county worker must make a referral to child protective services, and child protective services must determine that the home is not safe due to alleged maltreatment or that protective services are needed in order for the minor parent to fall under the exception in paragraph (b), clause (4). A new determination by the county worker is not necessary if one has been made within the last six months, unless there has been a significant change in circumstances which justifies a new referral and determination.

(e) If a minor parent is not living with a parent or legal guardian due to paragraph (b), clause (1), (2), or (4), the minor parent must reside in a living arrangement that meets the standards of paragraph (a), clause (3).

(f) AFDC must be paid in the form of a protective payment on behalf of the minor parent and dependent child to the minor parent's parent, legal guardian, or other adult relative, when the minor parent is living with the minor parent's parent, legal guardian, or other adult relative, in accordance with Code of Federal Regulations, title 45, section 234.60.

Sec. 8. Minnesota Statutes 1994, section 256.73, subdivision 8, is amended to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] (a) Except as provided in subdivision 8a, if an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent. In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 9. Minnesota Statutes 1994, section 256.73, is amended by adding a subdivision to read:

Subd. 8a. [START WORK OFFSET.] An overpayment resulting from earned income received in the first month of employment is not recoverable by the county agency provided the aid to families with dependent children assistance unit has not voluntarily quit employment, without good cause under section 268.09, subdivision 1, paragraph (a), in the past two years. A "start work offset" for purposes of this subdivision is the amount of the overpayment the assistance unit would otherwise be required to repay to the county under subdivision 8. This subdivision is effective upon federal approval and implementation of the waiver under section 31, subdivision 3.

Sec. 10. [256.7355] [TEMPORARY PUBLIC SERVICE OR COMMUNITY SERVICE JOBS.]

A participant working in a temporary public service or community service job for a public employer for more than 67 working days in a calendar year as part of a work program established under this chapter is a public employee under chapter 179A.

Sec. 11. Minnesota Statutes 1994, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time;

(2) ill, incapacitated, or age 60 or older;

(3) a person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of three who personally provides full-time care for the child. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(6) a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(7) a pregnant woman, if it has been medically verified that the child is expected to be born within the next six months; or

(8) employed at least 30 hours per week; or

(9) a person for whom lack of proficiency in English is a barrier to employment, provided the person is attending an available intensive program which lasts no longer than six months and is designed to remedy the language deficiency. Individuals who, because of advanced age and lack of ability, are incapable of gaining proficiency in English, as determined by the county social worker, shall continue to be exempt under this subdivision and are not subject to the requirement that they be participating in a language program.

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 12. Minnesota Statutes 1994, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) custodial parents under the age of 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;

(6) recipients who have received AFDC for 36 or more months out of the last 60 months;

(7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to

fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate family services committee, the house health and human services committee, the family services division of the senate family services and health care committees, and the human services division of the house health and human services committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

(1) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

(d) Participants who are eligible to enroll in the STRIDE program under one of the categories of this subdivision are required to cooperate with the assessment and employability plan development, and to meet the terms of their employability plan. Failure to comply, without good cause, shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

Sec. 13. Minnesota Statutes 1994, section 256.736, subdivision 4a, is amended to read:

Subd. 4a. [NOTICE, CONCILIATION, AND RIGHT OF APPEAL.] If the employment and training service provider determines that the caretaker has failed or refused, without good cause, to cooperate or accept employment, the employment and training service provider shall issue to the caretaker a written notice of its determination of noncooperation or refusal to accept employment. The notice must include a detailed explanation of the reason for the determination and must specify the consequences for failure or refusal to cooperate or accept employment, the actions which the employment and training service provider believes are necessary for the caretaker to comply with the employment and training program, and the right to request, within ten days of ~~receipt of the date the notice was mailed or hand delivered,~~ a conciliation conference. The employment and training service provider or the county agency must conduct a conciliation conference within five days of a timely request. If the dispute between the employment and training service provider and the caretaker is not resolved in the conciliation conference or a request for a conciliation conference is not made within the required time, then the employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Unless the county agency has evidence to the contrary, the county agency shall implement the sanction provisions of subdivision 4. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736 is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 14. Minnesota Statutes 1994, section 256.736, subdivision 5, is amended to read:

Subd. 5. [EXTENSION OF EMPLOYMENT AND TRAINING OPPORTUNITIES.] The commissioner of human services shall cooperate with the commissioner of economic security and the commissioner of trade and economic development to extend the availability of training and employment opportunities on a statewide basis and to assist local employment advisory groups convened under this subdivision. The county welfare agency may convene an employment advisory group which may consist of representatives from the local chamber of commerce, from major area employers, from private and public collective bargaining units, from secondary and

post-secondary educational institutions in the community, and from job services offices operated by the commissioner of economic security under chapter 268. The county welfare agency shall work with the local employment advisory group to maximize the job opportunities for welfare clients. In a county where a private industry council has been established, the county welfare agency may work with the council to maximize job opportunities in lieu of or in addition to convening an employment advisory group.

Sec. 15. Minnesota Statutes 1994, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers permitted to participate under subdivision 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the target groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nontarget caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;

(11) ensure that orientation, job search, services to custodial parents under the age of 20, educational activities and work experience for AFDC-UP families, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that target caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14, a community work experience program as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. A county is not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in grant diversion or on-the-job training program;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) includes a written agreement between the county agency and the caretaker that outlines a reasonable schedule for completing the plan, including specific completion deadlines, and confirms that (A) there is a market for full-time employees with this education or training where the caretaker will or is willing to reside upon completion of the program; (B) the average wage level for employees with this education or training is greater than the caretaker can earn without this education or training; (C) the caretaker has the academic ability to successfully complete the program; and (D) there is a reasonable expectation that the caretaker will complete the training program based on such factors as the caretaker's previous education, training, work history, current motivation, and changes in previous circumstances; and (ix) specifies the recipient's long-term employment goal which shall lead to self-sufficiency;

(16) provide written notification to and obtain the written or oral concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements to and assure that no work assignment under this section or sections 256.737, 256.738, and 256.739, or the Minnesota parents' fair share mandatory community work experience program results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy. If an exclusive bargaining representative and a county or public service employer disagree regarding whether job duties are covered under a collective bargaining agreement, the exclusive bargaining representative or the county or public service employer may petition the bureau of mediation services, and the bureau shall determine if the job duties are covered by a collective bargaining agreement; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation

needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a target caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nontarget caretaker relocates to another county or when a target caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 16. Minnesota Statutes 1994, section 256.736, is amended by adding a subdivision to read:

Subd. 14a. [JOB SEARCH FOR AFDC RECIPIENTS.] (a) Each county may establish and operate a job search program as provided under this subdivision. Unless exempt, a caretaker who has received AFDC for at least 36 months or more out of the last 60 months must be referred to and begin participation in the job search program under this subdivision, but is not required to participate in the following programs under subdivision 14, paragraph (d): the work experience program under section 256.737, the on-the-job training program under section 256.738, or the grant diversion program under section 256.739.

The caretaker is exempt from job search participation if:

(1) the caretaker is exempt from registration under subdivision 3; or

(2) the caretaker is under age 25, has not completed a high school diploma or an equivalent program, and is participating in a secondary education program as defined in subdivision 10, paragraph (a), clause (17), which is approved by the employment and training service provider in the employability development plan.

(b) The commissioners of human services and economic security shall develop a job search program which must include a maximum of 32 hours of training for participants in how to search for employment, develop a personal resume, use job banks and other employer identification methods, learn and practice effective interviewing skills, become familiar with appropriate work behaviors, find specific job openings, and apply for the openings. The employment and training service provider shall report to the county agency if the caretaker fails to cooperate with the job search requirement.

Sec. 17. Minnesota Statutes 1994, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as specified in paragraphs (b) to (j) (1).

(b) For purposes of this subdivision, "targeted caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency program; or (ii) had little or no work experience in the preceding year;



(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) One hundred percent of the money appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of cases in each county described in clause (1). Money appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which either have been open for 36 or more consecutive months or have a caretaker who is under age 24 and who has no high school or general equivalency diploma. The average number of cases must be based on counts of these cases as of March 31, June 30, September 30, and December 31 of the previous year.

(2) Twenty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which are not counted under clause (1). The average number of cases must be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous year.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for target group members in each county.

(d) No more than 15 percent of the money allocated under paragraph (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) At least 55 percent of the money allocated to counties under paragraph (c) must be used for employment and training services for caretakers in the target groups, and up to 45 percent of the money may be used for employment and training services for nontarget caretakers. One hundred percent of the money allocated to counties for case management services must be used to provide those services to caretakers in the target groups.

(f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(g) Counties, the department of economic security, and entities under contract with either the department of economic security or the department of human services for provision of Project STRIDE related services shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of economic security that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of economic security, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the third quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a

participant for up to 90 days after the participant loses AFDC eligibility and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

(j) One hundred percent of the money appropriated for an unemployed parent work experience program under section 256.737 must be allocated to counties based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(k) The commissioner may waive the requirement of paragraph (e) that case management funds be spent only on case management services in order to permit the development of a unified STRIDE funding allocation for each county agency. The unified allocation may be expended by the county agency for case management and employment and training activities in the proportion determined necessary to streamline administrative procedures and enhance program performance. The commissioner, in consultation with the commissioner of economic security, may also grant a waiver from program spending limits in paragraphs (d) and (e) to any county which can demonstrate increased program effectiveness through a written request to the department. Counties which request a waiver of the spending limits in paragraphs (d) and (e) shall amend their local service unit plans and receive approval of the plans prior to commencing the waiver. The commissioners of human services and economic security shall annually evaluate the effectiveness of all waivers approved under this subdivision.

(l) Effective July 1, 1995, the commissioner of human services shall begin developing a performance model for the purpose of analyzing each county's performance in the provision of STRIDE employment and training services. Beginning February 1, 1997, and each year thereafter, the commissioner of human services shall inform each county of the county's performance based upon the following measures:

- (1) employment rate at termination of STRIDE eligibility;
- (2) wage rate at termination of STRIDE eligibility;
- (3) average annual cost per placement calculated by dividing the total STRIDE expenditures by the number of participants placed in unsubsidized employment;
- (4) AFDC-UP participation rate;
- (5) percentage of 18- and 19-year-old custodial parents subject to secondary education requirements of subdivision 3b who complete secondary education or equivalent course of study; and
- (6) achievement of federally mandated JOBS participation rate.

Performance measures (1), (2), and (3) shall be adjusted to reflect local conditions.

County agencies must take the results of these performance measures into consideration when selecting employment and training service providers.

Sec. 18. Minnesota Statutes 1994, section 256.736, is amended by adding a subdivision to read:

Subd. 20. [SPECIAL PROVISIONS FOR PERSONS PARTICIPATING IN EDUCATIONAL PROGRAMS.] The provisions of this subdivision are applicable to all STRIDE participants, including those subject to subdivision 3b and section 256.737.

(a) When a high school equivalency program is selected as the appropriate educational option for any recipient eligible to participate under subdivision 3a, the recipient must participate in high school equivalency classroom instruction for at least six hours per week, meet the attendance and satisfactory progress requirements as defined by the employment and training service provider in consultation with the provider of the high school equivalency program, and concurrently work a monthly average of not less than 64 hours in employment paying at least minimum wage or in documented volunteer work for a public or nonprofit agency and agree to search for and accept any offer of suitable employment upon completion of the education. Hours spent assisting at a

licensed day care center shall count toward the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes. Failure to comply, without good cause, with this requirement shall result in the imposition of sanctions as specified in subdivision 4, clause (6).

(b) Concurrent with participation in post-secondary education or training approved in an employability development plan under subdivision 10, paragraph (a), clause (15), the participant must work at a minimum the number of hours per month prescribed by this subdivision in employment paying at least minimum wage or in documented volunteer work for a public or nonprofit agency and agree to search for and accept any offer of suitable employment upon completion of the education or training. For individuals who are participating in an educational program under this paragraph on a full-time basis as determined by the institution, there is no work requirement. For individuals participating in an educational program on a part-time basis as determined by the institution, the number of hours that a participant must work shall be increased or decreased in proportion to the number of credit hours being taken, with a maximum of eight hours weekly of work. Hours spent assisting at a licensed day care center shall count towards the weekly hours needed to fulfill the employment or volunteer requirement. "Volunteer work" shall include attendance at parenting skill classes.

Sec. 19. Minnesota Statutes 1994, section 256.737, subdivision 4, is amended to read:

Subd. 4. [GOOD CAUSE.] A caretaker shall have good cause for failure to cooperate if:

(1) the worksite participation adversely affects the caretaker's physical or mental health as verified by a physician, licensed or certified psychologist, physical therapist, vocational expert, or by other sound medical evidence; or

(2) the caretaker does not possess the skill or knowledge required for the work; or

(3) the caretaker's lack of proficiency in English is a barrier to employment, provided the caretaker is participating in an available intensive program which lasts no longer than six months and is designed to remedy the language deficiency. Individuals who, because of advanced age and lack of ability, are incapable of gaining proficiency in English, as determined by the county social worker, shall continue to be exempt under this subdivision and are not subject to the requirement that they be participating in a language program.

Sec. 20. Minnesota Statutes 1994, section 256.737, is amended by adding a subdivision to read:

Subd. 7. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] (a) Payment of any claims resulting from an alleged injury or death of a recipient participating in a community work experience program established and operated by a county pursuant to this section shall be determined in accordance with paragraph (b). This determination method applies to work experience programs established under aid to families with dependent children, work readiness, Minnesota parents' fair share, and to obligors participating in community services pursuant to section 518.551 in a county with an approved community investment program.

(b) Claims of \$1,000 or less that are subject to this section shall be investigated by the county agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance.

The investigating county agency shall submit all valid claims to the department of human services. The department shall pay the portion of an approved claim that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each legislative session, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the department to operate this program. Any unspent money from this appropriation shall carry over to the second year of the biennium, and any unspent money remaining at the end of the second year shall be returned to the state general fund.

A claim in excess of \$1,000 and a claim that was not paid by the department may be presented to, heard, and determined by the appropriate committees of the senate and house of representatives and, if approved, shall be paid under the legislative claims procedure.

(c) Claims for permanent total disability, permanent partial disability, and death claims shall be referred to the commissioner of labor and industry for assessment. The commissioner of labor and industry shall verify the validity of the claim and recommend compensation. The compensation recommended must afford the same protection for on-site injuries at the same level and to the same extent as provided in chapter 176.

(d) Compensation paid under this section is limited to reimbursement for medical expenses and compensation for disability as impairment compensation or death. No compensation shall be paid under this section for pain and suffering or lost wages. Payments made under this section shall be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(e) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant shall not be entitled to seek damages from any state or county insurance policy or self-insurance program.

(f) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards. A claim that is not valid because of failure to verify safety training or compliance with safety standards will not be paid by the department of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

(g) This program is effective July 1, 1995. Claims may be submitted on or after November 1, 1995.

Sec. 21. Minnesota Statutes 1994, section 256.81, is amended to read:

256.81 [COUNTY AGENCY, DUTIES.]

(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency unless paid by the state agency. Payment must be by check or electronic means except in those instances in which the county agency, subject to the rules of the state agency, determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child. There is a presumption of mismanagement of funds whenever a recipient is more than 30 days in arrears on payment of rent, except when the recipient has withheld rent to enforce the recipient's right to withhold the rent in accordance with federal, state, or local housing laws. In cases of mismanagement based solely on failure to pay rent, the county may vendor the rent payments to the landlord. At the request of a recipient, the state or county may make payments directly to vendors of goods and services, but only for goods and services appropriate to maintain the health and safety of the child, as determined by the county.

(3) The state or county may ask the recipient to give written consent authorizing the state or county to provide advance notice to a vendor before vendor payments of rent are reduced or terminated. Whenever possible under state and federal laws and regulations and if the recipient consents, the state or county shall provide at least 30 days notice to vendors before vendor payments of rent are reduced or terminated. If 30 days notice cannot be given, the state or county shall notify the vendor within three working days after the date the state or county becomes aware

that vendor payments of rent will be reduced or terminated. 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) A vendor payment arrangement is not a guarantee that a vendor will be paid by the state or county for rent, goods, or services furnished to a recipient, and the state and county are not liable for any damages claimed by a vendor due to failure of the state or county to pay or to notify the vendor on behalf of a recipient, except under a specific written agreement between the state or county and the vendor or when the state or county has provided a voucher guaranteeing payment under certain conditions.

(5) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(6) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made except as provided for in section 256.017.

(7) The affected county may require that assistance paid under the AFDC emergency assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to pay for property damage, be returned to the county when the assistance unit vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 22. Minnesota Statutes 1994, section 256.979, is amended by adding a subdivision to read:

Subd. 9. [ACCRUAL OF SUPPORT OBLIGATIONS.] The commissioner shall seek a waiver from the secretary of the Department of Health and Human Services to enable the agency to accrue child support payments received on behalf of both AFDC and non-AFDC clients until the sum total of the money owed by the state agency to the client is at least \$10. Obligors shall be assessed a processing fee of \$10 to be retained by the county agency in every instance when both of the following conditions exist:

- (1) the obligor pays less than the required monthly support obligation; and
- (2) that reduced payment would result in a child support payment to an AFDC or non-AFDC client of less than \$10 for that month.

Sec. 23. Minnesota Statutes 1994, section 256.983, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS ESTABLISHED.] Within the limits of available appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall require the establishment of fraud prevention investigation programs in the seven counties participating in the fraud prevention investigation pilot project established under section 256.983, and in 11 additional Minnesota counties with the largest aid to families with dependent children program caseloads as of July 1, 1991. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to: (1) other counties that have welfare fraud control programs already in place based on enhanced funding contracts covering the fraud investigation function; and (2) counties that have the largest AFDC caseloads as of July 1, 1994, and are not currently participating in the fraud prevention investigation pilot project. The pilot project may be expanded provided the expansion is budget neutral to the state.

Sec. 24. [256.986] [COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.]

(a) The county agency shall prepare and submit to the commissioner of human services by January 1 of each year a plan to coordinate county duties related to the prevention, investigation, and prosecution of fraud in public assistance programs. Plans may be submitted on a voluntary basis prior to January 1, 1996. Each county must submit its first annual plan prior to January 1, 1997.

(b) Within the limits of appropriations specifically made available for this purpose, the commissioner may make grants to counties submitting plans under paragraph (a) to implement coordination activities.

Sec. 25. Minnesota Statutes 1994, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; and

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

(e) For the purposes of paragraph (a), clauses (2) and (3), the county agency may divide the monthly assistance standard as follows: \$25 the first week, \$50 each of the second and third weeks, and the remainder the fourth week.

Sec. 26. Minnesota Statutes 1994, 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 ~~six~~ one calendar ~~months~~ month 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 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; 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. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, 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 (15), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half-time in an institution of higher education or a post-secondary program is ineligible for the work readiness program. Post-secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill-specific technical training that has a course of study of less than three months, that is not paid for using work readiness funds, and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.

(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. 27. [256D.0511] [LUMP-SUM PAYMENTS.]

A person who is temporarily ineligible for AFDC due to a lump-sum payment is also ineligible for general assistance and work readiness benefits for the same duration unless the person demonstrates that the lump-sum payment was used for basic needs, which includes education, training and work expenses necessary to become economically self-sufficient, and medical expenses.

Sec. 28. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 5. [VENDOR PAYMENTS TO LANDLORDS.] The affected county may require that assistance paid under the emergency general assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to pay for property damage, be returned to the county when the recipient vacates the premises or paid to the recipient's new landlord as a vendor payment. The vendor payment of returned funds shall not be considered a new use of emergency assistance.

Sec. 29. Minnesota Statutes 1994, section 256D.09, is amended by adding a subdivision to read:

Subd. 6. [RECOVERY OF OVERPAYMENTS.] (a) If an amount of general assistance, family general assistance, or work readiness assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. The amount of this reduction is ten percent if the overpayment is due solely to having wrongfully obtained assistance whether based on:

(1) a court order;

(2) the finding of an administrative fraud disqualification hearing or the waiver of such a hearing; or

(3) a confession of judgment containing an admission of an intentional program violation.

In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

**Sec. 30. [MINNESOTA PARENTS' FAIR SHARE; MANDATORY COMMUNITY WORK EXPERIENCE.]**

The Minnesota parents' fair share pilot project shall include a mandatory community work experience component for participants who fail to comply with the requirements of the pilot project.

**Sec. 31. [FEDERAL WAIVER PACKAGE.]**

Subdivision 1. [REQUEST.] The commissioner of human services shall make a single request for the waivers listed in this section to the United States Department of Health and Human Services. The waivers in the package support and encourage AFDC recipients to move from reliance on welfare to self-sufficiency. The commissioner shall explore alternatives to the federally required waiver evaluation process in an effort to reduce evaluation costs and develop a cost-effective evaluation process for the waiver package in this section. While also exploring other possible alternatives, the commissioner shall investigate the feasibility of the following: (1) one evaluation for the entire waiver package; (2) consolidation of evaluation efforts for the same or similar waiver with another state; and (3) completion of the evaluation internally, possibly by the office of legislative auditor. The commissioner shall notify the revisor of statutes when each waiver is approved by the federal government.

Subd. 2. [WAIVER TO DISALLOW PARENTAL INCOME OF A PREGNANT OR PARENTING MINOR LIVING WITH PARENTS.] The commissioner shall seek the following waivers: (1) from the filing unit requirement in Code of Federal Regulations, title 45, section 206.10(a)(1)(vii), for minor parents living with a parent on AFDC with other dependent children, resulting in the minor parent receiving the same separate need standard available if the minor parent's parent was not on AFDC; (2) to disregard all parental income if the parent is on AFDC with other children; and (3) if the parent is not on AFDC with other children, to disregard income equal to 150 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child and deem the remainder of income under Code of Federal Regulations, title 45, section 233.20(a)(3)(xviii). If the commissioner experiences barriers or complications in preparing the waiver under this subdivision, the commissioner shall report back to the legislature for clarification without delaying the requests for other waivers under this section. The commissioner shall also explore the impact of waivers under this subdivision on other programs and report to the legislature potential waivers necessary to provide consistency across programs. The general policy in requesting these waivers is to keep the family intact and give the minor parent, the dependent child, and the grandparent an incentive to continue living together as a family.

Subd. 3. [WAIVER TO ALLOW START WORK OFFSET.] The commissioner shall seek a waiver of the federal regulation which requires the state to recover AFDC overpayments from the assistance unit if the overpayment occurred in the month the assistance unit started working and the overpayment resulted from the assistance unit's increased earnings. This "start work offset" is available to an assistance unit every two years.

Subd. 4. [WAIVER OF THE 100-HOUR RULE; WORK HISTORY REQUIREMENT; 30-DAY WAITING PERIOD REQUIREMENT.] The commissioner shall seek a waiver to eliminate the 100-hour rule under Code of Federal Regulations, title 45, section 233.100(a)(1)(i); the eligibility requirement for past employment history under Code of Federal Regulations, title



45, section 233.100(a)(3)(iii); and the requirement for a 30-day waiting period under Code of Federal Regulations, title 45, section 233.100(a)(3)(i).

Subd. 5. [WAIVER OF MOTOR VEHICLE RESOURCE LIMIT.] The commissioner shall seek a waiver to increase the maximum equity value of a licensed motor vehicle, which can be excluded as a resource under the federal regulations, from \$1,500 to the level permitted under the federal Food Stamp Program. This waiver is essential for AFDC recipients who need reliable transportation to participate in education, work, and training to become self-sufficient.

Subd. 6. [WAIVER TO ALLOW STUDENTS TO EARN INCOME.] The commissioner shall seek a waiver of the federal regulation which includes the earned income of dependent children and minor caretakers who are attending school at least half time when determining eligibility for AFDC. The commissioner shall also seek a waiver which allows savings set aside in a separate account designated specifically for future education or employment needs to be excluded from the AFDC resource limits.

Subd. 7. [WAIVER OF GUARANTEED CHILD CARE FOR AFDC RECIPIENTS AND RELATED STUDY.] The commissioner shall seek a waiver of the requirement that child care be guaranteed to an AFDC recipient under Minnesota Statutes, section 256H.05, for the purposes of the program being evaluated under this section which will allow an AFDC recipient to earn income without terminating AFDC eligibility. The commissioner shall examine, within the commissioner's existing budget, the feasibility of allowing public assistance recipients to work part-time, up to a certain level, without affecting the AFDC grant, which will provide the recipient with work experience, confidence in the employment environment, and an opportunity to earn money in order to move from AFDC and to self-sufficiency. The commissioner shall examine "fill-the-gap" budgeting and other possibilities that allow a recipient to earn income without terminating the AFDC grant. The commissioner shall also explore the ancillary issues related to allowing the earned income exception, and report the different options available, the feasibility of implementing each option, and the costs and savings associated with the implementation of each option to the 1996 legislature.

Subd. 8. [IMPLEMENTATION.] The commissioner shall implement the program changes authorized under this subdivision promptly upon approval of the waiver, provided all conditions are met under Minnesota Statutes, section 256.01, subdivision 2, clause (12).

Subd. 9. [EVALUATION.] If any of the federal waivers are granted, the commissioner shall evaluate the program changes according to federal waiver requirements and, if necessary, submit reports to the legislature within a time frame consistent with the evaluation criteria that are established.

### Sec. 32. [MAXIMIZING MAXIS; FRAUD RECOVERY EFFORTS.]

The commissioner of human services shall submit a plan to the legislature by December 1, 1995, to maximize the capability of the MAXIS system to aid in fraud control. The commissioner shall explore ways of using the MAXIS system to establish or expand recovery efforts, certify debts, and collect overpayments due to fraud, client error, or agency error in all state and federally funded public assistance programs. The commissioner shall also make recommendations for sharing recovered revenues under this program with counties to provide incentives to both the state and county to begin or maintain aggressive recovery efforts.

### Sec. 33. [COUNTY DESIGN; WORK FOCUSED PROGRAM.]

The commissioner of human services shall issue a request for proposals from counties to submit a plan for developing and implementing a county-designed program. The plan shall be for first-time applicants for aid to families with dependent children (AFDC) and family general assistance (FGA) and must emphasize the importance of becoming employed and oriented into the work force in order to become self-sufficient. If the plan is cost-neutral to the state and approved by the commissioner, the county may implement the plan. If the plan is approved by the commissioner, but a federal waiver is necessary to implement the plan, the commissioner shall apply for the necessary federal waivers. If the plan is approved but is not cost-neutral to the state, the commissioner shall report to the 1996 legislature the cost implications related to the county-designed plan.

## Sec. 34. [RESTRUCTURING OF PUBLIC ASSISTANCE.]

(a) The commissioners of human services and economic security shall develop a plan for first-time applicants for aid to families with dependent children (AFDC) and family general assistance (FGA) in order to assure that, during the first six months of eligibility, first-time applicants for AFDC and FGA receive the following in lieu of AFDC or FGA benefits:

- (1) immediate and enhanced job search and placement activities;
- (2) subsidized employment in the private or public sector or a placement in a community service job that pays wages up to the value of AFDC or FGA is required if an unsubsidized job is not located within the first 60 days, or at an earlier date recommended by the commissioners;
- (3) priority help in establishing child support enforcement;
- (4) child care assistance for job search activities and employment;
- (5) eligibility for medical care; and
- (6) vendor payments for need items included in the AFDC consolidated standard of assistance under the state plan.

(b) The commissioners shall consider to what extent exceptions should be made for:

(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 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 section 256D.05, 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; and

(8) a pregnant woman, if there is medical verification that the child is expected to be born within the next six months.

(c) The commissioners shall present to the 1996 legislature a statewide implementation plan, which includes employability assessment criteria, feasibility of colocation of services, and a description of the modifications that the commissioners recommend, and will be phased in starting in counties designated by the commissioners. The plan must identify needed federal waivers, evaluation criteria, state plan amendments, and other approvals necessary under the AFDC and job opportunities and basic skills (JOBS) programs. The commissioners' plan must include implementation of the project by October 1, 1996, or after the necessary waivers are approved, whichever is later.

Sec. 35. [RESTRUCTURING OF PROJECT STRIDE.]

The commissioners of human services and economic security shall develop recommendations to restructure the program entitled "success through reaching individual development and employment" (STRIDE), under Minnesota Statutes, sections 256.73 to 256.739, to effectively and efficiently employ AFDC recipients. The commissioners shall identify modifications necessary to implement the following principles:

- (1) employment as the expected program outcome;
- (2) training and education used primarily to enhance job skills of employed participants;
- (3) adequate support services available until the recipient achieves employment that provides wages that enable the recipient to be self-sufficient;
- (4) aggressive development of job markets;
- (5) extended post-placement follow-up to retain current employment or move to better jobs;
- (6) concurrent services which combine education and employment;
- (7) certain categories of AFDC recipients shall be required to participate in STRIDE services after two years within the limits of available funding; and
- (8) failure to participate will result in termination of assistance for noncompliant participants under the Family Support Act of 1988.

The commissioners shall present to the 1996 legislature a plan which includes specific categories of mandatory participants and a description of the modifications that the commissioners recommend within existing appropriations. The proposal must identify needed federal waivers, state plan amendments, and other approvals necessary under the AFDC and JOBS programs.

Sec. 36. [CHILD CARE COOPERATIVES.]

A county may collaborate and coordinate efforts with school districts, local youth centers, and other organizations to provide cooperative child care services at a convenient location and provide a low-cost alternative to day care services. The county may collaborate with the local school district or an organization near a school. The county is encouraged to explore other nontraditional suitable locations for community day care services and consult with parents and others who are interested in establishing a day care cooperative.

Parents must be given an opportunity to participate in the child care cooperatives. Incentives offered to parents to participate in the cooperative may include reduced day care costs for an appropriate amount of time or a few hours of free child care that provides a parent with a short respite.

For purposes of the collaborative effort, the county may request a waiver of Minnesota Rules, part 9565.5025, subpart 2, to implement the program. This waiver would reduce the barriers the applicant faces when applying for child care by specifically allowing the applicant to initially declare income, instead of being required to document income. The county may also request a waiver of rules related to day care requirements to provide more flexibility in developing and implementing the cooperative.

Sec. 37. [SEAMLESS CHILD CARE SYSTEM.]

The commissioner of human services shall examine the feasibility of implementing a seamless child care system statewide by July 1, 1996. The seamless child care system must provide a consistent approach to administering child care by consolidating the different child care programs under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, streamlining all child care funding available under Minnesota Statutes, chapter 256H, and Minnesota Statutes, section 136A.125, and making consistent the laws and rules to govern the child care system.

The commissioner shall report to the legislature by November 1995. The report must contain recommendations as to how to develop and implement the system statewide, proposed uniform

eligibility criteria, a list of necessary federal waivers, a list of the statutes and rules that must be repealed or amended, and an estimate of state and county savings resulting from the reduction in administrative duties.

Sec. 38. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS.] The appropriations in this section are from the general fund to the commissioner of human services or the commissioner of education, as indicated, and are available for the biennium ending June 30, 1997, unless otherwise specified in the following subdivisions.

Subd. 2. [MINNESOTA PARENTS' FAIR SHARE PILOT PROJECT.] \$1,000,000 is appropriated for the following purposes:

(a) \$600,000 for a grant to Ramsey county to enable the county to expand the Minnesota parents' fair share pilot project. As a condition of this grant, the commissioner may require a local match from the county.

(b) \$100,000 is added to the appropriation to Anoka county for costs associated with the Minnesota parents' fair share pilot project.

(c) \$100,000 is added to the appropriation to Dakota county for costs associated with the Minnesota parents' fair share pilot project.

(d) \$200,000 for costs associated with the mandatory community work experience component of the Minnesota parents' fair share pilot project.

Subd. 3. [INTENSIVE LANGUAGE PROGRAM.] \$1,300,000 is appropriated to the commissioner of education for the intensive six-month language program for non-English speaking STRIDE and CWEP participants, and is available for the fiscal year beginning July 1, 1996. This appropriation is in addition to any other appropriation for adult basic education.

Subd. 4. [STRIDE.] \$1,350,000 is appropriated for purposes of Minnesota Statutes, section 256.736, subdivision 20.

Subd. 5. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] \$351,000 is appropriated to pay for costs associated with the claims arising from the injury protection program, established under Minnesota Statutes, section 256.737.

Subd. 6. [SOCIAL SERVICES EVALUATION.] \$330,000 is appropriated to pay for county costs associated with minor caretaker evaluations and is available for the fiscal year beginning July 1, 1996.

Subd. 7. [AFDC CHILD CARE.] \$1,538,000 is added to the appropriation to pay for child care costs incurred by job search participants.

Subd. 8. [AFDC GRANTS.] \$1,574,000 is added to the appropriation for the aid to families with dependent children program for the fiscal year beginning July 1, 1996.

Subd. 9. [COUNTY COORDINATION OF FRAUD CONTROL ACTIVITIES.] \$500,000 is appropriated for grants to counties to implement plans submitted under Minnesota Statutes, section 256.986.

Subd. 10. [HUMAN SERVICES ADMINISTRATION.] \$883,000 is appropriated to pay for administrative costs.

Subd. 11. [GENERAL ASSISTANCE AND WORK READINESS.] \$5,281,000 is appropriated for general assistance and work readiness grants.

Subd. 12. [COUNTY ADMINISTRATIVE COSTS.] \$250,000 is appropriated to pay for MFIP-R county administrative costs.

Subd. 13. [MFIP-R.] \$6,589,000 is appropriated for the expansion of MFIP-R into Ramsey county for grants and child care for fiscal year beginning July 1, 1996.

Subd. 14. [MFIP-R CASE MANAGEMENT.] \$1,601,000 is appropriated for MFIP-R case management.

Sec. 39. [REPEALER.]

Minnesota Statutes 1994, section 256.734, is repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 6 (99 Hour Rule), 9 (Start Work Offset), and 22 (Accrual of Child Support) are effective upon federal approval of the applicable waivers. Section 7 (Parenting Minors) is effective October 1, 1995. Section 16 (Job Search) is effective January 1, 1996. Sections 2, 3, 4, and 5 (MFIP-R) are effective either July 1, 1996, or when the federal waiver is approved, whichever is later. Sections 11 (Registration) and 19 (Good Cause) are effective July 1, 1996, or upon notification from the commissioner of human services to the chairs of the senate health care and family services division and the house of representatives human services finance division that federal funding for an intensive program to learn English is available and the program is cost-neutral to the state and has been reviewed and approved by the commissioner of human services."

Delete the title and insert:

"A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive AFDC; providing an exception to the AFDC overpayment statute for recipients who have become employed; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job searches; allowing vendor emergency assistance payments for damage deposit; providing injury protection for work experience participants; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; reducing work readiness eligibility to one month; directing the commissioner of human services to seek several waivers from the federal government which support and promote self-sufficiency; expanding the parents' fair share pilot project in Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1994, sections 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 16, and by adding subdivisions; 256.737, subdivision 4, and by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.051, subdivision 1; and 256D.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1994, section 256.734."

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 26:** A bill for an act relating to agriculture; changing license fees for certain wholesale food handlers; amending Minnesota Statutes 1994, section 28A.08.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 28A.03, is amended to read:

28A.03 [DEFINITIONS.]

As used in sections 28A.01 to 28A.16 the terms defined in this section shall have the following meanings:

(a) "Commissioner" means the commissioner of agriculture of the state of Minnesota.

(b) "Person" means any individual, firm, corporation, company, association, cooperative or partnership and includes any trustee, receiver, assignee or other similar representative thereof.

(c) "Place of business" means every location where food or food items are manufactured, processed, sold, stored or handled, including buildings, locations, permanent or portable structures, carnivals, circuses, fairs, or any other permanent or temporary location.

Any vehicle or similar mobile unit from which food is sold shall be considered a place of business for purposes of this section if the food therefrom has been manufactured, packaged or dispensed from bulk, or processed in any manner thereon.

(d) "Food" includes every article used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans, whether simple, mixed or compound.

(1) "Perishable food" is food which includes, but is not limited to fresh fruits, fresh vegetables, and other products which need protection from extremes of temperatures in order to avoid decomposition by microbial growth or otherwise.

(2) "Readily perishable food" is food or a food ingredient consisting in whole or in part of milk, milk products, eggs, meat, fish, poultry or other food or food ingredient which is capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms.

(3) "Frozen food" is food which is processed and preserved by freezing in accordance with good commercial practices and which is intended to be sold in the frozen state.

(4) For the purposes of this definition, packaged food in hermetically sealed containers processed by heat to prevent spoilage; packaged pickles; jellies, jams and condiments in sealed containers; bakery products such as bread, rolls, buns, donuts, fruit-filled pies and pastries; dehydrated packaged food; and dry or packaged food so low in moisture content as to preclude development of microorganisms are not "perishable food," "readily perishable food," or "frozen food" within the meaning of definitions (1), (2) and (3) herein when they are stored and handled in accordance with good commercial practices.

(5) "Nonperishable food" is food described in paragraph (4) with a shelf life of more than 90 days.

(e) "Sell and sale" includes the keeping, offering, or exposing for sale, use, transporting, transferring, negotiating, soliciting, or exchange of food, the having in possession with intent to sell, use, transport, negotiate, solicit, or exchange the same and the storing, or carrying thereof in aid of traffic therein whether done or permitted in person or through others.

(f) "Principal mode of business" means that type of business described under either (a), (b), (c) or (d) in section 28A.05 within which category the greatest amount of the applicant's food business lies.

(g) "Custom processor" means a person who slaughters animals or processes noninspected meat for the owner of the animals, and returns the meat products derived from the slaughter or processing to the owner. "Custom processor" also means a person who provides slaughtering or processing facilities for use by others. "Custom processor" does not include a person who slaughters animals or poultry or processes meat for the owner of the animals or poultry on the farm or premises of the owner of the animals, meat, or poultry. For the purpose of this clause, "animals" or "meat" do not include poultry or game animals or meat derived therefrom.

Sec. 2. Minnesota Statutes 1994, section 28A.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION; DATE OF ISSUANCE.] No person shall engage in the business of manufacturing, processing, selling, handling, or storing food without having first obtained from the commissioner a license for doing such business. Applications for such license shall be made to the commissioner in such manner and time as required and upon such forms as provided by the commissioner and shall contain the name and address of the applicant, address or description of each place of business, and the nature of the business to be conducted at each place, and such other pertinent information as the commissioner may require.

A retail or wholesale food handler license shall be issued for the period July 1 to June 30 following and shall be renewed thereafter by the licensee on or before July 1 each year, except that

all retail licenses for state and county fair licensees and mobile units shall be issued for the period April 1 to March 31 starting with the period April 1, 1996, and shall be renewed thereafter by the licensee on or before April 1 each year. License fees for the period July 1, 1995, to March 31, 1996, will be renewed according to the fee schedule in effect on January 1, 1995. A license for a food broker or for a food processor or manufacturer shall be issued for the period January 1 to December 31 following and shall be renewed thereafter by the licensee on or before January 1 of each year. A penalty for a late renewal shall be assessed in accordance with section 28A.08.

Sec. 3. Minnesota Statutes 1994, section 28A.08, is amended to read:

**28A.08 [LICENSE FEES; PENALTIES.]**

License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner.

Type of food handler	License Fee	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 40	\$ 15	\$ 25
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$ 55	\$ 15	\$ 25
(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$105	\$ 35	\$ 75
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$180	\$ 50	\$100
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$500	\$100	\$175
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$700	\$150	\$300

	(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$800	\$200	\$350
2.	Wholesale food handler			
	(a) Having gross sales or service of less than <del>\$250,000</del> <u>\$25,000</u> for the immediately previous license or fiscal year	\$200 <u>\$ 50</u>	\$ 50 <u>\$ 15</u>	\$100 <u>\$ 25</u>
	(b) <u>Having \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year</u>	<u>\$200</u>	<u>\$ 50</u>	<u>\$100</u>
	(c) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$400	\$100	\$200
	(e) (d) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$500	\$125	\$250
	(d) (e) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$575	\$150	\$300
3.	Food broker	\$100	\$ 30	\$ 50
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$275	\$ 75	\$150
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$400	\$100	\$200
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$500	\$125	\$250
	(d) Having over \$5,000,000			



	gross sales for the immediately previous license or fiscal year	\$575	\$150	\$300
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$150	\$ 50	\$ 75
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$225	\$ 75	\$125
	(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$275	\$ 75	\$150
	(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$325	\$100	\$175
6.	Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$ 10	\$ 15
7.	Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
8.	Wholesale food manufacturer processing less than 70,000 pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b)	\$ 30	\$ 10	\$ 15
9.	A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25

Sec. 4. Minnesota Statutes 1994, section 28A.09, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL FEE; EXCEPTIONS.] Every coin-operated food vending machine is subject to an annual state inspection fee of \$15 for each nonexempt machine except nut vending machines which are subject to an annual state inspection fee of \$5 for each machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose an inspection or license fee of no more than the state inspection fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only gum balls, hard candy, ~~unsorted confections~~ candy, or ice manufactured and packaged by another shall be exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines described in this paragraph. A county may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 5. Minnesota Statutes 1994, section 28A.15, subdivision 3, is amended to read:

Subd. 3. A farmer slaughtering ~~personal~~ animals, rabbits or poultry, on the farmer's own farm for: (a) personal use; or (b) the use of the farmer's immediate family.

Sec. 6. Minnesota Statutes 1994, 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, prepackaged ~~confections~~ candy 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. 7. Minnesota Statutes 1994, 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~~ candy or nuts at retail.

Sec. 8. Minnesota Statutes 1994, section 28A.16, is amended to read:

#### 28A.16 [PERSONS SELLING LIQUOR.]

The provisions of the Minnesota consolidated food licensing law, sections 28A.01 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407, provided that these persons sell only ice manufactured and packaged by another, or ~~such nonperishable food items as~~ bottled or canned soft drinks and prepackaged ~~confections~~ candy at retail.

Sec. 9. Minnesota Statutes 1994, section 28A.17, is amended to read:

#### 28A.17 [LICENSE RENEWAL.]

Licenses for food processors or manufacturers shall be renewed annually on January 1. Licenses for retail and wholesale food handlers shall be renewed annually on July 1. Licenses for retail state and county fair licensees and retail mobile units shall be renewed annually on April 1 effective on April 1, 1996.

Sec. 10. Minnesota Statutes 1994, section 31.56, subdivision 5, is amended to read:

Subd. 5. Except as provided in this section, no person shall sell, offer for sale, or possess with intent to sell any meat, poultry, or rabbit product unless said product comes from animals, poultry,

or rabbits which have been slaughtered or processed in establishments which are licensed by the state ~~or~~ and are under the inspection program of the United States Department of Agriculture."

Delete the title and insert:

"A bill for an act relating to agriculture; modifying definitions and exclusions for food licensing; changing license fees and license periods for certain licensees; amending Minnesota Statutes 1994, sections 28A.03; 28A.04, subdivision 1; 28A.08; 28A.09, subdivision 1; 28A.15, subdivisions 3, 7, and 8; 28A.16; 28A.17; and 31.56, subdivision 5."

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. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 193:** A bill for an act relating to veterans; authorizing an annual expense allowance for the veterans homes board of directors; amending Minnesota Statutes 1994, section 15A.081, 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 1994, section 15A.081, subdivision 8, is amended to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in subdivision 1, constitutional officers, and the commissioner of iron range resources and rehabilitation are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The veterans homes board of directors is also authorized an annual expense allowance not to exceed \$1,500 for use by the agency it governs for necessary expenses of agency staff in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may promulgate rules to assure the proper expenditure of these funds, and to provide for reimbursement.

Sec. 2. [EFFECTIVE DATE.]

This act is effective July 1, 1995."

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 380:** A bill for an act relating to the military; clarifying certain powers and duties of the governor; defining certain terms; clarifying language designating the rank of the adjutant general; clarifying language on acceptance of money by the adjutant general on behalf of the state; clarifying authority of the adjutant general to lease certain land; eliminating certain obsolete and duplicative language; amending Minnesota Statutes 1994, sections 190.02; 190.05, by adding subdivisions; 190.07; 190.16, subdivision 2; 190.25, subdivision 1; 191.05; repealing Minnesota Statutes 1994, sections 190.10; 190.13; and 190.29.

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

Page 1, lines 20 and 21, delete "upon the advice and consultation of the adjutant general,"

Pages 3 and 4, delete section 7

Page 4, line 3, delete "8" and insert "7"

Amend the title as follows:

Page 1, line 12, delete "191.05;"

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 381:** A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 382:** A bill for an act relating to the military; authorizing the adjutant general to assign certain retired officers to temporary active duty; expanding the authority of the adjutant general to recommend members of the national guard for brevet rank; changing eligibility for the state service medal; changing certain penalties for wrongful disposition of military property; changing the agency to be notified in the case of temporary emergency relief payments; providing for appointment of a United States property and fiscal officer; eliminating obsolete language concerning retention of uniforms; national guard discipline, training, rifle practice, encampments, and drills; clarifying provisions related to pay for officers and enlisted persons; imposing a penalty; amending Minnesota Statutes 1994, sections 192.19; 192.20; 192.23; 192.37; 192.38, subdivision 1; 192.40; and 192.49; repealing Minnesota Statutes 1994, sections 192.36; 192.435; 192.44; 192.45; 192.46; 192.47; and 192.51, subdivision 2.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 938:** A bill for an act relating to state government finance; appropriating money for a women in military service memorial.

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 Governmental Operations and Veterans, to which was referred**

**S.F. No. 184:** A bill for an act relating to veterans; clarifying authority for use of funds from surplus facilities of the veterans homes board; amending Minnesota Statutes 1994, section 198.003, subdivisions 3 and 4.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 530:** A bill for an act relating to veterans; proposing an amendment to the Minnesota Constitution, article XIII, section 8, permitting the payment of a monetary bonus to veterans of the Persian Gulf War.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 663:** A bill for an act relating to the military; exempting the national guard and the department of military affairs from certain prohibitions concerning weapons; amending Minnesota Statutes 1994, section 609.66, subdivision 2.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 603:** A bill for an act relating to veterans affairs; creating a Korean war veterans' memorial on the capitol mall; 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. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 302:** A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1994, section 177.24, subdivision 1.

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

Page 1, line 24, delete "\$4.75" and insert "\$4.50" and delete "and"

Page 1, line 25, delete "\$5.25" and insert "\$4.75" and delete "beginning October 1, 1996" and insert "to each employee who has worked 90 or more days for that employer on or after October 1, 1995, and at least \$5 an hour to each employee who has worked 180 or more days for that employer on or after October 1, 1995"

Page 2, line 2, delete "\$4.50" and insert "\$4.25"

Page 2, line 3, delete "and" and delete "\$5.00" and insert "\$4.50" and delete "beginning October 1," and insert "to each employee who has worked 90 or more days for that employer on or after October 1, 1995, and at least \$4.75 an hour to each employee who has worked 180 or more days for that employer on or after October 1, 1995"

Page 2, delete lines 4 to 6

Page 2, line 7, delete everything before the period

Page 2, delete lines 12 to 15

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

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

**S.F. No. 574:** A bill for an act relating to Indians; requiring the commissioner of natural resources to change certain names of geographic features of the state.

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

Page 1, line 8, delete "December" and insert "July"

Page 1, line 14, delete "3" and insert "2"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 290:** A bill for an act relating to the environment; providing that site testing and study may be performed as part of the project costs eligible for a contamination cleanup grant; amending Minnesota Statutes 1994, section 116J.552, 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 1994, section 116J.552, subdivision 2, is amended to read:

Subd. 2. [CLEANUP COSTS.] "Cleanup costs" or "costs" ~~mean~~ means the ~~cost~~ costs of developing and implementing an approved a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

Sec. 2. Minnesota Statutes 1994, section 116J.555, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish ~~regular~~ semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the legislative commission on waste management the grants awarded and appropriate supporting information describing each grant made. This report must be made 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 3. [AMENDMENT OF GRANT APPLICATIONS.]

A development authority that, before the effective date of this section, submitted an application for a grant under Minnesota Statutes, sections 116J.551 to 116J.558, may, before the next application deadline, submit to the commissioner of trade and economic development an amended application based on the changes made by section 1.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; providing that contamination cleanup grants cover costs of developing a response action plan and cleanup costs incurred before the award of a grant in certain cases; modifying the application cycle for contamination cleanup grants; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; and 116J.555, 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. 445:** A bill for an act relating to the environment; requiring the pollution control agency to permit the operation of certain waste combustors.

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

Delete everything after the enacting clause and insert:

"Section 1. [WAIVER.]

The pollution control agency must, until 2005, allow the operation of a gas-fired waste combustor installed after January 1, 1992, and before June 20, 1994, used to burn blood-contaminated, waxed cardboard, and meat-contaminated cellulose from meat processing operations in amounts that do not exceed 500 pounds per hour and provided the combustor meets emission standards in effect at the time it was installed.

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

**S.F. No. 133:** A bill for an act relating to state lands; authorizing the private sale of certain tax-forfeited lands bordering public waters in Cook county.

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

Page 2, after line 7, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND; COOK COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, the conveyance by Cook county in October 1993, of the tax-forfeited land bordering public waters that is described in paragraph (b), is hereby ratified.

(b) The land that was conveyed is located in Cook county and is described as: the one acre southwest corner of Government Lot 6, Township 63 North, Range 5 East, Section 31.

(c) Through an error, the county sold the land to a private party in October 1993, without legislative authorization. The county determined that the county's land management interests would best be served if the lands were returned to private ownership."

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

Page 2, line 9, delete "Section 1 is" and insert "Sections 1 and 2 are"

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. 444:** A bill for an act relating to state parks; adding territory to Split Rock Creek state park.

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

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

**S.F. No. 834:** A bill for an act relating to taxation; updating references to the Internal Revenue Code; amending Minnesota Statutes 1994, section 290.01, subdivision 19.

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

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

**S.F. No. 93:** A bill for an act relating to Stearns county; requiring the county to refund money paid by the city of Melrose for acquisition of certain property.

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

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

**S.F. No. 610:** A bill for an act relating to the financing of government in this state; providing tax credits; making the used farm machinery sales tax exemption permanent; repealing the political contribution refund; providing flexibility and accountability for local governments; appropriating money; amending Minnesota Statutes 1994, sections 256E.06, subdivisions 9, 12, and 13; 273.138, subdivision 2; 273.1398, subdivisions 2 and 3a; 273.166, subdivision 2; 276.04, subdivision 2; 289A.50, subdivision 1; 290.01, subdivision 6; 290.06, by adding a subdivision; 297A.25, subdivision 59; 471.9981, subdivision 6; 477A.012, subdivision 1; 477A.013, subdivisions 1 and 9; 477A.0132, subdivisions 1 and 2; 477A.014, subdivisions 1, 2, and 5; 477A.015; 477A.017, subdivision 3; and 477A.03, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 275; and 477A; repealing Minnesota Statutes 1994, sections 10A.322, subdivision 4; 10A.43, subdivision 5; 290.06, subdivision 23; 477A.011, subdivisions 30, 31, 32, 33, 34, 35, 36, and 37; 477A.012; 477A.013; and 477A.014, subdivision 1a.

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

Pages 3 and 4, delete section 3

Page 4, delete lines 28 and 29

Page 4, line 30, delete "4" and insert "3"

Page 4, line 31, delete "5" and insert "4"

Page 9, line 21, delete "on a"

Page 9, line 22, delete "per pupil unit basis"

Page 10, after line 11, insert:

"Subd. 7. [COSTS.] The reasonable cost of the county treasurer's services and the cost of preparing and mailing the notice required in this section is apportioned between taxing jurisdictions as follows: (1) one-third to the county; (2) one-third to the cities and towns within the county; and (3) one-third to the school districts located within the county. The total amount in clause (2) must be further apportioned among the cities and towns in the proportion that the number of parcels in each city or town bears to the number of parcels in all cities and towns within the county. The total amount in clause (3) must be further apportioned among the school districts within the county in the proportion that the number of parcels in each school district bears to the number of parcels in all school districts within the county. The local taxing jurisdictions identified in clauses (2) and (3) must reimburse the county for the costs apportioned to them under this subdivision."

Page 17, after line 16, insert:

"In regard to those public hearings which it conducts at which public comments are allowed, the council must publish notice of each such hearing not less than two business days nor more than six business days before the hearing. The notice must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The notice must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The notice must be published in an official newspaper of general circulation in the county. In addition, if the selected official newspaper is not regularly distributed to all areas of the county, the notice must also be published in a sufficient number of other official newspapers so as to insure that in all areas of the county the notice appears in at least one official newspaper which is regularly distributed in that area. The newspapers selected must be of general interest and readership, and not ones of limited subject matter. The notice must appear in newspapers that are published at least once per week. On or



before the date of any hearing at which public comments are allowed, the council must mail a complete and actual-size copy of the notice or notices it published in relation to that meeting to the commissioner of revenue."

Page 18, line 28, after "2" insert "; except that the county treasurer must pay to the metropolitan council and the metropolitan mosquito control commission an amount that is at least equal to the amount of the payable 1996 aids which the commissioner allocated to the county for that special taxing district under subdivision 1"

Page 19, line 23, delete "nonpermanent"

Page 19, line 24, after "the" insert "amount of" and after "aid" insert "otherwise to be paid to each city and town under section 477A.013, subdivisions 1 and 9, of 5.74 percent, thereby also reducing the total city and town local government aid"

Page 19, line 25, delete "of" and insert "by"

Page 19, line 29, after "subdivision 1" insert ", paragraphs (a) and (b),"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 11 and 12, delete "290.06, by adding a subdivision;"

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

### **Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 115:** A bill for an act relating to elections; changing the dates of precinct caucuses, the state party nominating election and primary, and the presidential primary; changing the deadline for delivery of absentee ballots; providing for distribution of a caucus guide and a voters' guide; changing requirements for names appearing on the state party nominating election ballot; changing certain terminology; providing for a presidential primary by mail; increasing the filing fee for an affidavit of candidacy; changing certain duties and procedures; appropriating money; amending Minnesota Statutes 1994, sections 202A.14, subdivision 1; 204B.03; 204B.06, subdivisions 2, 5, and 7; 204B.08, subdivisions 1 and 2; 204B.09, subdivision 1; 204B.10, subdivisions 2, 3, and 4; 204B.11; 204B.12, subdivision 1; 204B.33; 204B.35, subdivision 4; 204B.45, subdivision 3, and by adding a subdivision; 204D.03, subdivision 1; 204D.08, subdivision 4; 207A.01; 207A.02, subdivision 1a; 207A.03; 207A.04, subdivision 3; 207A.06, subdivision 2; 207A.08; and 207A.09; proposing coding for new law in Minnesota Statutes, chapters 202A; 204B; and 207A; repealing Minnesota Statutes 1994, section 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 1994, section 10A.31, subdivision 6, is amended to read:

Subd. 6. As soon as the board has obtained from the secretary of state the results of the primary state party nominating election, but in any event no later than one week after certification by the state canvassing board of the results of the primary that election, the board shall distribute the available funds in each party account, as certified by the commissioner of revenue ~~on September 1~~ one week before the state party nominating election, to the candidates of that party who have signed the agreement as provided in section 10A.322 and filed the affidavit required by section 10A.323, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivision 5. If a candidate files the affidavit required by section 10A.323 ~~after September 1 of the general election year~~ later than one week before the state party nominating election, the board shall pay the candidate's allocation to the candidate at the next regular payment date for public subsidies for that election cycle that occurs at least 15 days after the candidate files the affidavit.

Sec. 2. Minnesota Statutes 1994, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time that is at least one week before ~~September 1 preceding the general~~ the candidate's state party nominating election. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

Sec. 3. Minnesota Statutes 1994, section 10A.323, is amended to read:

#### 10A.323 [MATCHING REQUIREMENTS.]

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 or 10A.312 a candidate or the candidate's treasurer shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions from persons eligible to vote in this state in the amount indicated for the office sought, counting only the first \$50 received from each contributor:

- (1) candidates for governor and lieutenant governor running together, \$35,000;
- (2) candidates for attorney general, \$15,000;
- (3) candidates for secretary of state, state treasurer, and state auditor, separately, \$6,000;
- (4) candidates for the senate, \$3,000; and
- (5) candidates for the house of representatives, \$1,500.

To be eligible to receive a public matching subsidy under section 10A.312, the affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state and the total amount of those contributions received, disregarding the portion of any contribution in excess of \$50.

The candidate or the candidate's treasurer shall submit the affidavit required by this section to the board in writing ~~by September 1 of the general election year~~ no later than one week before the state party nominating election to receive the payment based on the results of the primary election, ~~by September 15 to receive the payment made October 1, by October 1 to receive the payment made October 15, by November 1 to receive the payment made November 15~~ following the general election, and by December 1 to receive the payment made December 15.

Sec. 4. [204B.05] [FILING FOR PRIMARY; MAJOR PARTY CANDIDATES FOR CONGRESSIONAL AND STATE CONSTITUTIONAL OFFICE.]

Subdivision 1. [NOTICE OF OFFICES TO BE ELECTED.] By February 15 of every even-numbered year the secretary of state shall send a notice of the congressional and state constitutional offices to be elected at the state general election to the state chair of each major political party.

Subd. 2. [CERTIFICATION OF CANDIDATES.] No later than ten weeks before the state

party nominating election, the state chair of each major political party shall certify to the secretary of state the names of every person who received at least 20 percent of the votes on any ballot at the appropriate party endorsing convention for a congressional or state constitutional office according to the party rules. Candidates who receive the endorsement of the party must be designated as such on the certification.

Subd. 3. [FORM OF CERTIFICATION.] The certification of candidates must include the name of the candidate as it is to appear on the ballot and the name of the office sought. The certification shall also include a statement that each candidate meets the qualifications for the office sought. The certification must be prepared by the party chair in the manner provided by the secretary of state.

Subd. 4. [ELIGIBILITY OF CANDIDATES.] No candidate shall be certified by a major political party who does not meet the constitutional and statutory requirements for the office sought.

Subd. 5. [FILING BY PETITION.] Any eligible voter whose name is not certified by a major political party as provided in this section may obtain access to the state party nomination ballot for a congressional or state constitutional office by filing an affidavit of candidacy and a petition.

The petition must include the signatures of at least ten percent of the number of persons voting for the nomination of the office sought at the last state party nominating election. For offices voted on statewide, the minimum number of signatures required must be calculated separately for each congressional district. By February 15 of each even-numbered year, the secretary of state shall determine the minimum number of signatures and the minimum distribution of signatures by congressional district required for persons submitting petitions as provided in this subdivision.

Subd. 6. [FORM OF PETITION.] The petition required by subdivision 5 must include the following information: candidate's name, candidate's address, party name, and office sought. The petition must include the following oath or affirmation of the signers: "I solemnly swear (or affirm) that I know the contents and purpose of this petition, that I either participated in the most recent precinct caucus for the party listed on the petition or intend to vote for a majority of that party's candidates at the next state general election, and that I signed this petition of my own free will." An individual who, in signing a petition, makes a false oath is guilty of perjury.

Petitions submitted under this subdivision must be in the form specified by the secretary of state, who shall prepare samples of the form.

Subd. 7. [CANDIDATES WITHOUT PARTY CERTIFICATION OR PETITION.] A candidate who seeks the nomination of a major political party for a congressional or state constitutional office without party certification under subdivision 2 or a party petition under subdivisions 5 and 6 must not be given a place on that party's ballot.

Sec. 5. Minnesota Statutes 1994, section 204B.08, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR SIGNING.] Nominating Petitions shall be signed during the period when petitions may be filed as provided in section 204B.09.

Sec. 6. Minnesota Statutes 1994, section 204B.08, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS OF SIGNERS.] A nominating petition may be signed only by individuals who are eligible to vote for the candidate ~~who is nominated~~ named on the petition. No individual may sign more than one ~~nominating~~ petition for candidates for the same office unless more than one candidate is to be elected to that office. If more than one candidate is to be elected to the office, an individual may sign as many petitions as there are candidates to be elected.

Sec. 7. Minnesota Statutes 1994, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than ~~70 days~~ ten weeks nor less than ~~56 days~~ eight weeks before the state ~~primary~~ party nominating election. The affidavit may be prepared and signed at any time between 60 days before the filing

period opens and the last day of the filing period. ~~Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer.~~

The petitions authorized by section 204B.05 may be signed no earlier than 18 weeks before the state party nominating election and must be filed with the secretary of state no later than eight weeks before the state party nominating election. Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 8. Minnesota Statutes 1994, section 204B.10, subdivision 2, is amended to read:

Subd. 2. [NOMINATING PETITIONS; ACKNOWLEDGMENT; NUMBERING.] On the day a nominating petition is filed, the election official shall deliver or mail an acknowledgment of the petition to the individual who files it and to the candidate who is to be nominated. The election official shall also number the petitions in the order received. The petitions shall be retained as provided in section 204B.40, and shall be available for public inspection during that period.

Sec. 9. Minnesota Statutes 1994, section 204B.10, subdivision 3, is amended to read:

Subd. 3. [INSPECTION.] The official with whom nominating petitions are filed shall inspect the petitions in the order filed to verify that there are a sufficient number of signatures of individuals whose residence address as shown on the petition is in the district where the candidate is to be nominated.

Sec. 10. Minnesota Statutes 1994, section 204B.10, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATION.] The secretary of state shall certify to the county auditor of each county the names of all candidates nominated by petitions filed with the secretary of state. Certification of candidates filing petitions as provided in section 204B.05 shall be made at the same time that the secretary of state certifies candidates for the state party nominating election. Certification of candidates nominated by petition shall be made at the same time as the secretary of state certifies the names of candidates who are nominated at the primary.

Sec. 11. Minnesota Statutes 1994, section 204B.11, subdivision 2, is amended to read:

Subd. 2. [PETITION IN PLACE OF FILING FEE.] At the time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to section 204B.07 or 204B.13, subdivision 4, or a petition submitted to the secretary of state as provided in section 204B.05 is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.

The number of signatures on a petition used solely in place of a filing fee shall be as follows:

(a) for a state office voted on statewide, or for president of the United States, or United States senator, 2,000;

(b) for a congressional office, 1,000;

(c) for a county or legislative office, or for the office of district, county, or county municipal judge, 500; and

(d) for any other office which requires a filing fee as prescribed by law, municipal charter, or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward, or other election district at the preceding general election at which that office was on the ballot.

An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.

Sec. 12. Minnesota Statutes 1994, section 204B.12, subdivision 1, is amended to read:

Subdivision 1. [BEFORE PRIMARY.] A candidate may withdraw from the primary ballot by filing an affidavit of withdrawal with the same official who received the affidavit of candidacy. The affidavit shall request that official to withdraw the candidate's name from the ballot and shall be filed no later than three days ~~the day~~ after the last day for filing for the office.

Sec. 13. Minnesota Statutes 1994, section 204B.33, is amended to read:

204B.33 [NOTICE OF FILING.]

(a) ~~Between June 1 and July 1 in each even-numbered year~~ No later than 15 weeks before the state party nominating election, the secretary of state shall notify each county auditor of the offices to be voted for in that county at the next state general election for which candidates file with the secretary of state. The notice shall include the time and place of filing for those offices. Within ten days after notification by the secretary of state, each county auditor shall notify each municipal clerk in the county of all the offices to be voted for in the county at that election and the time and place for filing for those offices. The county auditors and municipal clerks shall promptly post a copy of that notice in their offices.

(b) At least two weeks before the first day to file an affidavit of candidacy, the county auditor shall publish a notice stating the first and last dates on which affidavits of candidacy may be filed in the county auditor's office and the closing time for filing on the last day for filing. The county auditor shall post a similar notice at least ten days before the first day to file affidavits of candidacy.

Sec. 14. Minnesota Statutes 1994, section 204C.04, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS COVERED.] For purposes of this section, "election" means a regularly scheduled state primary or general election, or an election to fill a vacancy in the office of United States senator or United States representative, ~~or a presidential primary as described in section 207A.01 unless it is conducted by mail.~~

Sec. 15. Minnesota Statutes 1994, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PARTY NOMINATING ELECTION AND PRIMARY.] The state party nominating election and primary shall be held on the first Tuesday after the second first Monday in September ~~June~~ in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors.

Sec. 16. Minnesota Statutes 1994, section 204D.08, subdivision 4, is amended to read:

Subd. 4. [STATE PARTISAN PRIMARY PARTY NOMINATING ELECTION BALLOT; PARTY COLUMNS.] The state partisan primary party nominating election ballot shall be headed by the words "State Partisan Primary Party Nominating Election Ballot." ~~The ballot shall be printed on white paper. There must be at least three vertical columns on the ballot and each major political party shall have a separate column headed by the words "..... Party," giving the party name. Above the party names, the following statement shall be printed.~~

"Minnesota election law permits you to vote for the candidates of only one political party in a state partisan primary party nominating election."

If there are only two major political parties to be listed on the ballot, one party must occupy the left-hand column, the other party must occupy the right-hand column, and the center column must contain the following statement:

"Do not vote for candidates of more than one party."

The names of the candidates seeking the nomination of each major political party shall be listed in that party's column. The name of a candidate who was endorsed by a major political party at the appropriate party endorsing convention according to the party rules must be followed by the term "endorsed," unless the candidate files a written request with the filing officer that the candidate's

name not be followed by the term "endorsed." If only one individual files an affidavit of candidacy seeking the nomination of a major political party for an office, the name of that individual shall be placed on the state partisan primary ballot at the appropriate location in that party's column.

In each column, the candidates for senator in Congress shall be listed first, candidates for representative in Congress second, candidates for state senator third, candidates for state representative fourth and then candidates for state office in the order specified by the secretary of state.

The party columns shall be substantially the same in width, type, and appearance. The columns shall be separated by a 12-point solid line.

Sec. 17. Minnesota Statutes 1994, section 204D.24, subdivision 2, is amended to read:

Subd. 2. [VOTER REGISTRATION.] An individual may register to vote at a special primary or special election at any time before the day that the polling place rosters for the special primary or special election are prepared by the secretary of state. The secretary of state shall provide the county auditors with notice of this date at least seven days before the printing of the rosters. This subdivision does not apply to a special election held on the same day as the ~~presidential primary~~, state primary, state general election, or the regularly scheduled primary or general election of a municipality, school district, or special district.

Sec. 18. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the terms in column A to the corresponding terms in column B wherever they appear in Minnesota Statutes or Minnesota Rules.

<u>Column A</u>	<u>Column B</u>
<u>"state primary"</u>	<u>"state party nominating election and primary"</u>
<u>"state partisan primary"</u>	<u>"state party nominating election"</u>

Sec. 19. [REPEALER.]

Minnesota Statutes 1994, sections 204B.06, subdivision 1a; 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; 207A.09; and 207A.10, are repealed."

Delete the title and insert:

"A bill for an act relating to elections; changing the name of the state partisan primary to the state party nominating election; requiring candidates to demonstrate party support before being listed on the party's primary ballot; moving the state party nominating election and primary from September to June; repealing the presidential primary election; amending Minnesota Statutes 1994, sections 10A.31, subdivision 6; 10A.322, subdivision 1; 10A.323; 204B.08, subdivisions 1 and 2; 204B.09, subdivision 1; 204B.10, subdivisions 2, 3, and 4; 204B.11, subdivision 2; 204B.12, subdivision 1; 204B.33; 204C.04, subdivision 2; 204D.03, subdivision 1; 204D.08, subdivision 4; and 204D.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 1994, sections 204B.06, subdivision 1a; 207A.01 to 207A.04; and 207A.06 to 207A.10."

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 339:** A bill for an act relating to ethics in government; extending the enforcement authority of the ethical practices board to cover gifts to local officials; making advisory opinions public data; authorizing civil penalties; clarifying certain definitions; clarifying and authorizing exceptions to the ban on gifts; appropriating money; amending Minnesota Statutes 1994, sections 10A.02, subdivision 12; 10A.071, subdivisions 1 and 3; 10A.29; 10A.34; and 471.895, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 10A.02, subdivision 12, is amended to read:

Subd. 12. [ADVISORY OPINIONS.] (a) The board may issue and publish advisory opinions on the requirements of this chapter or section 471.895 based upon real or hypothetical situations. An application for an advisory opinion may be made only by an individual or association who wishes to use the opinion to guide the individual's or the association's own conduct. The board shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit.

(b) A written advisory opinion issued by the board is binding on the board in any subsequent board proceeding concerning the person making or covered by the request and is a defense in a judicial proceeding that involves the subject matter of the opinion and is brought against the person making or covered by the request unless:

(1) the board has amended or revoked the opinion before the initiation of the board or judicial proceeding, has notified the person making or covered by the request of its action, and has allowed at least 30 days for the person to do anything that might be necessary to comply with the amended or revoked opinion;

(2) the request has omitted or misstated material facts; or

(3) the person making or covered by the request has not acted in good faith in reliance on the opinion.

~~(c) A request for an opinion and the opinion itself are nonpublic data. The board, however, may publish an opinion or a summary of an opinion, but may not include in the publication the name of the requester, the name of a person covered by a request from an agency or political subdivision, or any other information that might identify the requester unless the person consents to the inclusion.~~

Sec. 2. Minnesota Statutes 1994, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, or a forbearance or forgiveness of indebtedness, ~~or a promise of future employment~~, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, or a local official of a metropolitan governmental unit.

Sec. 3. Minnesota Statutes 1994, section 10A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 7, or 211A.01, subdivision 5, or as defined by federal law for contributions to candidates for federal offices;

(2) services to assist ~~an~~ the official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento of insignificant value;

(6) informational material of ~~unexceptional~~ insignificant value or that will assist the official in the performance of official duties; ~~or~~

(7) a cup of coffee or other refreshments not to exceed \$3 in value given by a host as part of ordinary office hospitality or at a meeting away from the recipient's place of work; or

(8) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program, and reasonable travel and lodging expenses within this state actually incurred to participate in the program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given or offered to the other members of the group; or

(2) by a national or multistate organization of which this state or a political subdivision of this state is a member to a participant in a conference, seminar, meeting, or trip sponsored by that organization, if an equivalent gift is given or offered to all other participants, even if the gift to the official was made possible by a gift to the organization by a lobbyist or principal; or

(3) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

(c) If an employer makes a gift in the normal course of employment to an employee, and an official benefits from the gift as a member of the employee's family, the prohibitions in this section do not apply.

Sec. 4. Minnesota Statutes 1994, section 10A.071, is amended by adding a subdivision to read:

Subd. 4. [RETURN OF GIFT.] An official who accepts a gift in a good faith belief that it is lawful and returns it or gives consideration of equal or greater value for it promptly upon learning that it was not lawful is not subject to a penalty for violating this section.

Sec. 5. Minnesota Statutes 1994, section 10A.29, is amended to read:

10A.29 [CIRCUMVENTION PROHIBITED.]

Any attempt by an individual or association to circumvent the provisions of this chapter by redirecting funds or making a gift through, or contributing funds or making a gift on behalf of, another individual or association is a gross misdemeanor.

Sec. 6. Minnesota Statutes 1994, section 10A.34, is amended to read:

10A.34 [REMEDIES.]

Subdivision 1. A person charged with a duty under sections 10A.02 to 10A.34 this chapter or section 471.895 shall be personally liable for the penalty for failing to discharge it.

Subd. 1a. The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed pursuant to any provision of this chapter. All money recovered shall be deposited in the general fund of the state.

Subd. 2. The board or a county attorney may seek an injunction in the district court to enforce the provisions of sections 10A.02 to 10A.34 this chapter or section 471.895.

Subd. 3. Unless otherwise provided, a violation of sections 10A.02 to 10A.34 this chapter or section 471.895 is not a crime, but is subject to a civil penalty imposed by the board in an amount up to \$1,000.

Sec. 7. Minnesota Statutes 1994, section 471.895, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Gift" has the meaning given it in section 10A.071, subdivision 1.

(c) "Interested person" means a person or a representative of a person or association that has a direct financial interest in a decision that a the local official receiving a gift from the person is



authorized to make. To be "direct," the financial interest of the giver must be of greater consequence to the giver than the general interest of all residents or taxpayers of the official's governmental unit.

(d) "Local official" means an elected ~~or appointed~~ official of a county or city or of an agency, authority, or instrumentality of a county or city, or an elected official of a school district.

Sec. 8. Minnesota Statutes 1994, section 471.895, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 7, or 211A.01, subdivision 5, or as defined by federal law for contributions to candidates for federal offices;

(2) services to assist ~~an~~ the official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento of insignificant value;

(6) informational material of ~~unexceptional~~ insignificant value or that will assist the official in the performance of official duties; ~~or~~

(7) a cup of coffee or other refreshments not to exceed \$3 in value given by a host as part of ordinary office hospitality or at a meeting away from the recipient's place of work; or

(8) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program, and reasonable travel and lodging expenses within this state actually incurred to participate in the program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group; ~~or~~

(2) by a national or multistate organization of which this state or a political subdivision of this state is a member to participants in a conference, seminar, meeting, or trip sponsored by that organization, if an equivalent gift is given or offered to all other participants, even if the gift to the local official was made possible by a gift to the organization by an interested person; or

(3) by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

(c) If an employer makes a gift in the normal course of employment to an employee, and a local official benefits from the gift as a member of the employee's family, the prohibitions in this section do not apply.

Sec. 9. [APPROPRIATION.]

\$..... is appropriated from the general fund to the ethical practices board to enforce the provisions of Minnesota Statutes, chapter 10A, and section 471.895, to be available until June 30, 1997.

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 ethics in government; making advisory opinions public data; authorizing civil penalties; clarifying certain definitions; clarifying and authorizing exceptions to the ban on gifts; appropriating money; amending Minnesota Statutes 1994, sections 10A.02, subdivision 12; 10A.071, subdivisions 1, 3, and by adding a subdivision; 10A.29; 10A.34; and 471.895, subdivisions 1 and 3."

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

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

**H.F. No. 340** 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.
340	305				

and that the above Senate File be indefinitely postponed.

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

**Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws,** to which was referred the following appointment as reported in the Journal for March 6, 1995:

**TAX COURT**

Diane L. Kroupa

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

Ms. Flynn moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 431, 193, 380, 381, 382, 184, 302, 574, 290, 445, 133, 444, 834, 93, 610 and 115 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 5 and 340 were read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Krentz moved that the name of Mr. Frederickson be added as a co-author to S.F. No. 338. The motion prevailed.

Mr. Johnson, D.J. moved that his name be stricken as a co-author to S.F. No. 587. The motion prevailed.

Mr. Price moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 771. The motion prevailed.

Ms. Pappas moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 865. The motion prevailed.

Ms. Krentz moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 947. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Kramer be added as a co-author to S.F. No. 948. The motion prevailed.

Ms. Krentz moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 958. The motion prevailed.

Mr. Langseth moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 966. The motion prevailed.

Mr. Betzold moved that the names of Ms. Robertson and Mr. Knutson be added as co-authors to S.F. No. 990. The motion prevailed.

Mr. Metzen moved that the name of Mr. Kramer be added as a co-author to S.F. No. 1010. The motion prevailed.

Ms. Reichgott Junge moved that the name of Mr. Finn be added as a co-author to S.F. No. 1052. The motion prevailed.

Mr. Berg moved that the name of Mr. Murphy be added as a co-author to S.F. No. 1057. The motion prevailed.

Ms. Anderson moved that the name of Mr. Finn be added as a co-author to S.F. No. 1061. The motion prevailed.

Mr. Laidig moved that the name of Mr. Stevens be added as a co-author to S.F. No. 1066. The motion prevailed.

Mr. Berg moved that his name be stricken as a co-author to S.F. No. 1082. The motion prevailed.

Mr. Murphy moved that S.F. No. 533 be withdrawn from the Committee on Transportation and Public Transit and returned to its author. The motion prevailed.

**Mr. Knutson and Ms. Wiener introduced--**

**Senate Resolution No. 37:** A Senate resolution congratulating the Apple Valley High School Boys Wrestling team on winning the 58th Annual State Class AA High School Wrestling Tournament.

Referred to the Committee on Rules and Administration.

**Mr. Knutson and Ms. Wiener introduced--**

**Senate Resolution No. 38:** A Senate resolution congratulating the Apple Valley High School Girls Hockey team on winning the first-ever State Girls Hockey Tournament Championship.

Referred to the Committee on Rules and Administration.

**Messrs. Larson; Johnson, D.E. and Berg introduced--**

**Senate Resolution No. 39:** A Senate resolution commending Oliver Hoplin of Glenwood, Minnesota, for his service as chairman of the board of Glenwood Retirement Village.

Referred to the Committee on Rules and Administration.

**Mr. Chandler introduced--**

**Senate Resolution No. 40:** A Senate resolution congratulating the White Bear Lake High School boys hockey team on participating in the 1995 State High School Class AA boys hockey tournament.

Referred to the Committee on Rules and Administration.

Mr. Betzold moved that S.F. No. 991 be withdrawn from the Committee on Health Care and re-referred to the Committee on Judiciary. The motion prevailed.

### CALENDAR

**H.F. No. 95:** A bill for an act relating to highways; prohibiting headwalls in highway rights-of-way; imposing a penalty; amending Minnesota Statutes 1994, section 160.27, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Morse	Robertson
Beckman	Flynn	Kroening	Murphy	Runbeck
Belanger	Frederickson	Laidig	Neuville	Sams
Berg	Hanson	Langseth	Novak	Samuelson
Berglin	Janezich	Larson	Oliver	Solon
Bertram	Johnson, D.J.	Lesewski	Olson	Spear
Betzold	Johnson, J.B.	Lessard	Ourada	Stevens
Chandler	Johnston	Limmer	Pappas	Stumpf
Chmielewski	Kelly	Marty	Pariseau	Vickerman
Cohen	Kleis	Merriam	Piper	Wiener
Day	Knutson	Metzen	Pogemiller	
Dille	Kramer	Mondale	Price	

So the bill passed and its title was agreed to.

**H.F. No. 749:** A bill for an act relating to housing; modifying eligibility for transitional housing services; amending Minnesota Statutes 1994, section 268.38, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Morse	Runbeck
Beckman	Flynn	Kroening	Murphy	Sams
Belanger	Frederickson	Laidig	Neuville	Samuelson
Berg	Hanson	Langseth	Oliver	Solon
Berglin	Janezich	Larson	Olson	Spear
Bertram	Johnson, D.J.	Lesewski	Ourada	Stevens
Betzold	Johnson, J.B.	Lessard	Pappas	Stumpf
Chandler	Johnston	Limmer	Pariseau	Vickerman
Chmielewski	Kelly	Marty	Piper	Wiener
Cohen	Kleis	Merriam	Pogemiller	
Day	Knutson	Metzen	Price	
Dille	Kramer	Mondale	Robertson	

So the bill passed and its title was agreed to.

**H.F. No. 362:** A bill for an act relating to local government; towns; authorizing the town board to set up a petty cash fund; amending Minnesota Statutes 1994, section 366.01, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kramer	Mondale	Sams
Beckman	Flynn	Krentz	Morse	Samuelson
Belanger	Frederickson	Kroening	Murphy	Solon
Berg	Hanson	Laidig	Novak	Spear
Berglin	Janezich	Langseth	Oliver	Stevens
Bertram	Johnson, D.J.	Larson	Ourada	Stumpf
Betzold	Johnson, J.B.	Lesewski	Pappas	Vickerman
Chandler	Johnston	Lessard	Piper	Wiener
Chmielewski	Kelly	Limmer	Pogemiller	
Cohen	Kiscaden	Marty	Price	
Day	Kleis	Merriam	Robertson	
Dille	Knutson	Metzen	Runbeck	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 526:** A bill for an act relating to local government; modifying the local approval requirements for the Nashwauk area ambulance district law; amending Laws 1994, chapter 587, article 9, section 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kramer	Mondale	Price
Beckman	Flynn	Krentz	Morse	Robertson
Belanger	Frederickson	Kroening	Murphy	Runbeck
Berg	Hanson	Laidig	Neuville	Sams
Berglin	Janezich	Langseth	Novak	Samuelson
Bertram	Johnson, D.J.	Larson	Oliver	Scheevel
Betzold	Johnson, J.B.	Lesewski	Olson	Solon
Chandler	Johnston	Lessard	Ourada	Spear
Chmielewski	Kelly	Limmer	Pappas	Stevens
Cohen	Kiscaden	Marty	Pariseau	Stumpf
Day	Kleis	Merriam	Piper	Vickerman
Dille	Knutson	Metzen	Pogemiller	Wiener

So the bill passed and its title was agreed to.

**H.F. No. 887:** A bill for an act relating to public administration; providing St. Paul with additional authority in regard to the teacher training institute; amending Laws 1994, chapter 643, section 72.

Was read the third time 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:

Anderson	Cohen	Johnson, J.B.	Laidig	Mondale
Beckman	Day	Johnston	Langseth	Morse
Belanger	Dille	Kelly	Larson	Murphy
Berg	Finn	Kiscaden	Lesewski	Neuville
Berglin	Flynn	Kleis	Lessard	Novak
Bertram	Frederickson	Knutson	Limmer	Oliver
Betzold	Hanson	Kramer	Marty	Olson
Chandler	Janezich	Krentz	Merriam	Ourada
Chmielewski	Johnson, D.J.	Kroening	Metzen	Pappas

Pariseau  
Piper  
Pogemiller  
Price

Riveness  
Robertson  
Runbeck

Sams  
Samuelson  
Scheevel

Solon  
Spear  
Stevens

Stumpf  
Vickerman  
Wiener

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S.F. Nos. 308, 39, 257 and H.F. Nos. 125, 121, 435, 305, which the committee recommends to pass.

S.F. No. 229, which the committee recommends to pass with the following amendment offered by Ms. Kiscaden:

Page 2, after line 25, insert:

"Sec. 3. [EFFECTIVE DATE.]

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

The motion prevailed. So the amendment was adopted.

On motion of Ms. Flynn, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of House Bills and Motions and Resolutions.

### 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. 651, 750 and 602.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 651:** A bill for an act relating to probate; clarifying and correcting provisions of the uniform probate code; expanding authority for safe deposit box searches, division and merger of trusts, and granting of power-of-attorney to spouses in certain cases; amending Minnesota Statutes 1994, sections 55.10, subdivision 4; 501B.16; 501B.71, by adding a subdivision; 507.02; 519.06; 519.07; 519.11, subdivision 2; 523.23, subdivision 1; 523.24, subdivision 1; 524.1-201; 524.2-508; 524.3-914; 524.3-916; 524.3-1001; 524.3-1008; 524.3-1201; 524.3-1202; and 524.3-1203; proposing coding for new law in Minnesota Statutes, chapters 501B; and 524; repealing Minnesota Statutes 1994, sections 525.145; and 525.51.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 591, now on General Orders.

**H.F. No. 750:** A bill for an act relating to highways; designating the POW/MIA Memorial Highway; amending Minnesota Statutes 1994, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**H.F. No. 602:** A bill for an act relating to taxation; making tax policy, collection, and administrative changes; imposing penalties; amending Minnesota Statutes 1994, sections 60A.15, subdivision 12; 60A.199, subdivisions 8 and 10; 270.72, subdivisions 1, 2, and 3; 273.124, subdivisions 3 and 6; 274.14; 289A.18, subdivision 2; 289A.20, subdivision 2; 289A.38, subdivision 7; 289A.40, subdivision 1; 289A.43; 289A.55, subdivision 7; 289A.60, subdivisions 2, 12, and by adding a subdivision; 290.01, subdivision 7b; 290.015, subdivision 1; 290.191, subdivisions 1, 5, and 6; 290.92, subdivisions 1 and 23; 290.9201, subdivision 3; 294.09, subdivisions 1 and 4; 295.53, subdivision 2; 296.12, subdivisions 3, 4, and 11; 296.141, subdivisions 1, 2, and 6; 296.17, subdivisions 1, 3, 5, and 11; 296.18, subdivisions 1, 2, and 5; 297.08, subdivisions 1 and 3; 297.35, subdivision 1; 297.43, subdivision 2; 297C.02, subdivision 2; 297C.07; 297C.14, subdivision 2; 297E.11, subdivision 4; 297E.12, subdivision 2; 299F.26, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapters 270; 296; and 340A; repealing Minnesota Statutes 1994, sections 270.70, subdivisions 8, 9, and 10; 297A.212; and 297A.38.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 513, now on General Orders.

## REPORTS OF COMMITTEES

Ms. Flynn moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was re-referred**

**S.F. No. 845:** A bill for an act relating to health; MinnesotaCare; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily uninsured; providing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.48; 62J.55; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.25; 62Q.30; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivision 3, and by adding a subdivision; 256B.057, subdivision 3; 270.101, subdivision 1; 290.01, subdivision 19a; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57;

Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; and 62Q.27; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

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

Page 4, after line 8, insert:

"Sec. 6. Minnesota Statutes 1994, section 62D.181, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE INDIVIDUALS.] An individual is eligible for alternative coverage under this section if:

(1) the individual had individual health coverage through a health maintenance organization, integrated service network, or community integrated service network, the coverage is no longer available due to the insolvency of the health maintenance organization, integrated service network, or community integrated service network, and the individual has not obtained alternative coverage; or

(2) the individual had group health coverage through a health maintenance organization, integrated service network, or community integrated service network, the coverage is no longer available due to the insolvency of the health maintenance organization, integrated service network, or community integrated service network, and the individual has not obtained alternative coverage.

Sec. 7. Minnesota Statutes 1994, section 62D.181, subdivision 3, is amended to read:

Subd. 3. [APPLICATION AND ISSUANCE.] If a health maintenance organization, integrated service network, or community integrated service network will be liquidated, individuals eligible for alternative coverage under subdivision 2 may apply to the association to obtain alternative coverage. Upon receiving an application and evidence that the applicant was enrolled in the health maintenance organization, integrated service network, or community integrated service network at the time of an order for liquidation, the association shall issue policies to eligible individuals, without the limitation on preexisting conditions described in section 62E.14, subdivision 3.

Sec. 8. Minnesota Statutes 1994, section 62D.181, subdivision 6, is amended to read:

Subd. 6. [DURATION.] The duration of alternative coverage issued under this section is:

(1) for individuals eligible under subdivision 2, clause (1), 90 days; and

(2) for individuals eligible under subdivision 2, clause (2), 90 days or the length of time remaining in the group contract with the insolvent health maintenance organization, integrated service network, or community integrated service network, whichever is greater.

Sec. 9. Minnesota Statutes 1994, section 62D.181, subdivision 9, is amended to read:

Subd. 9. [COORDINATION OF POLICIES.] If an insolvent health maintenance organization, integrated service network, or community integrated service network has insolvency insurance coverage at the time of an order for liquidation, the association may coordinate the benefits of the policy issued under this section with those of the insolvency insurance policy available to the enrollees. The premium level for the combined association policy and the insolvency insurance policy may not exceed those described in subdivision 5."

Page 16, line 6, before the comma, insert "for Minnesota residents"

Page 18, delete section 10

Page 31, line 35, after the semicolon, insert "and"



Page 32, line 2, delete the semicolon

Page 32, line 3, delete the paragraph coding and delete "(5)"

Page 32, line 12, delete from ", and" through page 32, line 13, to "62Q.24"

Pages 33 to 37, delete section 26

Page 38, line 11, after "sections" insert "62N.34;"

Page 38, line 14, delete "30" and insert "28"

Page 41, line 6, after the period, insert "As part of this report, the commission shall make recommendations on the design and development of an appropriate framework to apply regulations uniformly among all health plan companies and to ensure adequate oversight and consumer protection in the absence of a regulated all-payer system."

Page 44, delete section 1 and insert:

"Section 1. Minnesota Statutes 1994, section 62Q.165, is amended to read:

62Q.165 [UNIVERSAL COVERAGE.]

(a) ~~It is the commitment of the state to achieve universal health coverage for all Minnesotans by July 1, 1997. In order to achieve this commitment, the following goals must be met:~~

~~(1) every Minnesotan shall have health coverage and shall contribute to the costs of coverage based on ability to pay;~~

~~(2) no Minnesotan shall be denied coverage or forced to pay more because of health status;~~

~~(3) quality health care services must be accessible to all Minnesotans;~~

~~(4) all health care purchasers must be placed on an equal footing in the health care marketplace; and~~

~~(5) a comprehensive and affordable health plan must be available to all Minnesotans. Universal coverage is achieved when:~~

~~(1) every Minnesotan has access to a full range of quality health care services;~~

~~(2) every Minnesotan is able to obtain affordable health coverage which pays for the full range of services, including preventive and primary care; and~~

~~(3) every Minnesotan pays into the health care system according to that person's ability.~~

~~(b) It is the goal of the state to make continuous progress toward reducing the number of Minnesotans who do not have health coverage so that by January 1, 2000, fewer than four percent of the state's population will be without health coverage. The goal will be achieved by improving access to private health coverage through insurance reforms and market reforms, by making health coverage more affordable for low-income Minnesotans through purchasing pools and state subsidies, and by reducing the cost of health coverage through cost containment programs and methods of ensuring that all Minnesotans are paying into the system according to their ability.~~

Page 47, line 2, strike "UNIVERSAL" and insert "PORTABILITY OF" and strike "; INSURANCE REFORMS"

Page 47, strike lines 3 to 22

Page 47, lines 26 to 36, delete the new language and strike the old language

Page 48, lines 1 to 36, delete the new language and strike the old language

Page 49, lines 1 to 36, delete the new language and strike the old language

Page 50, lines 1 to 33, delete the new language and strike the old language

Page 50, line 34, strike "(d)"

Page 51, lines 19 to 36, delete the new language and strike the old language

Page 52, delete lines 1 to 21

Page 88, line 20, delete "FOR"

Page 88, delete line 21

Page 93, lines 14 and 16, delete everything after "for" and insert "children enrolled in the MinnesotaCare program"

Page 93, lines 15 and 17, delete "families with children"

Page 93, delete lines 24 and 25

Page 93, line 26, delete "with children,"

Page 97, after line 3, insert:

"Sec. 11. Minnesota Statutes 1994, section 256.9358, subdivision 4, is amended to read:

Subd. 4. [INELIGIBILITY.] Families with children whose gross monthly income is above the amount specified in subdivision 3 are not eligible for the plan. Beginning October 1, 1994, an individual or households with no children whose gross monthly income is greater than \$767 for a single individual and \$1,025 for a married couple without children are ineligible for the plan. Beginning October 1, 1995, an individual or families whose gross monthly income is above the amount specified in subdivision 3 are not eligible for the plan greater than 125 percent of the federal poverty guidelines are ineligible for the plan."

Page 98, line 4, delete "12" and insert "13"

Page 109, line 6, after the stricken "1993" insert a stricken period

Page 115, line 11, after "be" insert "filed by the health carrier with, and"

Page 115, line 12, after "by" insert a comma and after the period, insert "Health carriers may file one or more standard forms with the commissioner to be used for association rate filings, specifying the allocation of marketing and administrative duties between the health carrier and the association. The rate filing must specify and provide proof of the cost savings realized by the health carrier as a result of the marketing and administrative duties performed by the association. In demonstrating compliance with the aggregate minimum loss ratio for the small employer market, as specified in section 62A.021, health carriers must adjust the minimum loss ratio to reflect any such premium rate discounts and the portion of their small employer premium subject to the discounts."

Page 116, after line 35, insert:

"Subd. 5. [REGISTRATION.] The commissioner may require all associations to register on an annual basis, and may charge a fee sufficient to cover the costs of registration."

Page 131, line 31, delete "licensed"

Page 131, line 32, after "50" insert "licensed"

Page 139, line 28, strike from "continue" through page 139, line 29, to "on" and insert "study"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, delete "appropriating money;"

Page 1, line 21, after "1;" insert "62D.181, subdivisions 2, 3, 6, and 9;"

Page 2, line 2, delete "subdivision 3" and insert "subdivisions 3, 4"

Page 2, line 15, after "7a;" insert "62N.34;"

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

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 900:** A bill for an act relating to human services; defining interpretive guidelines; changing licensing requirements and reconsideration for foster care; assessing fines; adding provisions for drop-in child care programs; changing a definition; adding provisions for the Minnesota family preservation act; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivision 2, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivision 6; 256.12, subdivision 14; 256.8711; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1994, sections 253B.22; 256F.05, subdivisions 2a and 4a; and 256F.06, subdivision 3.

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

Page 3, line 33, delete "within" and insert "whenever possible, prior to placing the child in the relative's home, but no later than" and delete "of" and insert "after"

Page 4, line 22, after "(3)" insert "whenever possible, prior to placing the child in the relative's home,"

Page 6, line 32, delete "an adjudication" and insert "a finding that a delinquency petition is proven"

Page 15, after line 3, insert:

"Sec. 10. Minnesota Statutes 1994, section 245A.06, subdivision 4, is amended to read:

Subd. 4. [NOTICE OF FINE; APPEAL.] A license holder who is ordered to pay a fine must be notified of the order 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 fine was ordered and must inform the license holder of the responsibility for payment of fines in subdivision 7 and the right to a contested case hearing under chapter 14. The license holder may appeal the order to forfeit a fine by notifying the commissioner by certified mail within 15 calendar days after receiving the order. A timely appeal shall stay forfeiture of the fine until the commissioner issues a final order under section 245A.08, subdivision 5."

Page 15, line 6, delete "(a)"

Page 15, line 8, after "by" insert "closing," and after "selling" insert a comma

Page 15, line 9, delete everything after the period

Page 15, delete lines 10 to 13

Page 15, line 14, delete everything before "In"

Page 25, line 28, strike "may" and insert "shall, at the request of a county,"

Page 25, line 34, after "limits" insert "or other levy restrictions"

Page 26, line 6, strike "or"

Page 26, line 7, after "termination" insert "or reduction"

Page 26, line 8, before the period, insert "; or

(5) other changes in state law that significantly impact the receipt or distribution of state and federal funding"

Page 27, after line 29, insert:

"Sec. 22. Minnesota Statutes 1994, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means the applicant or recipient and the following persons who reside with the applicant or recipient:

(1) the applicant's spouse;

(2) any minor child of whom the applicant is a parent, stepparent, or legal custodian, and that child's minor siblings, including half-siblings and stepsiblings;

(3) the other parent of the applicant's minor child or children together with that parent's minor children, and, if that parent is a minor, his or her parents, stepparents, legal guardians, and minor siblings; and

(4) if the applicant or recipient is a minor, the minor's parents, stepparents, or legal guardians, and any other minor children for whom those parents, stepparents, or legal guardians are financially responsible.

~~For the period July 1, 1993 to June 30, 1995,~~ A minor child who is temporarily absent from the applicant's or recipient's home due to placement in foster care paid for from state or local funds, but who is expected to return within six months of the month of departure, is considered to be residing with the applicant or recipient.

A "family" must contain at least one minor child and at least one of that child's natural or adoptive parents, stepparents, or legal custodians."

Page 28, line 2, delete "competent" and insert "appropriate"

Page 35, line 17, delete "may" and insert "shall, at the request of the counties,"

Pages 36 and 37, delete section 37 and insert:

"Sec. 39. Minnesota Statutes 1994, section 257.3571, subdivision 1, is amended to read:

Subdivision 1. [PRIMARY SUPPORT GRANTS.] The commissioner shall establish direct grants to Indian tribes ~~and, Indian organizations, and tribal social service agency programs located off-reservation that serve Indian children and their families to provide primary support for Indian child welfare programs to implement the Indian family preservation act.~~

Sec. 40. Minnesota Statutes 1994, section 257.3572, is amended to read:

257.3572 [GRANT APPLICATIONS.]

A tribe ~~or, Indian organization, or tribal social service agency program located off-reservation~~ may apply for primary support grants under section 257.3571, subdivision 1. A local social service agency, tribe, Indian organization, or other social service organization may apply for special focus grants under section 257.3571, subdivision 2. Civil legal service organizations eligible for grants under section 257.3571, subdivision 2a, may apply for grants under that section. Application may be made alone or in combination with other tribes or Indian organizations.

Sec. 41. Minnesota Statutes 1994, section 257.3577, subdivision 1, is amended to read:

Subdivision 1. [PRIMARY SUPPORT GRANTS.] (a) The amount available for grants established under section 257.3571, subdivision 1, to tribes ~~and, Indian organization grants organizations, and tribal social service agency programs located off-reservation~~ is four-fifths of the total annual appropriation for Indian child welfare grants.

(b) The commissioner shall award tribes at least 70 percent of the amount set in paragraph (a) for primary support grants. Each tribe shall be awarded a base amount of five percent of the total amount set in this paragraph. In addition, each tribe shall be allocated a proportion of the balance of the amount set in this paragraph, less the total base amounts for all reservations. This proportion must equal the ratio of the tribe's on-reservation population to the state's total on-reservation population. Population data must be based on the most recent federal census data according to the state demographer's office.

(c) The commissioner shall award Indian organizations and tribal social service agency programs located off-reservation that serve Indian children and families up to 30 percent of the amount set in paragraph (a) for primary support grants. A maximum of four multiservice Indian organizations and tribal social service agency programs located off-reservation may be awarded grants under this paragraph. "Multiservice Indian organizations" means Indian organizations recognized by the Indian community as providing a broad continuum of social, educational, or cultural services, including Indian child welfare services designed to meet the unique needs of the Indian communities in Minneapolis, St. Paul, and Duluth. Grants may be awarded to programs that submit acceptable proposals, comply with the goals and the application process of the program, and have budgets that reflect appropriate and efficient use of funds. To maintain continuity of service in Indian communities, primary support grants awarded under this paragraph which meet the grant criteria and have demonstrated satisfactory performance as established by the commissioner may be awarded on a non-competitive basis. The commissioner may revoke or deny funding for Indian organizations or tribal social service agencies failing to meet the grant criteria established by the commissioner, and the commissioner may request new proposals from Indian organizations or tribal social service agencies to the extent that funding is available."

Page 37, line 13, delete "253B.22;"

Page 37, line 16, delete "19" and insert "20"

Page 37, line 18, delete "20" and insert "21"

Page 37, line 19, delete "21" and insert "23" and delete "35" and insert "37"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "act;" insert "expanding eligibility for Indian child welfare grants;"

Page 1, line 11, delete "subdivision 2" and insert "subdivisions 2 and 4"

Page 1, line 14, after "256.8711;" insert "256D.02, subdivision 5;"

Page 1, line 18, delete "and 364.09;" and insert "257.3571, subdivision 1; 257.3572; and 257.3577, subdivision 1;"

Page 1, line 20, delete "253B.22;"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1019:** A bill for an act relating to metropolitan government; establishing the metropolitan livable communities advisory board; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; requiring the metropolitan mosquito control district to liquidate certain assets; providing for certain revenue sharing; amending Minnesota Statutes 1994, sections 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.702; 473.704, subdivisions 2, 3, 5, 6, 7, 8, 13, and 17; 473.711, subdivision 2; and 473F.08, subdivisions 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

METROPOLITAN LIVABLE COMMUNITIES ACT

Section 1. [473.25] [METROPOLITAN LIVABLE COMMUNITIES ADVISORY BOARD.]

Subdivision 1. [ESTABLISHED; MEMBERSHIP.] A metropolitan livable communities advisory board is established and consists of nine members, none of whom may be legislators, appointed as follows: three members appointed by the governor, three members appointed by the senate rules and administration subcommittee on committees, and three members appointed by the speaker of the house of representatives. Members of the board serve at the pleasure of their respective appointing authorities. In making the appointments, the appointing authorities shall consider the need for:

(1) balanced geographic representation, including representation of the core, the fully developed, developing, and rural parts of the metropolitan area; and

(2) expertise in economic development, land use and planning, housing, and other disciplines and backgrounds related to the work of the board.

Of the nine members, at least one shall be:

(1) a representative of the design center for American urban landscape of the University of Minnesota's college of architecture and landscape architecture;

(2) a representative of a foundation with a record of participation in urban redevelopment;

(3) a representative of the private sector with experience in redevelopment projects;

(4) a representative of metropolitan area municipalities; and

(5) a person from a community-based organization with experience in redevelopment.

No more than five members may be of the same gender. Each year, the board shall select a member to serve as chair of the board.

Subd. 2. [COMPENSATION.] The metropolitan council shall pay board members' per diem and expenses as provided in section 15.059, subdivision 3, except that per diem shall be paid only for days in which the member attends one or more meetings as authorized by the board. The metropolitan council shall include in its budget anticipated expenditures for board members' per diem and expenses.

Subd. 3. [ADMINISTRATIVE SUPPORT.] The metropolitan council shall provide meeting space, staff, and administrative support for the board and shall distribute available funds according to the annual plan prepared by the board and approved by the council, as provided for in subdivision 4.

Subd. 4. [POWERS AND DUTIES.] (a) The board shall establish criteria for uses of the fund provided in section 473.251 that are consistent with and promote the purposes of this article and the policies of the metropolitan development guide adopted by the metropolitan council.

(b) The board shall establish guidelines for the livable community demonstration projects account that the board would consider funding with either grants or loans. The guidelines must provide that the projects will:

(1) help change long-term market incentives that adversely impact creation and preservation of living-wage jobs in the fully developed area;

(2) create incentives for developing communities to include a full range of housing opportunities;

(3) create incentives to preserve and rehabilitate affordable housing in the fully developed area; and

(4) create incentives for all communities to implement compact and efficient development. Such projects may include one of any combination of the following:

(i) projects which interrelate development or redevelopment and transit;

(ii) projects which interrelate affordable housing and employment growth areas;

(iii) projects which intensify land use that leads to more compact development or redevelopment;

(iv) projects which involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities; or

(v) encourage public infrastructure investments that will attract private sector development.

(c) The board shall establish guidelines governing who may apply for a grant or loan from the fund, providing priority for proposals using innovative partnerships between government, private for-profit, and nonprofit sectors.

(d) The board shall prepare and submit to the metropolitan council an annual plan for distribution of the fund based on the board's criteria for project and applicant selection. The council shall either approve the whole plan or disapprove the whole plan. If the council disapproves the plan, the council shall return it to the board with the council's reasons for disapproval and the board shall consider the council's reasons in revising and resubmitting the plan to the council for approval or disapproval.

(e) The board shall prepare and submit to the council and the legislature, as provided in section 3.195, an annual report on the metropolitan livable communities fund. The report must include information on the amount of money in the fund, the amount distributed, to whom the funds were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the board and council. The report may make recommendations to the legislature on changes to this act.

Sec. 2. [473.251] [FUND ESTABLISHED.]

Subdivision 1. [GENERAL.] The metropolitan livable communities fund is created and consists of the following accounts:

(1) the tax base revitalization account;

(2) the livable communities demonstration account; and

(3) the local housing incentives account.

Subd. 2. [TAX BASE REVITALIZATION ACCOUNT.] The council shall credit to a tax base revitalization account within the fund the amount provided for under section 473.167, subdivision 3a, paragraph (b), and the amount distributed to the council pursuant to section 473F.08, subdivision 3b. The purpose of this account is to provide funds for polluted land cleanup to encourage commercial and industrial redevelopment that will lead to the preservation or growth of living-wage jobs and enhance the tax base of the recipient community. The funds may also be used as a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.57.

Subd. 3. [LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT.] The council shall credit to the livable communities demonstration account within the fund the revenues from the tax levied under this subdivision and from the sale of the assets under subdivision 4. The purpose of this account is to fund the initiatives specified in section 1, subdivision 4, paragraph (b). The council shall levy a tax on all taxable property in the metropolitan area for the livable communities demonstration account. This tax shall be levied and collected in the manner provided by section 473.13. The levy shall not exceed the following amount for the years specified:

(a)(1) for taxes payable in 1996, 75 percent of (i) the metropolitan mosquito control commission's property tax levy limit for 1995 as determined under section 473.711, subdivision 2, multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year; and

(2) for taxes payable in 1997 and subsequent years, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year.

For the purposes of this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities under chapter 473F, tax increment financing under sections 469.174 to 469.179, and high voltage transmission lines under section 273.425.

(b) The metropolitan council, for the purposes of the fund, is considered a unique taxing jurisdiction for purposes of receiving aid pursuant to section 273.1398. For aid to be received in 1996, the fund's homestead and agricultural credit base shall equal 75 percent of the metropolitan mosquito control commission's certified homestead and agricultural credit aid for 1995, determined under section 273.1398, subdivision 2, less any permanent aid reduction under section 477A.0132. For aid to be received under section 273.1398 in 1997 and subsequent years, the fund's homestead and agricultural credit base shall be determined in accordance with section 273.1398, subdivision 1.

Subd. 4. [LOCAL HOUSING INCENTIVES ACCOUNT; DISTRIBUTION.] The council shall credit to the local housing incentives account within the fund the revenues distributed by a municipality under paragraph (c), clause (1). The purpose of this account is to expand and preserve affordable and life-cycle housing opportunities throughout the metropolitan area. For the purposes of this subdivision, "municipality" means a statutory or home rule charter city or town in the metropolitan area.

(a) The council shall negotiate with each municipality to establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the metropolitan council as provided in the adopted metropolitan development guide. The council, with the assistance of the board, shall also identify actions a municipality may take to meet the municipality's goals. Each municipality must report to the council by January 15 of each year, the following:

(1) the tax revenues defined in paragraph (e) that were levied in the prior year;

(2) the portion of the revenues that were spent on meeting the municipality's affordable and life-cycle housing goals; and

(3) information on how the expenditures directly support the municipality's efforts to meet its affordable and life-cycle housing goals.

The council shall certify each municipality's compliance with this paragraph.

(b) A municipality that is determined by the council to have met its affordable and life-cycle housing goals in the previous year may retain the amount calculated under paragraph (e) to maintain existing affordable and life-cycle housing.

(c) A municipality that is determined by the council not to have met the affordable and life-cycle housing goals in the previous year, as negotiated and agreed to with the council, shall either: (1) distribute the amount calculated under paragraph (e) to the local housing incentives account; or (2) retain the amount calculated under paragraph (e) to create affordable and life-cycle housing as approved by the council.

(d) If a municipality can demonstrate to the council that it is already expending an amount equal to or greater than the amount calculated under paragraph (e) on affordable and life-cycle



housing, the municipality is not required to expend any additional levels to meet the affordable and life-cycle housing goals established under paragraph (a).

(e)(1) By July 1, 1995, each county assessor shall certify each municipality's average residential homestead limited market value for the 1993 assessment year, including the value of the farm house, garage, and one acre only in the case of farm homesteads, multiplied by a factor of two, as the municipality's "market value base amount." (2) By July 1, 1995, and each succeeding year, for each municipality, the county assessor shall determine which homesteads have market values in excess of the municipality's market value base amount and shall certify the aggregate net tax capacity corresponding to the amount by which those homesteads' market values exceed the municipality's market value base amount as the "net tax capacity excess amount" for the assessment year corresponding to the current taxes payable year. By July 1, 1995, the county assessor shall also certify the net tax capacity excess amount for taxes payable in 1994. (3) By July 1, 1995, and each succeeding year, the county assessor shall also certify each municipality's average total net tax capacity tax rate for the current taxes payable year. (4) By August 1, 1995, and each succeeding year, the metropolitan council shall notify each municipality of its "affordable and life-cycle housing opportunities amount" for taxes payable in 1996 and for each succeeding taxes payable year, equal to 40 percent of the amount, if any, by which the net tax capacity excess amount for the current year exceeds the amount for taxes payable in 1994 multiplied by the average total net tax capacity tax rate certified in clause (3).

### Sec. 3. [2025 REPORT.]

The metropolitan council shall report to the legislature by January 15, 1996, on the probable development patterns in and affecting the metropolitan area by the year 2025 under various scenarios, including the present course of growth versus directed, compact, and efficient development. The report should consider impacts on the greater metropolitan region, including within it counties in which five percent or more of residents commute to employment in the present metropolitan region or which are part of the metropolitan area as defined by the U.S. Department of Commerce Standard Metropolitan Statistical Area.

### Sec. 4. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

### Sec. 5. [EFFECTIVE DATE.]

This article is effective the day after final enactment. Section 2 is effective for taxes levied in 1995 and payable in 1996, and subsequent years.

## ARTICLE 2

### MISCELLANEOUS AMENDMENTS

Section 1. Minnesota Statutes 1994, section 116J.556, is amended to read:

#### 116J.556 [LOCAL MATCH REQUIREMENT.]

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-half of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least ~~18~~ five percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to ~~18~~ five percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or

before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 2. Minnesota Statutes 1994, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction; or (3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3 and distributed to the right-of-way acquisition loan fund pursuant to subdivision 3a, paragraph (a), all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the ~~authorized levy~~ proceeds distributed to the right-of-way acquisition loan fund pursuant to subdivision 3a, paragraph (a), for that year.

Sec. 3. Minnesota Statutes 1994, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may shall levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a and for the tax base revitalization account in the metropolitan livable communities fund, established under section 473.251, subdivision 3. This tax for the right-of-way acquisition loan fund and the tax base revitalization account shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, ~~except as otherwise provided in this subdivision.~~

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund

and the tax base revitalization account shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area;

(c) for taxes payable in 1990, an amount not to exceed \$2,700,000; and

(d) for taxes payable in 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable in 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for taxes payable in 1988.

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund and tax base revitalization account in the metropolitan livable communities fund, under section 473.251, subdivision 3, for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

~~The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right of way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.~~

Sec. 4. Minnesota Statutes 1994, section 473.167, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF TAX PROCEEDS.] (a) Right-of-way acquisition loan fund. Tax proceeds shall first be deposited into the right-of-way acquisition loan fund in an amount determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under subdivision 3.

(b) Metropolitan livable communities tax base revitalization account. Any tax proceeds not first deposited into the right-of-way acquisition loan fund shall be distributed to the tax base revitalization account in the metropolitan livable communities fund, established under section 473.251, subdivision 3.

Sec. 5. Minnesota Statutes 1994, section 473.702, is amended to read:

473.702 [ESTABLISHMENT OF DISTRICT; PURPOSE; AREA; GOVERNING BODY.]

A metropolitan mosquito control district is created to control disease caused by mosquitoes, disease vectoring ticks, and black gnats (Simuliidae) in the metropolitan area defined in section 473.121. The area of the district is the metropolitan area excluding the part of Carver county west of the west line of township 116N, range 24W, township 115N, range 24W, and township 114N, range 24W. The metropolitan mosquito control commission is created as the governing body of the district, composed and exercising the powers as prescribed in sections 473.701 to 473.716. For the purposes of section 471.666, the commission is a political subdivision.

Sec. 6. Minnesota Statutes 1994, section 473.704, subdivision 2, is amended to read:

Subd. 2. It may undertake disease control programs in the district in accordance with expert and technical plans.

Sec. 7. Minnesota Statutes 1994, section 473.704, subdivision 3, is amended to read:

Subd. 3. It may employ and fix the duties and compensation of a director who shall develop the disease control programs of the district and shall supervise its execution; such director shall have studied both the science of entomology and the science of epidemiology and shall be either an entomologist or an epidemiologist.

Sec. 8. Minnesota Statutes 1994, section 473.704, subdivision 5, is amended to read:

Subd. 5. It may employ such other persons and contract for such other services as may be needed to carry out the disease control programs in the district, except that no person may be employed by the commission who is related to any commissioner.

Sec. 9. Minnesota Statutes 1994, section 473.704, subdivision 6, is amended to read:

Subd. 6. It may reimburse commissioners and employees for expenses necessarily incurred or paid in performance of their duties and provide per diem ~~as provided by section 473.141, subdivision 7~~ in the amount specified in section 15.059, subdivision 3.

Sec. 10. Minnesota Statutes 1994, section 473.704, subdivision 7, is amended to read:

Subd. 7. It may purchase materials, supplies, and equipment as may be necessary to carry out the disease control programs in the district.

Sec. 11. Minnesota Statutes 1994, section 473.704, subdivision 8, is amended to read:

Subd. 8. It may accept gifts of property for disease control program purposes.

Sec. 12. Minnesota Statutes 1994, section 473.704, subdivision 13, is amended to read:

Subd. 13. It may enter into agreements with counties, cities or towns of the state of Minnesota outside of the district to conduct disease control program activities in these political subdivisions in order to effectuate disease control programs in the district and subdivisions.

Sec. 13. Minnesota Statutes 1994, section 473.704, subdivision 17, is amended to read:

Subd. 17. Members of the commission, its officers, and employees, while on the business of the commission, may enter upon any property within or outside the district at reasonable times to determine the need for disease control programs. They may take all necessary and proper steps for the control programs on property within the district as the director of the commission may designate. Subject to the paramount control of the county and state authorities, commission members and officers and employees of the commission may enter upon any property and clean up any stagnant pool of water, the shores of lakes and streams, and other breeding places for mosquitoes within the district. The commissioner of natural resources shall allow the commission to enter upon state property for the purposes described in this subdivision. The commission may apply insecticides approved by the director to any area within or outside the district that is found to be a breeding place for mosquitoes. The commission shall give reasonable notification to the governing body of the local unit of government prior to applying insecticides outside of the district on land located within the jurisdiction of the local unit of government. The commission shall not enter upon private property if the owner objects except for control of disease bearing mosquito encephalitis outbreaks.

Sec. 14. Minnesota Statutes 1994, section 473.711, subdivision 2, is amended to read:

Subd. 2. [BUDGET; TAX LEVY.] (a) Budget. 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.

(b) Tax Levy. 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~~ this section. The levy shall be in addition to other taxes authorized by law.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

(i) for taxes payable in 1996, 25 percent of 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 taxes payable year divided by the total market valuation of all taxable property located within the district for the previous assessment taxes payable year; and

(ii) for taxes payable in 1997 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 taxes payable year divided by the total market valuation of all taxable property located within the district for the previous taxes payable year.

For the purpose of determining the commission's property tax levy limitation 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).

(c) Homestead and Agricultural Credit Aid. For aids payable in 1996 and subsequent years, the commission's homestead and agricultural credit aid base under section 273.1398, subdivision 1, is permanently reduced by 75 percent of the amount certified to be received in 1995, less any permanent aid reduction in 1995 under section 477A.0132.

(d) Emergency Tax Levy. If the commissioner of the department of health declares a health emergency due to a threatened or actual outbreak of disease caused by mosquitos, disease vectoring ticks, or black gnats (Simuliidae), the commission may levy an additional tax not to exceed \$500,000 on all taxable property in the district to pay for the required control measures.

(e) Optional County Levy. A participating county may levy a tax in an amount to be determined by the county board for mosquito, disease vectoring tick, and black gnat (Simuliidae) nuisance control. If the county levies the tax for nuisance control, it must contract with the commission to provide for nuisance control activities within the county. The levy for nuisance control shall be in addition to other levies authorized by law to the county.

Sec. 15. Minnesota Statutes 1994, section 473F.08, is amended by adding a subdivision to read:

Subd. 3b. [LIVABLE COMMUNITIES FUND.] (a) The Hennepin county auditor shall certify the city of Bloomington's interest payments for 1987 for the bonds which were sold for highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g).

(b) For taxes payable in 1996 through taxes payable in 1999, the Hennepin county auditor shall certify the amount calculated by subtracting the amount certified under subdivision 3a from the amount in paragraph (a). For taxes payable in 2000 and subsequent years, the Hennepin county auditor shall certify the amount calculated in paragraph (a).

(c) The Ramsey county auditor shall annually add a dollar amount to its areawide portion of the levy equal to the amount which has been certified in paragraph (b). The total areawide portion of the levy for Ramsey county, including the additional amount certified under paragraph (b), shall be certified by the Ramsey county auditor to the administrative auditor pursuant to subdivision 5.

(d) The Ramsey county auditor shall distribute the amount certified in paragraph (b) to the metropolitan council for the tax revitalization account within the metropolitan livable communities fund, established under section 473.251, at the same time that payments are made to the other counties pursuant to subdivision 7a.

Sec. 16. Minnesota Statutes 1994, section 473F.08, subdivision 5, is amended to read:

Subd. 5. [AREAWIDE TAX RATE.] On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined under ~~subdivision~~ subdivisions 3, clause (a), 3a, and 3b. The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Sec. 17. Minnesota Statutes 1994, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. [CERTIFICATION OF VALUES; PAYMENT.] The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to ~~subdivision~~ subdivisions 3, clause (a), 3a, and 3b, within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 18. [CITATION.]

This act may be cited as "the metropolitan livable communities act."

Sec. 19. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 20. [EFFECTIVE DATES.]

This article is effective the day after final enactment. Sections 14, 15, 16, and 17 are effective for taxes levied in 1995 payable in 1996 and subsequent years."

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

### **Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 410:** A bill for an act relating to health; giving the commissioner of administration authority to negotiate contract prices for all prescription drugs sold in Minnesota; allowing correction orders to be issued; establishing a statewide drug formulary; requiring a pharmacy to post a sign on generic substitution; amending Minnesota Statutes 1994, sections 151.21, subdivisions 2, 3, and by adding a subdivision; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; and 256.

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

Page 1, after line 15, insert:

"Subd. 2. [CONTRACTOR.] "Contractor" means the individual, business entity, or other private organization who is awarded the contract by the commissioner to negotiate the prices for prescription drugs pursuant to section 16B.94, subdivision 1."

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

Page 1, line 18, delete "3" and insert "4"

Page 1, line 20, delete "4" and insert "5"

Page 1, line 23, delete "5" and insert "6"

Page 1, line 26, delete "6" and insert "7"

Page 2, line 1, delete "7" and insert "8"

Page 2, line 6, delete "8" and insert "9"

Page 2, line 10, delete "CONTRACTOR" and insert "PRICE CONTRACT"

Page 2, line 12, delete "Effective January 1, 1996,"

Page 2, line 14, after the period, insert "The commissioner may contract with an individual, business entity, or other private organization to negotiate the contract price as required under this subdivision. The commissioner may negotiate a price differential based on volume purchasing."

Page 2, lines 24 and 28, after "commissioner" insert "or contractor"

Page 2, line 32, after "prohibit" insert ":

(1)"

Page 2, line 34, before the period, insert ";

(2) administrative fees received by the commissioner of administration for the services rendered under subdivision 1"

Page 3, line 2, delete from "that" through page 3, line 3, to "price" and insert "under the price contract negotiated pursuant to subdivision 1"

Page 3, line 5, before the period, insert "or contractor"

Page 3, line 15, delete "by the commissioner"

Page 4, line 28, delete "practitioner" and insert "prescriber"

Page 4, line 30, delete "practitioner's" and insert "prescriber's"

Page 5, line 33, after the period, insert "When developing the formulary contents, consideration must be given to drugs with a narrow therapeutic index."

Page 10, line 23, delete "Section 5 is" and insert "Sections 2 and 5 are"

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

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

**H.F. No. 782** 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.

782

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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 HOUSE BILLS**

H.F. No. 782 was read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Mondale moved that the name of Ms. Wiener be added as a co-author to S.F. No. 1019. The motion prevailed.

Mr. Metzen moved that S.F. No. 530 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Finance. The motion prevailed.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Messrs. Solon, Stevens, Ms. Anderson, Messrs. Hottinger and Belanger introduced--**

**S.F. No. 1105:** A bill for an act relating to liquor; distilled spirits; regulating the standards of fill for distilled spirits; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Mondale introduced--**

**S.F. No. 1106:** A bill for an act relating to health; providing an exception to the nursing home moratorium; amending Minnesota Statutes 1994, section 144A.071, subdivision 4a.

Referred to the Committee on Health Care.

**Mr. Mondale, Ms. Flynn and Mr. Novak introduced--**

**S.F. No. 1107:** A bill for an act relating to the metropolitan council; providing for an elected metropolitan council; providing for public financing of campaigns for council seats; imposing penalties; amending Minnesota Statutes 1994, sections 15.0597, subdivision 1; 15A.082, subdivision 3; 204B.09, subdivisions 1 and 1a; 204B.135, subdivision 2; 204B.32, subdivision 2; 353D.01, subdivision 2; and 473.123, subdivisions 1, 2a, 3a, 4, 7, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, section 473.123, subdivision 3.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Finn introduced--**

**S.F. No. 1108:** A bill for an act relating to traffic regulations; prohibiting certain barriers across roads, driveways, and trails; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 169.



Referred to the Committee on Transportation and Public Transit.

**Mr. Novak, Ms. Pappas and Mr. Mondale introduced--**

**S.F. No. 1109:** A bill for an act relating to the metropolitan council; requiring the metropolitan council to implement affordable housing policies; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Samuelson introduced--**

**S.F. No. 1110:** A bill for an act relating to human services; appropriating money for the departments of human services and health, the veterans nursing homes board, the health-related boards, the telecommunication access for communication-impaired persons board, the council on disability, the ombudsman for mental health and mental retardation, and the ombudsman for families.

Referred to the Committee on Health Care.

**Mr. Lessard introduced--**

**S.F. No. 1111:** A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; affirming the right of citizens to hunt or take game and fish.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Ourada and Stevens introduced--**

**S.F. No. 1112:** A bill for an act relating to local government; authorizing Sherburne county to convey certain county ditches to the city of Elk River under certain conditions.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Price introduced--**

**S.F. No. 1113:** A bill for an act relating to education; expanding payment of special education aid to include special education cooperatives or intermediate school districts as designated by a participating school district; amending Minnesota Statutes 1994, section 124.32, subdivision 12.

Referred to the Committee on Education.

**Messrs. Samuelson, Sams, Mses. Piper, Berglin and Mr. Stevens introduced--**

**S.F. No. 1114:** A bill for an act relating to human services; designating use of funds for regional treatment centers; amending Minnesota Statutes 1994, sections 246.18, subdivision 4, and by adding a subdivision; 246.23, subdivision 2; 246.56, by adding a subdivision; and 254B.05, subdivision 4.

Referred to the Committee on Health Care.

**Mr. Merriam introduced--**

**S.F. No. 1115:** A bill for an act relating to eminent domain; modifying certain provisions relating to the acquisition of property for public purposes; amending Minnesota Statutes 1994, sections 117.025, subdivision 2; 160.08, subdivisions 4 and 5; and 161.24, subdivision 1.

Referred to the Committee on Judiciary.

**Messrs. Merriam, Frederickson, Stevens, Morse and Laidig introduced--**

**S.F. No. 1116:** A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, and 12; 103G.237, subdivision 4; and 103G.2372, subdivision 1; repealing Minnesota Statutes 1994, section 103G.2242, subdivisions 9 and 13.

Referred to the Committee on Environment and Natural Resources.

**Mr. Pogemiller introduced--**

**S.F. No. 1117:** A bill for an act relating to government operations; expanding Minneapolis health insurance subsidy to include eligible Minneapolis teachers who retire before May 1, 1983; amending Minnesota Statutes 1994, section 124.916, subdivision 4.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Betzold introduced--**

**S.F. No. 1118:** 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 1994, sections 3A.01, subdivision 7; 3A.02, subdivision 1; 3A.11, subdivision 4; 3C.10, subdivision 3; 9.071; 11A.18, subdivision 10; 13.99, subdivision 92c; 15.061; 15.56, subdivision 5; 17.1015; 29.021; 31.495, subdivisions 1 and 5; 32.01, subdivision 6; 60B.02; 72A.20, subdivision 29; 72C.03; 72C.04, subdivision 4; 82.34, subdivision 6; 84.025, subdivision 7; 84.0895, subdivision 2; 84.0911, subdivision 2; 85.016; 90.251, subdivision 4; 92.46, subdivision 1; 97A.115, subdivision 2; 103F.516, subdivision 2; 103G.2365; 116.03, subdivision 2; 116C.724, subdivision 2; 116C.98, subdivision 3; 116J.035, subdivision 1; 116J.402; 116J.70, subdivision 2a; 124.916, subdivision 1; 126.25, subdivision 3; 134.341; 136A.40; 144.3831, subdivision 1; 145A.07, subdivision 1; 147.01, subdivision 5; 154.161, subdivision 3; 162.09, subdivision 1; 192.261, subdivision 3; 192.501, subdivision 2; 193.36, subdivision 2; 201.15, subdivision 1; 270.69, subdivision 10; 271.21, subdivision 6; 275.066; 290.01, subdivisions 3a and 19d; 290.05, subdivision 3; 294.03, subdivision 2; 297A.25, subdivision 21; 299F.72, subdivision 1; 299L.05; 299L.07, subdivision 2a; 308A.503, subdivision 3; 317A.733, subdivisions 1 and 2; 340A.503, subdivision 1; 349.12, subdivision 25; 349.17, subdivision 6; 352.01, subdivision 2a; 354.07, subdivision 7; 360.305, subdivisions 1, 2, and 5; 365.125, subdivision 2; 383A.90, subdivision 2; 383D.71, subdivision 2; 462C.12, subdivision 2; 473.121, subdivision 11; 473.149, subdivision 4; 473.192, subdivision 4; 473.3993, subdivision 1; 473.405, subdivisions 1 and 12; 473.598, subdivision 4; 473.599, subdivision 8; 473.811, subdivisions 1a and 5; 473.834, subdivision 2; 474A.061, subdivision 2a; 518.551, subdivision 5; 518C.101; 524.2-210; 525.011, subdivision 1; 554.04, subdivision 2; 609.342, subdivision 1; 609.561, subdivision 3; and 609.66, subdivision 1d; Laws 1993, chapter 273, section 1, as amended; and Laws 1994, chapter 647, article 7, section 19, subdivision 4; repealing Minnesota Statutes 1994, sections 13.99, subdivision 71; 103B.151, subdivision 3; 134.32, subdivision 2; 256B.0925; 297A.25, subdivision 50; 383B.614, subdivision 5; 469.110, subdivision 9; 469.170, subdivision 9; 611A.032; 624.01; and 624.03; Laws 1986, First Special Session chapter 1, article 9, section 18; First Special Session chapter 2, article 3, section 1; Laws 1987, chapter 254, section 8; Laws 1988, chapter 486, section 59; Laws 1990, chapter 562, article 10, section 1; Laws 1993, chapter 146, article 5, section 15; Laws 1994, chapter 485, section 14; chapter 647, article 1, section 4; article 8, section 46, paragraph (b); article 13, sections 3 and 14.

Referred to the Committee on Judiciary.

**Messrs. Chandler, Stumpf, Ms. Krentz and Mr. Novak introduced--**

**S.F. No. 1119:** A bill for an act relating to education; excluding commercial and industrial property and certain farm lands from the tax base referendum levies are spread against; creating a statewide equalization property tax on commercial and industrial property; funding equalization

aid; requiring existing referendum levies to be reauthorized; eliminating certain caps on referendum revenue; appropriating money; amending Minnesota Statutes 1994, sections 124.214, subdivisions 2 and 3; 124.248, subdivision 3; 124.2727, subdivision 6b; 124.273, subdivision 1b; 124.32, subdivisions 1b and 1f; 124.322, subdivisions 1a and 3; 124.323, subdivision 1; 124.574, subdivision 2b; 124.961; 124A.02, by adding a subdivision; 124A.03, subdivisions 1c, 1e, 1f, 1g, 2, 2a, and by adding subdivisions; 124A.22, subdivision 2; 125.1895, subdivision 4; and 275.065, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 124D; repealing Minnesota Statutes 1994, sections 124.321; and 124.322, subdivision 4.

Referred to the Committee on Education.

**Mr. Berg introduced--**

**S.F. No. 1120:** A bill for an act relating to gambling; creating a special account for money received by the gambling control board as reimbursement for costs of testing pull-tab dispensing devices; appropriating money in the account to the board for that purpose; amending Minnesota Statutes 1994, section 349.151, subdivision 4b.

Referred to the Committee on Gaming Regulation.

**Messrs. Cohen; Moe, R.D.; Kelly and Price introduced--**

**S.F. No. 1121:** A bill for an act relating to human development; appropriating money for preliminary planning and programming for a human development center.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Lessard, Riveness, Laidig, Dille and Morse introduced--**

**S.F. No. 1122:** A bill for an act relating to the environment; creating the drycleaner environmental response act; requiring rulemaking; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Johnson, D.J.; Stumpf; Dille and Solon introduced--**

**S.F. No. 1123:** A bill for an act relating to taxation; changing existing property tax exemptions for housing for technical college students; amending Laws 1992, chapter 511, article 2, sections 45, subdivision 7, and by adding a subdivision; and 46, subdivision 7, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Riveness, Pogemiller, Morse, Stumpf and Terwilliger introduced--**

**S.F. No. 1124:** A bill for an act relating to retirement; major statewide pension plans; specifying graded rate salary increase assumptions; amending Minnesota Statutes 1994, section 356.215, subdivision 4d.

Referred to the Committee on Governmental Operations and Veterans.

**Mses. Pappas, Runbeck, Mr. Frederickson, Ms. Anderson and Mr. Novak introduced--**

**S.F. No. 1125:** A bill for an act relating to employment; establishing the labor education advancement grant program; proposing coding for new law in Minnesota Statutes, chapter 178.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Runbeck, Mr. Kelly and Ms. Robertson introduced--**

**S.F. No. 1126:** A bill for an act relating to sentencing; requiring the sentencing guidelines commission to prohibit the use of amenability to treatment or probation as a reason for mitigated sentencing departures; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Crime Prevention.

**Ms. Olson, Messrs. Merriam, Morse, Frederickson and Lessard introduced--**

**S.F. No. 1127:** A bill for an act relating to state lands; authorizing public sale of certain state land that borders public water in Hennepin county.

Referred to the Committee on Environment and Natural Resources.

**Ms. Robertson, Messrs. Kramer, Limmer, Pogemiller and Ms. Reichgott Junge introduced--**

**S.F. No. 1128:** A bill for an act relating to education; providing for residency requirements for school board candidates; amending Minnesota Statutes 1994, section 204B.06, subdivision 1.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Runbeck, Messrs. Langseth, Belanger, Ms. Johnston and Mr. Sams introduced--**

**S.F. No. 1129:** A bill for an act relating to drivers' licenses; requiring additional information in drivers' education programs, the driver's license application pamphlet, the driver's license examination, and the driver's manual regarding the legal and financial consequences of violating DWI-related laws; amending Minnesota Statutes 1994, sections 169.121, by adding a subdivision; 171.06, subdivision 3; and 171.13, subdivisions 1 and 1b.

Referred to the Committee on Transportation and Public Transit.

**Ms. Runbeck and Mr. Limmer introduced--**

**S.F. No. 1130:** A bill for an act relating to alcoholic beverages; imposing restrictions on certain sales practices during certain hours; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Runbeck, Mr. Belanger, Ms. Robertson and Mr. Mondale introduced--**

**S.F. No. 1131:** A bill for an act relating to taxation; eliminating payment of homestead and agricultural credit aid to special taxing districts; amending Minnesota Statutes 1994, section 273.1398, subdivisions 2 and 8.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Reichgott Junge introduced--**

**S.F. No. 1132:** A bill for an act relating to state government; creating an office of customer service; requiring certain actions to meet customer needs; imposing time limits for certain state agency actions; proposing coding for new law in Minnesota Statutes, chapter 4.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Betzold, Kramer, Novak, Kroening and Pogemiller introduced--**

**S.F. No. 1133:** A bill for an act relating to economic development; appropriating money for business retention and expansion.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Solon, Ms. Wiener, Messrs. Metzen, Larson and Belanger introduced--**

**S.F. No. 1134:** A bill for an act relating to financial institutions; regulating notices, electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, data classification, the powers and duties of institutions, detached facilities, and interstate banking; making technical changes; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivisions 1, 2, and 4; 46.044, subdivision 1; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.28, subdivision 1; 47.52; 47.54, subdivisions 1 and 2; 47.56; 47.58, subdivision 2; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivision 26; 51A.19, subdivision 9; 51A.50; 51A.58; 52.01; 52.04, subdivision 2a; 52.05, subdivision 2; 52.21; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivision 1, and by adding a subdivision; 56.11; 56.12; 56.125, subdivision 2; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 62B.04, subdivision 1; 300.20, subdivision 1; 325F.91, subdivision 2; and 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; and 51A; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; 51A.385; and 325F.91, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Metzen, Pogemiller, Ms. Krentz and Mr. Stumpf introduced--**

**S.F. No. 1135:** A bill for an act relating to ice arenas; providing the Minnesota amateur sports commission with additional authority; authorizing use of county capital improvement bonds; exempting issuance of certain debt from the election requirements; providing a sales tax exemption; authorizing use of subdivision dedication for certain facilities; appropriating money; amending Minnesota Statutes 1994, sections 240A.09; 240A.10; 297A.25, by adding a subdivision; 373.40, subdivision 1; 462.358, subdivision 2b; 471.16, subdivision 1; and 475.58, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 373.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Betzold introduced--**

**S.F. No. 1136:** A bill for an act relating to human services; adding provisions to health insurance coverage; providing firearms background check; providing mental health services; adding provisions for paternity testing; adding provisions for paternity and child support; providing medical assistance coverage for pediatric vaccines; providing penalties; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 245.041; 245.487, subdivision 4; 245.4871, subdivisions 12 and 33a; 245.4873, subdivision 6; 245.4874; 245.4875, subdivision 2; 245.4878; 245.4885, subdivision 2; 253B.091; 256.015, subdivision 7; 256.025, subdivisions 1 and 3; 256.12, subdivision 14; 256.74, by adding a subdivision; 256.76, subdivision 1; 256B.0625, by adding a subdivision; 256E.08, subdivision 8; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 518.171, subdivisions 1, 3, 4, 5, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivisions 2 and 7; and 518.615, subdivision 3; repealing Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; and 62E.04, subdivisions 9 and 10.

Referred to the Committee on Health Care.

**Mr. Belanger introduced--**

**S.F. No. 1137:** A bill for an act relating to motor vehicles; providing a reduced registration fee for automobiles registered after the 15th day of the first month of registration; amending Minnesota Statutes 1994, section 168.017, subdivision 4.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Janezich, Johnson, D.J. and Solon introduced--**

**S.F. No. 1138:** A bill for an act relating to water pollution; creating a revolving fund; requiring the department of trade and economic development and the pollution control agency to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Environment and Natural Resources.

**Ms. Olson, Messrs. Moe, R.D. and Chmielewski introduced--**

**S.F. No. 1139:** A bill for an act relating to highways; allowing appeal of decision by county board to deny request to designate a natural preservation route; amending Minnesota Statutes 1994, section 162.021, subdivision 5.

Referred to the Committee on Transportation and Public Transit.

**Mses. Lesewski, Kiscaden, Mr. Novak, Ms. Anderson and Mr. Larson introduced--**

**S.F. No. 1140:** A bill for an act relating to employment; modifying provisions relating to rehabilitation programs and services; amending Minnesota Statutes 1994, sections 268A.01, subdivisions 4, 5, 6, 9, and 10; 268A.03; 268A.06, subdivision 1; 268A.07; 268A.08, subdivisions 1 and 2; and 268A.13; proposing coding for new law in Minnesota Statutes, chapter 268A; repealing Minnesota Statutes 1994, sections 268A.01, subdivisions 7, 11, and 12; and 268A.09.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1141:** A bill for an act relating to retirement; Minnesota state retirement system; providing a retroactive exception to the earnings limitation for a certain reemployed annuitant.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Johnson, J.B.; Messrs. Chmielewski and Stevens introduced--**

**S.F. No. 1142:** A bill for an act relating to economic development; providing funding for the North West Company Fur Post Interpretive Center; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kroening, Janezich, Bertram, Samuelson and Stevens introduced--**

**S.F. No. 1143:** A bill for an act relating to lotteries; authorizing the state lottery to operate video lottery terminals; creating an education trust fund; prescribing penalties; amending Minnesota Statutes 1994, sections 245.98, by adding a subdivision; 297A.259; 297E.02, subdivision 1; 349.12, subdivision 21; 349.15, subdivision 1; 349A.01, subdivisions 10, 11, 12, and by adding subdivisions; 349A.06, subdivisions 1, 5, 8, 10, and by adding subdivisions; 349A.07, subdivision 1; 349A.08, subdivisions 1, 5, and 8; 349A.09, subdivision 1; 349A.10, subdivisions 2, 3, 4, and 5; 349A.11; 349A.12, subdivisions 1 and 2; 349A.13; 609.651, subdivision 1; 609.75, subdivision 4; and 609.761, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 124; and 349A; repealing Minnesota Statutes 1994, sections 297E.01, subdivision 9; and 297E.02, subdivision 4.

Referred to the Committee on Gaming Regulation.

**Mses. Flynn, Pappas, Messrs. Pogemiller and Langseth introduced--**

**S.F. No. 1144:** A bill for an act relating to highway traffic regulations; authorizing the Minneapolis city council to delegate to the city engineer certain authority over traffic and parking.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Kroening, Metzen and Terwilliger introduced--**

**S.F. No. 1145:** A bill for an act relating to retirement; authorizing an early retirement incentive for employees of a metropolitan agency, the metropolitan council, and the Minnesota historical society.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Neuville and Mrs. Pariseau introduced--**

**S.F. No. 1146:** A bill for an act relating to licensing; electricians; eligibility requirement for applicant for master electrician licensure; amending Minnesota Statutes 1994, section 326.242, subdivision 1.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Price, Novak, Ms. Olson, Mr. Lessard and Mrs. Pariseau introduced--**

**S.F. No. 1147:** A bill for an act relating to taxation; property; allowing for a market value exclusion for electric power generation facilities based on facility efficiency; proposing coding for new law in Minnesota Statutes, chapter 272.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Samuelson and Johnson, D.E. introduced--**

**S.F. No. 1148:** A bill for an act relating to civil actions; recreational activities; limiting the liability of resorts; providing attorney fees in certain cases; amending Minnesota Statutes 1994, sections 604A.20; 604A.21, subdivisions 3, 5, and by adding subdivisions; 604A.25; and 604A.26; proposing coding for new law in Minnesota Statutes, chapter 604A.

Referred to the Committee on Judiciary.

**Ms. Krentz, Messrs. Chandler and Laidig introduced--**

**S.F. No. 1149:** A bill for an act relating to education; providing transportation funding for service learning programs; amending Minnesota Statutes 1994, sections 124.223, subdivision 1; and 124.225, subdivision 1.

Referred to the Committee on Education.

**Ms. Reichgott Junge introduced--**

**S.F. No. 1150:** A bill for an act relating to retirement; Minneapolis teachers retirement fund association; authorizing purchase of prior service by former Minneapolis teacher.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Spear, Ms. Anderson, Messrs. Kelly and Neuville introduced--**

**S.F. No. 1151:** A bill for an act relating to crime prevention; directing the peace officer standards and training board to review its minimum standards of conduct every three years;

requiring certain information to be compiled; requiring a model policy regarding professional conduct to be developed; directing a study; requiring reports; appropriating money; amending Minnesota Statutes 1994, section 626.843, subdivision 1.

Referred to the Committee on Crime Prevention.

**Ms. Anderson, Messrs. Frederickson, Hottinger, Ms. Pappas and Mr. Novak introduced--**

**S.F. No. 1152:** A bill for an act relating to employment; requiring disclosure to recruited employees in the food processing industry; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Spear, Cohen and Ms. Flynn introduced--**

**S.F. No. 1153:** A bill for an act relating to courts; increasing the number of trial court judgeships; appropriating money; amending Minnesota Statutes 1994, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

**Mr. Murphy introduced--**

**S.F. No. 1154:** A bill for an act relating to local government; raising the curfew age for countywide curfew ordinances; amending Minnesota Statutes 1994, section 145A.05, subdivision 7a.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Murphy, Sams, Samuelson and Ms. Kiscaden introduced--**

**S.F. No. 1155:** A bill for an act relating to human services; downsizing certain facilities for persons with developmental disabilities.

Referred to the Committee on Health Care.

**Messrs. Finn and Samuelson introduced--**

**S.F. No. 1156:** A bill for an act relating to education; permitting independent school district No. 2174, Pine River-Backus, to transfer funds.

Referred to the Committee on Education.

**Messrs. Ourada, Kramer, Scheevel and Kleis introduced--**

**S.F. No. 1157:** A bill for an act relating to education; providing that school districts need not comply with mandates unless revenue to comply is identified; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

**Messrs. Solon and Metzen introduced--**

**S.F. No. 1158:** A bill for an act relating to commerce; regulating building and construction contracts; regulating payments and retainages, and indemnification provisions and agreements to insure; prohibiting certain contract provisions; regulating mechanics liens; amending Minnesota Statutes 1994, sections 15.72; 16A.124, subdivision 8; 16A.1245; 337.02; 471.425, subdivision 5; and 514.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 337; repealing Minnesota Statutes 1994, section 337.05.



Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Sams, Bertram, Morse, Dille and Stevens introduced--**

**S.F. No. 1159:** A bill for an act relating to state government; requiring notice to the commissioner of agriculture and certain other actions before an agency adopts or repeals rules that affect farming operations; amending Minnesota Statutes 1994, sections 14.11, by adding a subdivision; and 116.07, subdivision 4.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Belanger; Riveness; Johnson, D.J.; Kroening and Ms. Olson introduced--**

**S.F. No. 1160:** A bill for an act relating to fiscal disparities; deleting a required adjustment to the city of Bloomington's fiscal disparities contribution; amending Minnesota Statutes 1994, section 473F.08, subdivision 3a.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Pappas, Messrs. Cohen, Beckman, Belanger and Knutson introduced--**

**S.F. No. 1161:** A bill for an act relating to education; funding adult basic education and adult graduation aid; appropriating money.

Referred to the Committee on Education.

**Ms. Anderson, Messrs. Kelly, Cohen, Beckman and Belanger introduced--**

**S.F. No. 1162:** A bill for an act relating to education; providing funding for adult graduation aid; appropriating money.

Referred to the Committee on Education.

**Mr. Belanger introduced--**

**S.F. No. 1163:** A bill for an act relating to motor vehicles; authorizing issuance of original license plates 20 or more years old to a registered passenger automobile; authorizing registrar to charge a fee; amending Minnesota Statutes 1994, section 168.12, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Langseth introduced--**

**S.F. No. 1164:** A bill for an act relating to transportation; allowing commissioner of transportation to act as agent to accept federal money for nonpublic organizations for transportation purposes; increasing maximum lump sum utility adjustment amount allowed for relocating utility facility; eliminating percentage limit for funding transportation research projects and providing for federal research funds and research partnerships; allowing counties more authority in disbursing certain state-aid highway funds; eliminating requirement to have permit identifying number affixed to highway billboard; eliminating legislative route No. 331 from trunk highway system and turning it back to the jurisdiction of Fillmore county; making technical corrections; amending Minnesota Statutes 1994, sections 161.085; 161.36, subdivisions 1, 2, 3, and 4; 161.46, subdivision 3; 161.53; 162.08, subdivisions 4 and 7; 162.14, subdivision 6; 173.07, subdivision 1; 174.04; repealing Minnesota Statutes 1994, sections 161.086; 161.115, subdivision 262.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Novak, Metzen, Chandler and Kelly introduced--**

**S.F. No. 1165:** A bill for an act relating to workers' compensation; regulating the creation and operation of mutual employer self-insurance groups; proposing coding for new law as Minnesota Statutes, chapter 79B.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Samuelson, Sams, Vickerman, Dille and Ms. Kiscaden introduced--**

**S.F. No. 1166:** A bill for an act relating to health; eliminating hospital peer groups for purposes of certain payments; repealing Minnesota Statutes 1994, section 256.969, subdivision 24.

Referred to the Committee on Health Care.

**Mr. Kroening introduced--**

**S.F. No. 1167:** A bill for an act relating to economic security; creating a summer youth employment demonstration program; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Berglin introduced--**

**S.F. No. 1168:** A bill for an act relating to law enforcement; peace officers standards and training board; specifying the basis for disciplining licensees; requiring a report; requesting a study; amending Minnesota Statutes 1994, section 214.10, subdivision 10, and by adding subdivisions.

Referred to the Committee on Crime Prevention.

**Ms. Anderson, Messrs. Frederickson, Spear, Ms. Kiscaden and Mr. Riveness introduced--**

**S.F. No. 1169:** A bill for an act relating to the environment; radioactive waste management; requiring testing of dry casks prior to loading of spent fuel; amending Minnesota Statutes 1994, section 116C.77.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Mondale introduced--**

**S.F. No. 1170:** A bill for an act relating to occupations and professions; requiring licensure or certification of geoscientists; adding geoscientists to the board of architecture, engineering, land surveying, landscape architecture, and interior design; providing for certain duties for the board; amending Minnesota Statutes 1994, sections 214.01, subdivision 3; 214.04, subdivision 3; 319A.02, subdivision 2; 326.02, subdivisions 1, 4, 4a, and by adding a subdivision; 326.03, subdivisions 1 and 4; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 7; 326.11, subdivision 1; 326.111, subdivisions 1, 2, 3, 4, and 6; 326.12; 326.13; and 326.14.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Vickerman, Ms. Flynn, Messrs. Belanger, Langseth and Ms. Ranum introduced--**

**S.F. No. 1171:** A bill for an act relating to occupations and professions; permitting protective agents to perform certain traffic control duties; amending Minnesota Statutes 1994, section 326.338, subdivision 4.

Referred to the Committee on Crime Prevention.

**Messrs. Sams, Samuelson and Solon introduced--**

**S.F. No. 1172:** A bill for an act relating to education; fully funding the secondary vocational education aid formula; appropriating money.

Referred to the Committee on Education.

**Messrs. Chandler; Janezich; Johnson, D.J. and Novak introduced--**

**S.F. No. 1173:** A bill for an act relating to telecommunications; regulating the sale of local exchange service territory; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Novak introduced--**

**S.F. No. 1174:** A bill for an act relating to education; allowing a school district to withhold a transferring student's records until school property is returned; amending Minnesota Statutes 1994, section 120.101, subdivision 5c.

Referred to the Committee on Education.

**Ms. Robertson, Mr. Knutson, Mses. Flynn, Pappas and Mr. Pogemiller introduced--**

**S.F. No. 1175:** A bill for an act relating to education; providing for a wide area transportation service pilot project; appropriating money.

Referred to the Committee on Education.

**Mr. Frederickson introduced--**

**S.F. No. 1176:** A bill for an act relating to utilities; providing that Sleepy Eye need not provide notice to the commissioner of trade and economic development before discontinuing steam heating operations.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Anderson introduced--**

**S.F. No. 1177:** A bill for an act relating to human services; adjusting medical assistance hospital rate setting procedures; appropriating money; amending Minnesota Statutes 1994, section 256.9695, subdivision 3.

Referred to the Committee on Health Care.

**Messrs. Vickerman, Chandler, Ms. Hanson, Messrs. Sams and Berg introduced--**

**S.F. No. 1178:** A bill for an act relating to agriculture; prohibiting the importation, ownership, or possession of Eurasian wild hogs; providing compensation for affected owners; amending Minnesota Statutes 1994, section 17.457, subdivisions 1, 2, and 6; repealing Minnesota Statutes 1994, section 17.457, subdivisions 3, 4, 5, 7, 8, 9, and 10.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Hottinger introduced--**

**S.F. No. 1179:** A bill for an act relating to retirement; authorizing purchase of allowable service credit by a certain teachers retirement association member for time spent on extended leave of absence.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Berg, Lessard, Mrs. Pariseau and Mr. Frederickson introduced--**

**S.F. No. 1180:** A bill for an act relating to game and fish; penalties, all-terrain vehicle weight; reciprocal agreements; one-day fishing licenses; migratory game birds; fish house identification; amphibian and reptile rules; amending Minnesota Statutes 1994, sections 84.796; 84.92, subdivision 8; 97A.045, by adding a subdivision; 97A.401, subdivision 3; 97A.475, subdivisions 6 and 7; 97B.731, subdivision 1; 97C.355, subdivision 2; 97C.505, subdivision 4; and 97C.601, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1994, sections 97C.605, subdivisions 3 and 4; 97C.611; and 97C.621.

Referred to the Committee on Environment and Natural Resources.

**Mr. Kelly introduced--**

**S.F. No. 1181:** A bill for an act relating to criminal penalties; simplifying certain criminal surcharges and assessments; amending Minnesota Statutes 1994, sections 609.101, subdivisions 1, 2, and 3; and 626.861, subdivision 1.

Referred to the Committee on Crime Prevention.

**Mr. Berg introduced--**

**S.F. No. 1182:** A bill for an act relating to agriculture; clarifying certain references in the grain weighing, sampling, and analysis law; amending Minnesota Statutes 1994, section 17B.03, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

**Ms. Lesewski, Mr. Berg, Ms. Runbeck and Mr. Stevens introduced--**

**S.F. No. 1183:** A bill for an act relating to employment; dislocated workers; revising dislocated worker assessment provisions; amending Minnesota Statutes 1994, sections 268.022, subdivision 1; 268.06, by adding a subdivision; and 268.98, subdivision 1; repealing Minnesota Statutes 1994, section 268.9783.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Ranum, Messrs. Neuville and Kroening introduced--**

**S.F. No. 1184:** A bill for an act relating to juvenile justice; appropriating money to the commissioner of human services to fund a grant to a child abuse prevention organization for parent self-help and support purposes.

Referred to the Committee on Family Services.

**Mr. Murphy introduced--**

**S.F. No. 1185:** A bill for an act relating to education; modifying higher education grant programs; amending Minnesota Statutes 1994, sections 136A.101, subdivisions 5 and 8; 136A.121, subdivisions 5, 6, 9, and by adding a subdivision; 136A.125, subdivisions 4 and 6; and 136A.1359, subdivisions 1, 2, and 3; repealing Minnesota Statutes 1994, sections 136A.125, subdivision 5; 136A.1352; 136A.1353; and 136A.1354.

Referred to the Committee on Education.

**Mr. Novak and Ms. Lesewski introduced--**

**S.F. No. 1186:** A bill for an act relating to housing; changing age limitations under the family homeless prevention and assistance program; modifying the rental housing program; correcting

references to municipal housing plan reporting requirements; amending Minnesota Statutes 1994, sections 462A.204, subdivision 1; 462A.205, subdivision 4; 462A.21, by adding a subdivision; and 469.0171; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1994, section 462A.21, subdivision 8c.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Reichgott Junge introduced--**

**S.F. No. 1187:** A bill for an act relating to government data practices; law enforcement data; modifying the test for public access to the identities of certain crime victims and witnesses; amending Minnesota Statutes 1994, section 13.82, subdivision 10.

Referred to the Committee on Crime Prevention.

**Ms. Lesewski, Messrs. Knutson, Scheevel and Mrs. Pariseau introduced--**

**S.F. No. 1188:** A bill for an act relating to health; encouraging breast feeding; establishing a well-baby designation; exempting breast-feeding from indecent exposure; amending Minnesota Statutes 1994, section 617.23; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Ms. Wiener, Messrs. Moe, R.D.; Stumpf and Larson introduced--**

**S.F. No. 1189:** A bill for an act relating to education; restricting the number of credits for which a student may be counted for appropriations; establishing a semester system and a common calendar; providing for interaction between administrators and students; providing for the increased efficiency of the Akita program; providing for the increased efficiency of campuses; amending Minnesota Statutes 1994, section 135A.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136E.

Referred to the Committee on Education.

**Mr. Stumpf introduced--**

**S.F. No. 1190:** A bill for an act relating to education; providing for a grant to independent school district No. 690, Warroad, to operate the Angle Inlet School; appropriating money.

Referred to the Committee on Education.

**Mr. Stumpf introduced--**

**S.F. No. 1191:** A bill for an act relating to education; providing for a grant to independent school district No. 437, Argyle; appropriating money.

Referred to the Committee on Education.

**Mr. Stumpf introduced--**

**S.F. No. 1192:** A bill for an act relating to education; authorizing use of capital health and safety revenue to purchase portable classrooms by independent school district No. 561, Goodridge.

Referred to the Committee on Education.

**Mr. Stumpf introduced--**

**S.F. No. 1193:** A bill for an act relating to flood control; appropriating money to the commissioner of natural resources; establishing a legislative task force to investigate funding

mechanisms for interstate flood control projects along the Red River of the North and its tributaries.

Referred to the Committee on Environment and Natural Resources.

**Mr. Berg introduced--**

**S.F. No. 1194:** A bill for an act relating to tax increment financing; authoring Swift county to establish a redevelopment tax increment financing district that is not subject to the state aid offset.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Riveness, Hottinger, Ms. Wiener, Mr. Metzen and Ms. Runbeck introduced--**

**S.F. No. 1195:** A bill for an act relating to state government; establishing various pilot projects to improve the efficiency and effectiveness of state agencies; repealing Minnesota Rules, parts 3900.0100 to 3900.4700; and 3900.6100 to 3900.9100.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Stumpf, Morse and Pogemiller introduced--**

**S.F. No. 1196:** A bill for an act relating to retirement; providing for early retirement incentives for employees of the state university, community college, technical college systems, and the higher education board.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Neuville, Mses. Olson and Runbeck introduced--**

**S.F. No. 1197:** A bill for an act relating to education; extending the post-secondary enrollment act to include nonpublic school pupils; amending Minnesota Statutes 1994, section 123.3514, subdivisions 3, 4, 4a, 4e, and 6c.

Referred to the Committee on Education.

**Mr. Neuville introduced--**

**S.F. No. 1198:** A bill for an act relating to the city of Northfield; extending the duration of certain tax increment financing districts.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Belanger introduced--**

**S.F. No. 1199:** A bill for an act relating to motor vehicles; requiring vehicle buyer to notify registrar of motor vehicles of vehicle transfer within ten days; imposing fees and penalties; amending Minnesota Statutes 1994, sections 168.101, subdivision 2; and 168.15; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Merriam and Sams introduced--**

**S.F. No. 1200:** A bill for an act relating to crime prevention; requiring county sheriffs to be licensed as peace officers before taking office; amending Minnesota Statutes 1994, sections 204B.06, by adding a subdivision; 387.01; and 626.846, subdivision 6.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Morse and Laidig introduced--**

**S.F. No. 1201:** A bill for an act relating to natural resources; providing a standing appropriation of certain funds recovered in actions resulting from hazardous substance releases; amending Minnesota Statutes 1994, section 115B.20, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Ms. Piper, Messrs. Sams, Stevens, Riveness and Stumpf introduced--**

**S.F. No. 1202:** A bill for an act relating to health; establishing a physician substitute demonstration project for rural communities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Health Care.

**Ms. Krentz, Mr. Janezich, Ms. Pappas, Robertson and Olson introduced--**

**S.F. No. 1203:** A bill for an act relating to education; appropriating money for school interpreters.

Referred to the Committee on Education.

**Messrs. Betzold, Hottinger, Larson, Ms. Reichgott Junge and Mr. Solon introduced--**

**S.F. No. 1204:** A bill for an act relating to insurance; no-fault auto; regulating rental vehicle coverages; determining when a vehicle is rented; modifying the right to compensation for loss of use of a damaged rented motor vehicle; providing for limits of liability for motor vehicle lessors; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Spear introduced--**

**S.F. No. 1205:** A bill for an act relating to crime prevention; expanding the duties of the nonfelony enforcement advisory committee; extending the committee's reporting deadline; appropriating money; amending Laws 1993, chapter 255, sections 1, subdivisions 1 and 4; and 2.

Referred to the Committee on Crime Prevention.

**Mses. Hanson, Flynn, Mr. Langseth, Ms. Robertson and Mr. Knutson introduced--**

**S.F. No. 1206:** A bill for an act relating to crime; authorizing the commissioner of public safety to appoint railroad peace officers; providing for licensing and compensation of railroad peace officers; expanding certain crimes to include committing the crimes on railroad property or property in transit by a common carrier; amending Minnesota Statutes 1994, sections 609.52, subdivision 3; 609.582, subdivisions 2, 3, 4, and by adding a subdivision; 609.595, subdivision 1; 609.605, subdivision 1, and by adding subdivisions; 626.05, subdivision 2; and 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Crime Prevention.

**Mr. Vickerman introduced--**

**S.F. No. 1207:** A bill for an act relating to economic development; authorizing an appropriation for a grant for the Prairieland Expo facility to be used for land acquisition; amending Laws 1994, chapter 643, section 21, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Larson, Ms. Johnston, Mr. Vickerman and Mrs. Pariseau introduced--**

**S.F. No. 1208:** A bill for an act relating to local government; limiting, in annexation proceedings, the methods by which utilities located in annexed territory may be acquired by an annexing municipality; amending Minnesota Statutes 1994, section 414.067, by adding a subdivision.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Betzold, Ms. Robertson, Mr. Riveness and Ms. Flynn introduced--**

**S.F. No. 1209:** A bill for an act relating to Hennepin county; modifying certain provisions concerning the county medical examiners office; amending Minnesota Statutes 1994, section 383B.225, subdivisions 5, 6, 7, 9, 11, and 12.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Wiener, Messrs. Larson, Pogemiller, Stumpf and Price introduced--**

**S.F. No. 1210:** A bill for an act relating to economic development; establishing the Minnesota Institute for Telecommunications Technology Applications and Education; specifying duties and responsibilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

**Mses. Berglin, Kiscaden and Piper introduced--**

**S.F. No. 1211:** A bill for an act relating to taxation; increasing the rate of taxes on cigarettes and tobacco products; dedicating the increased revenues to the health care access fund; amending Minnesota Statutes 1994, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; and 297.32, subdivisions 1, 2, and 9.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Merriam, Spear, Laidig and Knutson introduced--**

**S.F. No. 1212:** A bill for an act relating to data practices; providing for the classification and release of booking photographs; amending Minnesota Statutes 1994, section 13.82, by adding a subdivision.

Referred to the Committee on Crime Prevention.

**Mses. Anderson, Piper, Mr. Betzold, Ms. Johnson, J.B. and Mr. Samuelson introduced--**

**S.F. No. 1213:** A bill for an act relating to health; expanding the home health visiting program; appropriating money; amending Minnesota Statutes 1994, section 145A.15.

Referred to the Committee on Health Care.

**Ms. Anderson, Messrs. Johnson, D.J.; Kroening and Kelly introduced--**

**S.F. No. 1214:** A bill for an act relating to housing; providing for deposit and use of certain revenues in the housing development fund; providing an addition to federal taxable income for certain taxpayers for certain residence interest; appropriating money; amending Minnesota Statutes 1994, sections 290.01, subdivision 19a; 290.62; and 462A.20, subdivision 2, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.



**Ms. Johnson, J.B. and Mr. Merriam introduced--**

**S.F. No. 1215:** A bill for an act relating to natural resources; granting the commissioner of natural resources power to adopt emergency rules granting protection to species of wild animals or plants; amending Minnesota Statutes 1994, section 14.29, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

**Mses. Johnston, Hanson, Messrs. Knutson, Limmer and Belanger introduced--**

**S.F. No. 1216:** A bill for an act relating to metropolitan government; authorizing financial assistance for capital expenditures by replacement metropolitan transit systems; amending Minnesota Statutes 1994, section 473.388, subdivision 4.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnston, Mr. Langseth, Ms. Hanson, Messrs. Knutson and Limmer introduced--**

**S.F. No. 1217:** A bill for an act relating to metropolitan government; authorizing replacement transit service programs to carry forward unused operating funds; amending Minnesota Statutes 1994, section 473.388, subdivision 4.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Johnston, Hanson, Messrs. Knutson, Limmer and Belanger introduced--**

**S.F. No. 1218:** A bill for an act relating to metropolitan government; allowing additional communities in the metropolitan area to operate their own transit programs; amending Minnesota Statutes 1994, section 473.388.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnston, Mr. Langseth, Ms. Hanson, Messrs. Knutson and Limmer introduced--**

**S.F. No. 1219:** A bill for an act relating to metropolitan government; requiring metropolitan council to allocate to replacement transit service programs up to 90 percent of the local property tax levied against them for transit purposes; amending Minnesota Statutes 1994, section 473.388, subdivision 4.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Reichgott Junge, Flynn, Messrs. Knutson, Merriam and Finn introduced--**

**S.F. No. 1220:** A bill for an act relating to health; organ donations; amending the living will form to include provisions for organ donations; amending Minnesota Statutes 1994, section 145B.04.

Referred to the Committee on Health Care.

**Mr. Laidig introduced--**

**S.F. No. 1221:** A bill for an act relating to veterans; appropriating money for assistance in making certain claims.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Laidig introduced--**

**S.F. No. 1222:** A bill for an act relating to the environment; establishing a small business

environmental loan program; providing for rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

**Mses. Runbeck and Johnson, J.B. introduced--**

**S.F. No. 1223:** A bill for an act relating to employment; modifying provisions relating to payment of wages; amending Minnesota Statutes 1994, sections 181.032; 181.13; and 181.14.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Laidig introduced--**

**S.F. No. 1224:** A bill for an act relating to the financing of state government; authorizing the issuance of revenue bonds and the appropriation of bond proceeds to pay a judgment; appropriating net proceeds of the lottery and health care reimbursement revenues for payment of debt service; amending Minnesota Statutes 1994, sections 246.18, subdivision 4, and by adding subdivisions; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

**Messrs. Solon, Price, Stumpf and Ms. Wiener introduced--**

**S.F. No. 1225:** A bill for an act relating to education; establishing a grant program for nursing to be supervised by the higher education coordinating board and administered by the metropolitan healthcare foundation's project LINC; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

**Messrs. Chandler and Merriam introduced--**

**S.F. No. 1226:** A bill for an act relating to privacy; regulating access to employee medical records by self-insured employers; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Judiciary.

**Messrs. Chandler, Betzold and Merriam introduced--**

**S.F. No. 1227:** A bill for an act relating to privacy; prohibiting the use of social security numbers to create unique patient identifiers; amending Minnesota Statutes 1994, sections 62J.54, subdivision 4; and 62J.55.

Referred to the Committee on Health Care.

**Ms. Krentz, Messrs. Price, Chandler and Laidig introduced--**

**S.F. No. 1228:** A bill for an act relating to education; providing additional authority for a joint elementary facility to be operated by independent school district Nos. 622, North St. Paul-Maplewood-Oakdale; 833, South Washington county; and 834, Stillwater; appropriating money.

Referred to the Committee on Education.

**Ms. Anderson, Mr. Kramer and Ms. Pappas introduced--**

**S.F. No. 1229:** A bill for an act relating to dentistry; giving persons licensed by the board of

dentistry access to certain data regarding complaints against them; requiring informed consent for certain procedures using mercury amalgam; prohibiting certain professional sanctions; amending Minnesota Statutes 1994, section 150A.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 150A.

Referred to the Committee on Health Care.

**Mr. Knutson, Ms. Kiscaden and Mr. Day introduced--**

**S.F. No. 1230:** A bill for an act relating to motor vehicles; prohibiting commissioner of public safety from disclosing personal information contained in motor vehicle records; providing exceptions; appropriating money; amending Minnesota Statutes 1994, section 13.69, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1994, sections 13.99, subdivisions 54 and 56; 168.346; and 171.12, subdivision 7.

Referred to the Committee on Judiciary.

**Ms. Anderson, Messrs. Kelly and Novak introduced--**

**S.F. No. 1231:** A bill for an act relating to public utilities; regulating utility disconnections during cold weather; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1994, sections 216B.095; and 216B.097.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Pappas, Mr. Pogemiller and Ms. Anderson introduced--**

**S.F. No. 1232:** A bill for an act relating to elections; proposing an amendment to the Minnesota Constitution, article VII, section 1; proposing a new democracy act opening the elections and political process; appropriating money; amending Minnesota Statutes 1994, sections 10A.31, by adding a subdivision; 10A.322, subdivision 1; 129D.14, subdivision 3; 201.014, subdivision 1; 201.071, subdivision 1; 201.13, subdivision 1; 201.14; 201.15, subdivision 1; 202A.14, subdivision 1; 202A.15, subdivision 2; 202A.16, subdivision 1; 202A.19, subdivisions 1, 3, 5, and 6; 203B.02, subdivision 1; 203B.03, subdivision 1; 203B.085; 203B.09; 203B.10; 203B.12, by adding a subdivision; 203B.19; 204B.03; 204B.04, subdivisions 1 and 2; 204B.06, subdivision 1; 204B.07, subdivision 1; 204B.09, subdivision 1; 204B.35, subdivision 4; 204C.21, subdivision 1; 204C.24, subdivision 1; 204C.26, subdivision 2; 204C.33, subdivisions 1 and 3; 204D.03, subdivision 1; and 204D.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 10A; and 203B; repealing Minnesota Statutes 1994, sections 203B.02, subdivision 1a; and 211B.11, subdivision 2.

Referred to the Committee on Ethics and Campaign Reform.

**Mses. Pappas and Anderson introduced--**

**S.F. No. 1233:** A bill for an act relating to metropolitan government; establishing housing as a metropolitan system; amending Minnesota Statutes 1994, sections 473.145; 473.175, by adding a subdivision; and 473.852, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Stumpf, Larson and Pogemiller introduced--**

**S.F. No. 1234:** A bill for an act relating to education; establishing a new funding formula for the public higher education systems; providing for the chargeback of certain post-secondary remedial instruction to high schools; establishing the Minnesota higher education guarantee; establishing a technical task force; proposing coding for new law in Minnesota Statutes, chapter 135A; repealing Minnesota Statutes 1994, sections 135A.031; 135A.032, subdivision 2; and 135A.033.

Referred to the Committee on Education.

**Mses. Berglin, Piper, Messrs. Finn, Terwilliger and Betzold introduced--**

**S.F. No. 1235:** A bill for an act relating to health; eliminating hospital peer groups for purposes of certain payments; repealing Minnesota Statutes 1994, section 256.969, subdivision 24.

Referred to the Committee on Health Care.

**Messrs. Dille, Scheevel and Ms. Lesewski introduced--**

**S.F. No. 1236:** A bill for an act relating to agriculture; providing for land application of agricultural chemical contaminated media; amending Minnesota Statutes 1994, section 18D.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18D.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Dille, Scheevel, Ms. Lesewski, Messrs. Ourada and Frederickson introduced--**

**S.F. No. 1237:** A bill for an act relating to employment; modifying provisions relating to prevailing wages; amending Minnesota Statutes 1994, sections 177.42, subdivisions 4 and 6; 177.43, subdivisions 1 and 3; and 471.345, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Dille introduced--**

**S.F. No. 1238:** A bill for an act relating to the environment; modifying provisions relating to individual sewage treatment systems; amending Minnesota Statutes 1994, sections 115.55, subdivisions 1, 2, 3, 5, and 7; and 115.56, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Mr. Dille, Ms. Hanson, Messrs. Vickerman and Scheevel introduced--**

**S.F. No. 1239:** A bill for an act relating to animals; changing, clarifying, and rearranging the law on prevention of cruelty; imposing penalties; amending Minnesota Statutes 1994, sections 85A.02, subdivision 10; 343.01, subdivision 1; 343.06; 343.12; 343.20, subdivisions 2, 3, and 5; 343.23; 343.40, subdivision 2; and 346.57, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 343; repealing Minnesota Statutes 1994, sections 343.20, subdivision 4; 343.21; 343.22; and 343.235.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Dille, Ms. Hanson and Mr. Vickerman introduced--**

**S.F. No. 1240:** A bill for an act relating to animals; changing provisions relating to dogs, cats, and livestock; changing duties of the board of animal health; imposing penalties; amending Minnesota Statutes 1994, sections 35.03; 325F.79; 325F.791; 325F.792, subdivision 2; 346.36, subdivision 4; 346.37, subdivision 6; 346.39, by adding a subdivision; 346.51; 347.01; 347.04; 347.17; 347.22; and 347.54, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 31; 35; and 347; repealing Minnesota Statutes 1994, sections 325F.792, subdivision 1; 346.01; 346.02; 346.03; 346.04; 346.05; 346.06; 346.07; 346.08; 346.09; 346.10; 346.11; 346.12; 346.13; 346.14; 346.15; 346.16; 346.17; 346.18; 346.19; 346.37, subdivision 5; 346.44; 346.58; 347.02; 347.03; 347.05; 347.06; 347.07; 347.15; 347.16; and 347.39.

Referred to the Committee on Agriculture and Rural Development.

**MEMBERS EXCUSED**

Mses. Ranum, Reichgott Junge, Messrs. Hottinger, Johnson, D.E.; Moe, R.D. and Terwilliger were excused from the Session of today. Ms. Kiscaden was excused from the Session of today from 9:00 to 9:20 a.m. Mr. Riveness was excused from the Session of today from 9:00 to 9:25 a.m. Mr. Scheevel was excused from the Session of today from 9:15 to 9:30 a.m.

**ADJOURNMENT**

Ms. Flynn moved that the Senate do now adjourn until 10:00 a.m., Monday, March 20, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWENTY-SEVENTH DAY

St. Paul, Minnesota, Monday, March 20, 1995

The Senate met at 10:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Howard Siegel.

The 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:

Anderson	Frederickson	Krentz	Morse	Riveness
Beckman	Hanson	Kroening	Murphy	Robertson
Belanger	Hottinger	Laidig	Neuville	Runbeck
Berg	Janezich	Langseth	Novak	Sams
Berglin	Johnson, D.E.	Larson	Oliver	Samuelson
Bertram	Johnson, D.J.	Lesewski	Olson	Scheevel
Betzold	Johnson, J.B.	Lessard	Ourada	Solon
Chandler	Johnston	Limmer	Pappas	Spear
Chmielewski	Kelly	Marty	Pariseau	Stevens
Cohen	Kiscaden	Merriam	Piper	Terwilliger
Dille	Kleis	Metzen	Pogemiller	Vickerman
Finn	Knutson	Moe, R.D.	Price	Wiener
Flynn	Kramer	Mondale	Reichgott Junge	

The President declared a quorum present.

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

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 384. The motion prevailed.

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 384:** A bill for an act relating to transportation; apportioning five percent of the highway user tax distribution fund; amending Minnesota Statutes 1994, section 161.081, subdivision 1.

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. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 1029:** A bill for an act relating to alternative transportation fuels; eliminating alternative fuel vehicle permits and providing for refunds of fees paid for unused portions of permits; specifying excise taxes for certain gasoline and special fuel; amending Minnesota Statutes 1994, sections 216C.01, subdivisions 1a and 1b; 296.01, subdivisions 30, 34, and by adding subdivisions; 296.02, subdivisions 1, 1a, and 1b; 296.025, subdivisions 1, 1a, and by adding a subdivision; and 296.0261, by adding a subdivision; repealing Minnesota Statutes 1994, section 296.0261, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9.

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

Page 6, delete lines 21 to 35 and insert:

"Subd. 10. [CREDIT; REFUNDS.] (a) A purchaser of an alternative fuel vehicle permit under subdivisions 1 to 9 prior to July 1, 1995, shall receive a credit for the unused portion of the permit fee. The amount of the credit shall be equal to the original permit fee and prorated to the number of months from July 1, 1995, until the expiration date of the permit. The credit shall reduce the amount of the vehicle's annual motor vehicle registration tax as calculated under section 168.013. The credit shall be applied to the first motor vehicle registration tax payable after July 1, 1995.

(b) If the amount of the credit calculated under paragraph (a) exceeds the amount of motor vehicle registration tax due, the registrar shall pay to the purchaser of the permit a cash refund equal to the difference between the motor vehicle registration tax and the credit due."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**H.F. No. 273:** A bill for an act relating to motor vehicles; allowing license plates for collector vehicles to be transferred and reissued; imposing fees; amending Minnesota Statutes 1994, section 168.10, subdivisions 1a, 1b, 1c, 1d, 1h, and by adding a subdivision.

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

Page 10, after line 5, insert:

"Sec. 7. Minnesota Statutes 1994, section 168.10, subdivision 3, is amended to read:

Subd. 3. [OFFENSES.] It shall be unlawful for any person:

(1) To display or cause to be displayed or to possess any canceled, revoked, suspended or fraudulently obtained or stolen registration plates;

(2) To lend the person's registration plates to another or knowingly to permit the use thereof by another;

(3) To display or represent as the person's own any registration plates not issued to that person; provided, however, this shall not apply to any legal change of ownership of the motor vehicle to which the plates are attached, nor shall this apply to any transfer of collector plates under subdivision 1i;

(4) To fail or refuse to surrender to the department upon its lawful demand any registration plates which have been revoked, canceled, or suspended by proper authority;

(5) To use a false or fictitious name or address or description of the motor vehicle, identification number, or serial number in any application for registration of a motor vehicle or to knowingly make a false statement or to knowingly conceal a material fact or otherwise commit a fraud in any such application;



(6) To destroy, alter, remove, cover or deface the identification or serial number of any motor vehicle or to knowingly operate any motor vehicle the identification or serial number of which has been destroyed, altered, removed, covered or defaced without first making application for assignment of a special identification number as provided by law."

Amend the title as follows:

Page 1, line 5, before "and" insert "3,"

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**H.F. No. 457:** A bill for an act relating to commerce; real estate; regulating certain licensees and registrants and recovery fund actions; amending Minnesota Statutes 1994, sections 82.18; 82.19, subdivision 7; 82.195, subdivision 1; 82.20, subdivision 13; 82.34, subdivision 7; 82A.11, subdivision 3; 83.28, subdivision 5; 386.65, subdivision 1; 386.66; 386.67; 386.68; and 386.69.

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

Page 6, after line 16, insert:

"Sec. 7. Minnesota Statutes 1994, 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, which municipality has adopted subdivision regulations as defined in section 462.352, except those lands described in section 83.20, subdivision 13;

(g) the offer and sale of apartments or condominium units as defined in chapters 515 and 515A, and units in common interest communities as defined in chapter 515B;

(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; and

(j) the offer of sale of subdivided lands by a subdivider that has been granted an exemption from registration by the federal Department of Housing and Urban Development under the multiple site subdivision exemption, if the subdivider provides a written notice of the offer of sale to the commissioner before any offers or sale commence.

The written notice must include the name of the subdivision, the county and state in which the subdivision is located, and the number of lots in the subdivision, and a notarized affidavit that all proposed improvements have been completed and the costs of all the improvements have been fully paid, or that the cost of any uncompleted road construction or survey expenses are covered by a bond or escrow account payable to the entities responsible for providing or completing the roads or surveys. The escrow account must be with an independent escrow agent.

The subdivider must also provide to the commissioner a copy of the federal Housing and Urban Development exemption order and the most recent annual confirmation letter which indicates that the order is still in effect.

If the closing services are provided by the subdivider or an affiliate of the subdivider, purchasers must manually initial in the Housing and Urban Development Lot Information Statement both the disclosure on all the liens, reservations, taxes, assessments, easements, and restrictions applicable to the lot purchased and the disclosure on the risks of not obtaining clear title.

The commissioner may, by rule or order, suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), (i), and (j), or may require such further information as may be necessary for the protection of purchasers.

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."

Page 9, line 30, delete "12" and insert "13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the first semicolon, insert "83.26, subdivision 2;"

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 920:** A bill for an act relating to conservation; providing a pilot conservation credit program in Houston county; providing a property tax credit to program participants; appropriating money.

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

Page 2, line 7, delete "1-1/2" and insert "one-half"

Page 3, line 14, delete "eligible"

Page 3, line 15, delete everything before the period and insert "standards are not adhered to any longer"

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 Agriculture and Rural Development, to which was referred**

**S.F. No. 819:** A bill for an act relating to agriculture; creating a "Passing on the Farm Center"; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 654:** A bill for an act relating to agriculture; expanding eligibility for the value-added agricultural product loan program; appropriating money; amending Minnesota Statutes 1994, section 41B.046, subdivision 1, and by adding a subdivision.

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

Page 2, line 9, after the semicolon, insert "and"

Page 2, line 12, delete "produced in Minnesota;"

Page 2, delete lines 13 to 17

Page 2, line 18, delete everything before the period

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. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 1099:** A bill for an act relating to elections; permitting election judges to serve outside the county where they reside in certain cases; amending Minnesota Statutes 1994, section 204B.19, subdivision 1.

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 590:** A bill for an act relating to elections; providing for distribution of a caucus guide and a voters' guide; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 202A; and 204B.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 841:** A bill for an act relating to local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2, and by adding a subdivision; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; and 473.864, 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 1994, section 103B.235, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] After consideration but before adoption by the governing body, each local unit shall submit its water management plan to the watershed management organization for review for consistency with the watershed plan adopted pursuant to section 103B.231. The organization shall approve or disapprove the local plan or parts of the plan. The organization shall have 60 days to complete its review; provided, however, that the watershed management organization shall, as part of its review, take into account the comments submitted to it by the metropolitan council pursuant to subdivision 3a. If the organization fails to complete its review within the prescribed period, the local plan shall be deemed approved unless an extension is agreed to by the local unit.

Sec. 2. Minnesota Statutes 1994, section 103B.235, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW BY METROPOLITAN COUNCIL.] Concurrently with its submission of its local water management plan to the watershed management organization as provided in subdivision 3, each local unit of government shall submit its water management plan to the metropolitan council for review and comment by the council. The council shall have 45 days to review and comment upon the local plan or parts of the plan with respect to consistency with the council's comprehensive development guide for the metropolitan area. The council's 45-day review period shall run concurrently with the 60-day review period by the watershed management organization provided in subdivision 3. The metropolitan council shall submit its comments to the watershed management organization and shall send a copy of its comments to the local government unit. If the metropolitan council fails to complete its review and make comments to the watershed management organization within the 45-day period, the watershed management organization shall complete its review as provided in subdivision 3.

Sec. 3. Minnesota Statutes 1994, section 103B.235, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] To the extent and in the manner required by the organization, all amendments to local water management plans shall be submitted to the organization for review and approval in accordance with the provisions of ~~subdivision~~ subdivisions 3 and 3a for the review of plans.

Sec. 4. Minnesota Statutes 1994, section 462.355, is amended by adding a subdivision to read:

Subd. 1a. [PLAN UPDATE BY METROPOLITAN MUNICIPALITIES.] Each municipality in the metropolitan area, as defined in section 473.121, subdivision 2, shall review and update its comprehensive plan and fiscal devices and official controls as provided in section 473.864, subdivision 2.

Sec. 5. Minnesota Statutes 1994, section 462.357, subdivision 2, is amended to read:

Subd. 2. [GENERAL REQUIREMENTS.] At any time after the adoption of a land use plan for the municipality, the planning agency, for the purpose of carrying out the policies and goals of the land use plan, may prepare a proposed zoning ordinance and submit it to the governing body with its recommendations for adoption. Subject to the requirements of subdivisions 3, 4 and 5, the governing body may adopt and amend a zoning ordinance by a two-thirds vote of all its members. Except for local governments in the metropolitan area as provided in section 473.858, subdivision 1, if the comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance supersedes the plan.

Sec. 6. Minnesota Statutes 1994, section 473.858, subdivision 1, is amended to read:

Subdivision 1. Within three years following the receipt of the metropolitan system statement, every local governmental unit shall have prepared a comprehensive plan in accordance with sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871 and the applicable planning statute and shall have submitted the plan to the metropolitan council for review pursuant to section 473.175. The provisions of sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871 shall supersede the provisions of the applicable planning statute wherever a conflict may exist. If the

comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance supersedes the plan. shall be brought into conformance with the plan by local government units in conjunction with the review and, if necessary, amendment of its comprehensive plan required under section 473.864, subdivision 2. After August 1, 1995, a local government unit shall not adopt any fiscal device or official control which is in conflict with its comprehensive plan, including any amendments to the plan, or which permits activity in conflict with metropolitan system plans, as defined by section 473.852, subdivision 8. The comprehensive plan shall provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the comprehensive plan. For purposes of this section, a fiscal device or official control shall not be considered to be in conflict with a local government unit's comprehensive plan or to permit an activity in conflict with metropolitan system plans if such fiscal device or official control is adopted to ensure the planned, orderly, and staged development of urbanization or redevelopment areas designated in the comprehensive plan pursuant to section 473.859, subdivision 5.

Sec. 7. Minnesota Statutes 1994, section 473.859, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] The comprehensive plan shall contain objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and waters within the jurisdiction of the local governmental unit through 1990 and may extend through any year thereafter which is evenly divisible by five. Each plan shall specify expected industrial and commercial development, planned population distribution, and local public facility capacities upon which the plan is based. Each plan shall contain a discussion of the use of the public facilities specified in the metropolitan system statement and the effect of the plan on adjacent local governmental units and affected school districts. Existing plans and official controls 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. Each plan may contain an intergovernmental coordination element that describes how its planned land uses and urban services affect other communities, adjacent local government units, the region, and the state, and that includes guidelines for joint planning and decision making with other communities, school districts, and other jurisdictions for siting public schools, building public facilities, and sharing public services.

Each plan may contain an economic development element that identifies types of mixed use development, expansion facilities for businesses, and methods for developing a balanced and stable economic base.

The comprehensive plan may contain any additional matter which may be included in a comprehensive plan of the local governmental unit pursuant to the applicable planning statute.

Sec. 8. Minnesota Statutes 1994, section 473.859, subdivision 2, is amended to read:

Subd. 2. [LAND USE PLAN.] A land use plan shall include the water management plan required by section 103B.235, and shall designate the existing and proposed location, intensity and extent of use of land and water, including lakes, wetlands, rivers, streams, natural drainage courses, and adjoining land areas that affect water natural resources, for agricultural, residential, commercial, industrial and other public and private purposes, or any combination of such purposes. A land use plan shall contain a protection element, as appropriate, for historic sites, the matters listed in the water management plan required by section 103B.235, and the matters listed in section 473.204, and an element for protection and development of access to direct sunlight for solar energy systems. A land use plan shall also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.

Sec. 9. Minnesota Statutes 1994, section 473.859, subdivision 5, is amended to read:

Subd. 5. [URBANIZATION AND REDEVELOPMENT AREAS.] The comprehensive plans may designate, when appropriate, five year urbanization areas and shall specify in the capital improvement program the timing and sequence of major local public facilities and in the implementation program official controls which will ensure that urbanization occurs only in urbanization areas and in accordance with the plan.

The comprehensive plans may designate, when appropriate, redevelopment areas and may, as appropriate, specify in the capital improvement program the timing and sequence of local public facilities and in the implementation program the fiscal devices or official controls that will ensure that redevelopment occurs in accordance with the plan.

Sec. 10. Minnesota Statutes 1994, section 473.864, subdivision 2, is amended to read:

Subd. 2. By December 31, 1998, and at least once every ten years thereafter, each local governmental unit shall review and, if necessary, amend its entire comprehensive plan and its fiscal devices and official controls. Such review and, if necessary, amendment shall ensure that, as provided in section 473.865, the fiscal devices and official controls of each local government unit are not in conflict with its comprehensive plan. Upon completion of review and, if necessary, amendment of its comprehensive plan, fiscal devices, and official controls as required by this section, each local government unit shall either:

(a) submit to the metropolitan council the entire current comprehensive plan together with written certification by the governing body of the local government unit that it has complied with this section and that no amendments to its plan or fiscal devices or official controls are necessary;  
or

(b)(1) submit the entire updated comprehensive plan and amendment or amendments to its comprehensive plan necessitated by its review to the metropolitan council for review; and

(2) submit the amendment or amendments to its fiscal devices or official controls necessitated by its review to the metropolitan council for information purposes as provided by section 473.865.

Except as otherwise provided in this paragraph, local governments shall consider, in preparing their updated comprehensive plans, amendments to metropolitan system plans in effect on December 31, 1996. For metropolitan system plans, or amendments thereto, adopted after December 31, 1996, local governments shall review their comprehensive plans to determine if an amendment is necessary to conform to the metropolitan system plans. If an amendment is necessary, the local government shall prepare the amendment and submit it to the council for review by September 30, 1999, or nine months after the council transmits the metropolitan system plan amendment to the local government, whichever is later.

The periodic review required in this subdivision shall be in addition to the review required by section 473.856.

The metropolitan council may grant extensions to local government units in order to allow local government units to complete the review and, if necessary, amendment required by this subdivision. Such extensions, if granted by the metropolitan council, must include a timetable and plan for completion of the review and amendment.

Amendments to comprehensive plans of local governmental units and to capital improvement programs of school districts shall be prepared, submitted, and adopted in conformance with guidelines adopted by the metropolitan council pursuant to section 473.854.

Sec. 11. Minnesota Statutes 1994, section 473.867, is amended by adding a subdivision to read:

Subd. 6. [ASSISTANCE FOR PLAN UPDATES.] The council shall give priority for the use of loan and grant funds available under this section to local governmental units for review and amendment of local comprehensive plans and fiscal devices and official controls, as required by section 473.864, subdivision 2. The council shall consult with affected local government units to evaluate the need for technical and financial assistance.

Sec. 12. [REPORT TO LEGISLATURE.]

The council shall report to the legislature by January 15, 1996, on the results of its consultation with affected local governmental units on the need for technical and financial assistance as required under Minnesota Statutes, section 473.867, subdivision 6.

Sec. 13. [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 local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; 473.864, subdivision 2; and 473.867, by adding a subdivision."

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 534:** A bill for an act relating to towns; clarifying authority of town board to alter or vacate town roads dedicated by plat; clarifying procedures; amending Minnesota Statutes 1994, sections 164.06, subdivision 1; and 164.07, subdivision 1.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 420:** A bill for an act relating to the Paynesville area hospital district; authorizing the district to annex Eden Lake township to the district.

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

Page 1, line 9, delete "1991" and insert "1992"

Page 1, line 10, after "may" insert ", upon the request of the city of Eden Valley," and delete the second "town" and insert "city"

Page 1, line 11, delete "Lake" and insert "Valley"

Amend the title as follows:

Page 1, line 3, delete "Eden Lake township" and insert "the city of Eden Valley"

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

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 702:** A bill for an act relating to human services; defining and establishing "transition services"; continuing the percentage of cost for out-of-state treatment of children; allowing grants for community-based services for adolescents with serious emotional disturbances and violent behavior; providing for an early childhood care and education training advisory committee; establishing outcomes for cultural dynamics training; changing children's safety centers to family safety centers; changing payments and funding for child care programs; amending Minnesota Statutes 1994, sections 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 245.4882, subdivision 5; 245.4886, by adding subdivisions; 245A.14, subdivision 7; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; 256H.18; and 256H.20, subdivision 3a; repealing Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 245.4871, is amended by adding a subdivision to read:

Subd. 35. [TRANSITION SERVICES.] "Transition services" means mental health services, designed within an outcome oriented process that promotes movement from school to postschool activities, including post-secondary education, vocational training, integrated employment including supported employment, continuing and adult education, adult mental health and social services, other adult services, independent living, or community participation.

Sec. 2. Minnesota Statutes 1994, section 245.4875, is amended by adding a subdivision to read:

Subd. 8. [TRANSITION SERVICES.] The county board may continue to provide mental health services as defined in sections 245.487 to 245.4888 to persons over 18 years of age, but under 21 years of age, if the person was receiving case management or family community support services prior to age 18, and if one of the following conditions is met:

- (1) the person is receiving special education services through the local school district; or
- (2) it is in the best interest of the person to continue services defined in sections 245.487 to 245.4888.

Sec. 3. Minnesota Statutes 1994, section 245.4882, subdivision 5, is amended to read:

Subd. 5. [SPECIALIZED RESIDENTIAL TREATMENT SERVICES.] The commissioner of human services shall continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with emotional disturbance who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings. If no appropriate services are available in Minnesota or within the geographical area in which the residents of the county normally do business, the commissioner is responsible, effective July 1, 1995 1997, for 50 percent of the nonfederal costs of out-of-state treatment of children for whom no appropriate resources are available in Minnesota. Counties are eligible to receive enhanced state funding under this section only if they have established juvenile screening teams under section 260.151, subdivision 3, and if the out-of-state treatment has been approved by the commissioner. By January 1, 1995, the commissioners of human services and corrections shall jointly develop a plan, including a financing strategy, for increasing the in-state availability of treatment within a secure setting. By July 1, 1994, the commissioner of human services shall also:

- (1) conduct a study and develop a plan to meet the needs of children with both a developmental disability and severe emotional disturbance; and
- (2) study the feasibility of expanding medical assistance coverage to include specialized residential treatment for the children described in this subdivision.

Sec. 4. Minnesota Statutes 1994, section 245.4886, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR ADOLESCENT SERVICES.] The commissioner may make grants for community-based services for adolescents who have serious emotional disturbance and exhibit violent behavior. The commissioner may administer these grants as a supplement to the grants for children's community-based mental health services under subdivision 1. The same administrative requirements shall apply to these grants as the grants under subdivision 1, except that these grants:

- (1) shall be primarily for areas with the greatest need for services;
- (2) may be used for assessment, treatment, placement assistance, specialized adolescent community-based residential treatment, and community transition services for adolescents who have serious emotional disturbance and exhibit violent behavior;
- (3) must, wherever possible, be administered under the auspices of a children's mental health collaborative established under section 245.491 if the collaborative chooses to serve this target population;



(4) must be used for mental health services that are integrated with other services whenever possible; and

(5) must be based on a proposal submitted to the commissioner by a children's mental health collaborative or a county board based on guidelines published by the commissioner.

Sec. 5. Minnesota Statutes 1994, section 245.4886, is amended by adding a subdivision to read:

Subd. 4. [FUNDING FOR TRANSITION SERVICES.] The county board may use funding provided under this section to provide transition services for persons age 18 to 21 according to sections 245.4871, subdivision 35, and 245.4875, subdivision 8.

Sec. 6. Minnesota Statutes 1994, section 256F.09, is amended to read:

256F.09 [GRANTS FOR ~~CHILDREN'S~~ FAMILY SAFETY CENTERS.]

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental organizations, to use existing local facilities as ~~pilot children's family~~ safety centers. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating ~~children's~~ or maintaining family safety centers to reduce children's vulnerability to violence and trauma related to family visitation, where there has been a history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven-county metropolitan area and at least one of the projects shall be located outside the seven-county metropolitan area, and the commissioner shall award the grants to provide the greatest possible number of safety centers and to locate them to provide for the broadest possible geographic distribution of the centers throughout the state.

Each ~~children's~~ family safety center must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The centers must be available for use by district courts who may order visitation to occur at a safety center. The centers may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each center must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a local match, which may include in-kind contributions.

Subd. 2. [PRIORITIES.] In awarding grants under the program, the commissioner shall give priority to:

- (1) areas of the state where no ~~children's~~ other family safety center or similar facility exists;
- (2) applicants who demonstrate that private funding for the center is available and will continue; and
- (3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Subd. 3. [ADDITIONAL SERVICES.] Each center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Subd. 4. [REPORT.] The commissioner shall evaluate the operation of the ~~pilot children's~~ family safety centers and report to the legislature by February 1, 1994, with recommendations.

Sec. 7. Minnesota Statutes 1994, section 256H.01, subdivision 9, is amended to read:

Subd. 9. [FAMILY.] "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caretakers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only

the minor parent or parents and the child or children. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians and their spouses, or eligible relative caretakers and their spouses, residing in the same household. An adult age 18 who is a full-time high school student and can reasonably be expected to graduate before age 19 may be considered a dependent member of the family unit.

Sec. 8. Minnesota Statutes 1994, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program; ~~a person exempt from licensure who meets child care standards established~~ legal nonlicensed extended day school age child care program which operates under the auspices of a local school board that has adopted school age child care standards which meet or exceed standards recommended by the state board department of education; or a legal nonlicensed caregiver who is at least 18 years of age, and who is not a member of the AFDC assistance unit.

Sec. 9. Minnesota Statutes 1994, section 256H.02, is amended to read:

256H.02 [DUTIES OF COMMISSIONER.]

The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money ~~under the AFDC employment special needs program~~ in section 256.736, subdivision 8, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the ~~AFDC employment special needs program and other~~ programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 10. Minnesota Statutes 1994, section 256H.03, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION PERIOD; NOTICE OF ALLOCATION.] When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their biennial community social services plans required under section 256E.08, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. ~~By June~~ October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Sec. 11. Minnesota Statutes 1994, section 256H.03, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients, MFIP recipients, and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. ~~From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its state money expenditures for the basic sliding fee program for this period will not exceed 95 percent of the county's allocation of state money for the~~

~~fiscal year ending June 30, 1990. As basic sliding fee program money becomes available to serve new families, eligible families whose benefits were terminated during the fiscal year ending June 30, 1990, for reasons other than loss of eligibility shall be reinstated. Families enrolled in the basic sliding fee program as of July 1, 1990, shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis. Child care assistance provided through the child care fund is considered assistance to the parent.~~

Sec. 12. Minnesota Statutes 1994, section 256H.03, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION FORMULA.] ~~Beginning July 1, 1992~~ January 1, 1996, the basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 6, with any remaining available funds allocated according to the following formula:

(a) ~~One-half~~ One-third of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the ~~12-month period ending on December 31 of the preceding state fiscal year~~ most recent calendar year completed at the time of the notice of allocation.

(b) ~~One-fourth~~ One-third of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and ~~the children's health plan on July 1, of each year~~ MinnesotaCare on December 31 of the most recent calendar year completed at the time of the notice of allocation.

(c) ~~One-fourth~~ One-third of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

Sec. 13. Minnesota Statutes 1994, section 256H.03, is amended by adding a subdivision to read:

Subd. 4a. [SIX-MONTH ALLOCATION.] For the period from July 1, 1995, to December 31, 1995, every county shall receive an allocation at least equal and proportionate to one-half of its original allocation in state fiscal year 1995. This six-month allocation shall be combined with the calendar year 1996 allocation and be administered as one 18-month allocation.

Sec. 14. Minnesota Statutes 1994, section 256H.03, subdivision 6, is amended to read:

Subd. 6. [GUARANTEED FLOOR.] (a) ~~Each county's guaranteed floor shall equal the lesser of:~~

(1) ~~the county's original allocation in the preceding state fiscal year; or~~

(2) ~~110 percent of the county's basic sliding fee child care program state and federal earnings for the 12-month period ending on December 31 of the preceding state fiscal year. For purposes of this clause, "state and federal earnings" means the reported direct child care expenditures adjusted for the administrative allowance and 15 percent required county match. Beginning January 1, 1996, each county's guaranteed floor shall equal 90 percent of the allocation received in the preceding calendar year. For the calendar year 1996 allocation, the preceding calendar year shall be considered to be double the six-month allocation as provided for in subdivision 4a.~~

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

Sec. 15. Minnesota Statutes 1994, section 256H.05, subdivision 6, is amended to read:

Subd. 6. [~~NON STRIDE AFDC CHILD CARE PROGRAM~~ ACCESS CHILD CARE PROGRAM.] Starting one month after April 30, 1992, the ~~department of human services commissioner~~ shall reimburse eligible expenditures for 2,000 family slots for AFDC caretakers not eligible for services under section 256.736, who are engaged in an authorized educational or job search program. Each county will receive a number of family slots based on the county's proportion of the AFDC caseload. A county must receive at least two family slots. Eligibility and

reimbursement are limited to the number of family slots allocated to each county. County agencies shall authorize an educational plan for each student and may prioritize families eligible for this program in their child care fund plan upon approval of the commissioner of ~~human services~~.

(a) Persons eligible for but unable to participate in the JOBS (STRIDE) program because of a waiting list may be accepted as a new participant, or continue to participate in the ACCESS child care program if a slot is available as long as all other eligibility factors are met. Child care assistance must continue under the ACCESS child care program until the participant loses eligibility or is enrolled in project STRIDE.

(b)(1) Effective July 1, 1995, the commissioner shall reclaim 90 percent of the vacant slots in each county and distribute those slots to counties with waiting lists of persons eligible for the ACCESS child care program. The slots must be distributed to eligible families based on the July 1, 1995, waiting list placement date, first-come, first-served basis.

(2) ACCESS child care slots remaining after the waiting list under clause (1) has been eliminated must be distributed to eligible families on a first-come, first-served basis, based on the client's date of request.

(3) The county must notify the commissioner when an ACCESS slot in the county becomes available. Notification by the county must be within five calendar days of the effective date of the termination of the ACCESS child care services. The resulting vacant slot must be returned to the department of human services. The slot must then be redistributed under clause (2).

(4) The commissioner shall consult with the task force on child care and make recommendations to the 1996 legislature for future distribution of the ACCESS slots under this paragraph.

Sec. 16. Minnesota Statutes 1994, section 256H.08, is amended to read:

**256H.08 [USE OF MONEY.]**

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. High school students who are participating in a post-secondary options program and who receive a high school diploma issued by the school district are exempt from the time limitations while pursuing a high school diploma. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05 are available. If an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 17. Minnesota Statutes 1994, section 256H.11, subdivision 1, is amended to read:

**Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.]** Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of up to one month of child care up to 240 hours of child care assistance per calendar year. Employed persons who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Sec. 18. Minnesota Statutes 1994, section 256H.12, subdivision 1, is amended to read:

Subdivision 1. [COUNTY CONTRIBUTIONS REQUIRED.] Beginning July 1, 1995, in addition to payments from parents basic sliding fee child care program participants, counties shall contribute from county tax or other sources a minimum of 15 percent of the cost of the basic sliding fee program at the local match percentage calculated according to subdivision 1a. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision.

Sec. 19. Minnesota Statutes 1994, section 256H.12, is amended by adding a subdivision to read:

Subd. 1a. [LOCAL MATCH PERCENTAGE.] The local match percentage shall equal the lesser of either 15 percent of the cost of the basic sliding fee program or the statewide required local match in state fiscal year 1995, divided by the sum of the current year's basic sliding fee allocation, plus the statewide required local match in state fiscal year 1995 provided that the local match on any funding above the base year allocation shall be at least five percent. For purposes of this computation, the statewide required local match in state fiscal year 1995 shall be equal to the initial state fiscal year 1995 basic sliding fee allocation, divided by 85 percent, and then multiplied by 15 percent. The calendar year 1996 local match percentage shall be in effect for the six-month allocation period defined in section 256H.03.

Sec. 20. Minnesota Statutes 1994, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] ~~(a) Until June 30, 1991, the maximum child care rate is determined under this paragraph. The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.~~

~~(b) Effective July 1, 1991, the maximum rate paid for child care assistance under the child care fund is the maximum rate eligible for federal reimbursement except that a provider receiving reimbursement under paragraph (a) as of January 1, 1991, shall be paid at a rate no less than the rate of reimbursement received under that paragraph. A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision. The department of human services shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.~~

~~(c) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.~~

Sec. 21. Minnesota Statutes 1994, section 256H.18, is amended to read:

256H.18 [ADMINISTRATIVE EXPENSES.]

~~The commissioner shall use up to seven percent one-eleventh of the state and federal funds appropriated available for the basic sliding fee program for payments to counties for administrative expenses. The commissioner shall use up to ten percent of federal funds for payments to counties for administrative expenses.~~

Sec. 22. [REPEALER.]

Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; defining and establishing "transition services"; delaying state liability of cost for out-of-state treatment of children; allowing grants for community-based services for adolescents with serious emotional disturbances and violent behavior; providing for an early childhood care and education training advisory committee; establishing outcomes for cultural dynamics training; changing children's safety centers to family safety centers; changing payments and funding for child care programs; amending Minnesota Statutes 1994, sections 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 245.4882, subdivision 5; 245.4886, by adding subdivisions; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; and 256H.18; repealing Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5."

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 856:** A bill for an act relating to Dakota county; assigning to the county administrator the duties of the clerk of the county board; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 565:** A bill for an act relating to metropolitan area housing; authorizing the metropolitan council to operate a federal section 8 housing program within the metropolitan area pursuant to joint exercise of powers agreements; amending Minnesota Statutes 1994, section 473.195, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 833:** A bill for an act relating to the city of Minneapolis; authorizing the city to determine the method for the sale of unclaimed property; repealing Laws 1919, chapter 396.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 471.195, is amended to read:

471.195 [UNCLAIMED PROPERTY; DISPOSAL.]

(1) Any city may by ordinance provide for the custody and disposal of property lawfully coming into its possession in the course of municipal operations and remaining unclaimed by the owner. Such ordinance may provide for the sale of such property to the highest bidder at public auction or sale ~~following reasonable published notice~~ or by a private sale through a nonprofit organization that has a significant mission of community service, after the property has been in the possession of the municipality for a period of at least 60 days. If the sale is to be by public auction,

the city shall give ten days' published notice describing the property found or recovered and to be sold, and specifying the time and place of the sale. The notice must be published at least once in a legal newspaper published in the city or if there is none in the city, published in the county. Consistent with other applicable statutory or charter provision, the ordinance shall designate the fund into which the proceeds of any such sale shall be placed, subject to the right of the former owner to payment of the sale price from the fund upon application and satisfactory proof of ownership within six months of the sale or such longer period as provided by ordinance.

(2) This section does not limit the power of any municipality under any other statutory or charter authority.

Sec. 2. [REPEALER.]

Laws 1919, chapter 396, is repealed."

Delete the title and insert:

"A bill for an act relating to cities; authorizing cities to conduct private sales of unclaimed property through nonprofit organizations; repealing archaic language; amending Minnesota Statutes 1994, section 471.195; repealing Laws 1919, chapter 396."

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. 367** 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.
367	293				

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. 702** 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.
702	522				

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. 821** 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.  
821S.F. No.  
700

H.F. No.

S.F. No.

H.F. No.

S.F. No.

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. 321** 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.  
321S.F. No.  
174

H.F. No.

S.F. No.

H.F. No.

S.F. No.

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. 715** 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.  
715S.F. No.  
453

H.F. No.

S.F. No.

H.F. No.

S.F. No.

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. 602** 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.  
602S.F. No.  
513

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 602 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 602 and insert the language after the enacting clause of S.F. No. 513, the first engrossment; further, delete the title of H.F. No. 602 and insert the title of S.F. No. 513, the first engrossment.

And when so amended H.F. No. 602 will be identical to S.F. No. 513, and further recommends that H.F. No. 602 be given its second reading and substituted for S.F. No. 513, 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. 651** 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.
651	591				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 651 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 651 and insert the language after the enacting clause of S.F. No. 591, the first engrossment; further, delete the title of H.F. No. 651 and insert the title of S.F. No. 591, the first engrossment.

And when so amended H.F. No. 651 will be identical to S.F. No. 591, and further recommends that H.F. No. 651 be given its second reading and substituted for S.F. No. 591, and that the Senate File be indefinitely postponed.

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

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

**H.F. No. 603** 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.
603	514				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 603 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 603 and insert the language after the enacting clause of S.F. No. 514, the first engrossment; further, delete the title of H.F. No. 603 and insert the title of S.F. No. 514, the first engrossment.

And when so amended H.F. No. 603 will be identical to S.F. No. 514, and further recommends that H.F. No. 603 be given its second reading and substituted for S.F. No. 514, 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. 413** 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.
413	378				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 413 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 413 and insert the language after the enacting clause of S.F. No. 378, the first engrossment; further, delete the title of H.F. No. 413 and insert the title of S.F. No. 378, the first engrossment.

And when so amended H.F. No. 413 will be identical to S.F. No. 378, and further recommends that H.F. No. 413 be given its second reading and substituted for S.F. No. 378, 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. 529** 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**

H.F. No.	S.F. No.
529	431

**CONSENT CALENDAR**

H.F. No.	S.F. No.
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**CALENDAR**

H.F. No.	S.F. No.
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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. 1099, 841, 534, 420, 856 and 833 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 273, 457, 367, 702, 821, 321, 715, 602, 651, 603, 413 and 529 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Dille moved that his name be stricken as a co-author to S.F. No. 717. The motion prevailed.

Ms. Runbeck moved that the name of Mr. Sams be added as a co-author to S.F. No. 717. The motion prevailed.

Mr. Sams moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 718. The motion prevailed.

Mr. Price moved that the name of Ms. Krentz be added as a co-author to S.F. No. 755. The motion prevailed.

Mr. Betzold moved that the names of Ms. Berglin and Mr. Neuville be added as co-authors to S.F. No. 842. The motion prevailed.

Mr. Cohen moved that the name of Ms. Wiener be added as a co-author to S.F. No. 1017. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 1037. The motion prevailed.

Mr. Dille moved that the name of Mr. Terwilliger be added as a co-author to S.F. No. 1094. The motion prevailed.

Mr. Lessard moved that the names of Mr. Sams, Ms. Hanson, Mr. Stevens and Mrs. Pariseau be added as co-authors to S.F. No. 1111. The motion prevailed.

Mr. Metzen moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 1135. The motion prevailed.

Ms. Runbeck moved that S.F. No. 598 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Metzen moved that S.F. No. 1009 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Ms. Pappas moved that H.F. No. 565 be withdrawn from the Committee on Jobs, Energy and Community Development, given a second reading and placed on General Orders. The motion prevailed.

H.F. No. 565 was read the second time.

Mr. Vickerman moved that S.F. No. 1171 be withdrawn from the Committee on Crime Prevention and re-referred to the Committee on Transportation and Public Transit. The motion prevailed.

## CALENDAR

**H.F. No. 125:** A bill for an act relating to corrections; prohibiting correctional inmates from applying for name changes more than once during an inmate's confinement; proposing coding for new law in Minnesota Statutes, chapter 259.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Sams
Berg	Janezich	Larson	Oliver	Samuelson
Berglin	Johnson, D.E.	Lesewski	Olson	Scheevel
Bertram	Johnson, D.J.	Lessard	Ourada	Solon
Betzold	Johnson, J.B.	Limmer	Pappas	Spear
Chandler	Johnston	Marty	Pariseau	Stevens
Chmielewski	Kelly	Merriam	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Dille	Kleis	Moe, R.D.	Price	Wiener
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**H.F. No. 121:** A bill for an act relating to state trails; authorizing extension of the Blufflands Trail System in Winona county; amending Minnesota Statutes 1994, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Knutson	Mondale	Reichgott Junge
Beckman	Frederickson	Kramer	Morse	Riveness
Belanger	Hanson	Kroening	Murphy	Robertson
Berg	Hottinger	Laidig	Neuville	Runbeck
Berglin	Janezich	Langseth	Novak	Samuelson
Bertram	Johnson, D.E.	Larson	Oliver	Scheevel
Betzold	Johnson, D.J.	Lesewski	Olson	Solon
Chandler	Johnson, J.B.	Limmer	Ourada	Spear
Chmielewski	Johnston	Marty	Pappas	Stevens
Cohen	Kelly	Merriam	Pariseau	Terwilliger
Dille	Kiscaden	Metzen	Pogemiller	Vickerman
Finn	Kleis	Moe, R.D.	Price	Wiener

So the bill passed and its title was agreed to.

**H.F. No. 435:** A bill for an act relating to public utilities; authorizing performance-based gas purchasing regulation for gas utilities; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Dille	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 229:** A bill for an act relating to government data practices; medical examiner data; allowing sharing of such data with a state or federal agency charged with investigating a death; amending Minnesota Statutes 1994, section 13.83, subdivisions 4 and 5.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Dille	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 308:** A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; expanding the definition of prior license revocation; amending Minnesota Statutes 1994, sections 168.042, subdivision 8; and 169.121, subdivision 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Dille	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 39:** A bill for an act relating to crime; controlled substances; limiting the sentencing court's authority to stay adjudication of a controlled substance offender's guilt and to expunge the offender's record upon the successful completion of treatment and probation; providing that this procedure applies only to first-time offenders convicted of a fourth-degree, fifth-degree, or a nonfelony controlled substance offense; amending Minnesota Statutes 1994, section 152.18, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Morse	Reichgott Junge
Beckman	Hottinger	Laidig	Murphy	Riveness
Belanger	Janezich	Langseth	Neuville	Robertson
Berg	Johnson, D.E.	Larson	Novak	Runbeck
Berglin	Johnson, D.J.	Lesewski	Oliver	Samuelson
Betzold	Johnson, J.B.	Lessard	Olson	Scheevel
Chandler	Johnston	Limmer	Ourada	Solon
Chmielewski	Kelly	Marty	Pappas	Spear
Cohen	Kiscaden	Merriam	Pariseau	Stevens
Dille	Kleis	Metzen	Piper	Terwilliger
Flynn	Knutson	Moe, R.D.	Pogemiller	Vickerman
Frederickson	Kramer	Mondale	Price	Wiener

Messrs. Bertram and Finn voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 257:** A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, 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 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kramer	Morse	Reichgott Junge
Beckman	Hanson	Kroening	Murphy	Riveness
Belanger	Hottinger	Laidig	Neuville	Robertson
Berglin	Janezich	Langseth	Novak	Runbeck
Bertram	Johnson, D.E.	Larson	Oliver	Samuelson
Betzold	Johnson, D.J.	Lesewski	Olson	Solon
Chandler	Johnson, J.B.	Lessard	Ourada	Spear
Chmielewski	Johnson	Limmer	Pappas	Stevens
Cohen	Kelly	Marty	Pariseau	Terwilliger
Dille	Kiscaden	Metzen	Piper	Vickerman
Finn	Kleis	Moe, R.D.	Pogemiller	Wiener
Flynn	Knutson	Mondale	Price	

Messrs. Berg, Merriam and Scheevel voted in the negative.

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 574:** A bill for an act relating to Indians; requiring the commissioner of natural resources to change certain names of geographic features of the state.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Sams
Berg	Janezich	Larson	Oliver	Samuelson
Berglin	Johnson, D.E.	Lesewski	Olson	Scheevel
Bertram	Johnson, D.J.	Lessard	Ourada	Solon
Betzold	Johnson, J.B.	Limmer	Pappas	Spear
Chandler	Johnston	Marty	Pariseau	Stevens
Chmielewski	Kelly	Merriam	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Dille	Kleis	Moe, R.D.	Price	Wiener
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 93:** A bill for an act relating to Stearns county; requiring the county to refund money paid by the city of Melrose for acquisition of certain 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Chmielewski	Flynn	Janezich
Beckman	Bertram	Cohen	Frederickson	Johnson, D.E.
Belanger	Betzold	Dille	Hanson	Johnson, D.J.
Berg	Chandler	Finn	Hottinger	Johnson, J.B.

Johnston	Langseth	Mondale	Pariseau	Samuelson
Kelly	Larson	Morse	Piper	Scheevel
Kiscaden	Lesewski	Murphy	Pogemiller	Solon
Kleis	Lessard	Neuville	Price	Spear
Knutson	Limmer	Novak	Reichgott Junge	Stevens
Kramer	Marty	Oliver	Riveness	Terwilliger
Krentz	Merriam	Olson	Robertson	Vickerman
Kroening	Metzen	Ourada	Runbeck	Wiener
Laidig	Moe, R.D.	Pappas	Sams	

So the bill passed and its title was agreed to.

**H.F. No. 782:** A bill for an act relating to Western Lake Superior Sanitary District; providing for compliance with certain requirements of the Internal Revenue Code; proposing coding for new law in Minnesota Statutes, chapter 458D.

Pursuant to Rule 9, there being three objectors, H.F. No. 782 was stricken from the Consent Calendar and placed at the bottom of General Orders.

Without objection, the Senate reverted to the Orders of Business of the Calendar and Motions and Resolutions.

### CALENDAR

**H.F. No. 305:** A bill for an act relating to local government; clarifying provisions for financial audits in certain circumstances; amending Minnesota Statutes 1994, sections 367.36, subdivision 1; 412.02, subdivision 3; and 412.591, 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 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kramer	Morse	Riveness
Beckman	Hanson	Krentz	Murphy	Robertson
Belanger	Hottinger	Kroening	Neuville	Runbeck
Berg	Janezich	Laidig	Oliver	Sams
Berglin	Johnson, D.E.	Langseth	Olson	Scheevel
Bertram	Johnson, D.J.	Larson	Ourada	Solon
Betzold	Johnson, J.B.	Lesewski	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Finn	Kleis	Moe, R.D.	Price	Wiener
Flynn	Knutson	Mondale	Reichgott Junge	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 5 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 5:** A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds;

coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, subdivision 11, and by adding subdivisions; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 10a, 16, and by adding a subdivision; 256.737, subdivisions 1a and 2; 256.74, by adding a subdivision; 256.81; 256.87, subdivisions 1, 1a, and 5; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.09, subdivision 2a, and by adding subdivisions; and 518.575; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; 256D; and 268; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.065; 256D.091; 256D.101; 256D.111; and 256D.113.

Mr. Samuelson moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 54, line 7, delete "purposes" and insert "county costs associated with the STRIDE work program under"

Page 54, line 8, delete "of" and delete "20" and insert "14a"

Page 54, line 13, delete "\$330,000" and insert "\$660,000"

Page 54, line 15, delete everything after "evaluations"

Page 54, line 16, delete everything before the period

Page 54, line 17, delete "\$1,538,000" and insert "\$1,366,000"

Page 54, line 18, delete "job search" and insert "STRIDE"

Page 54, line 19, before the period, insert "under Minnesota Statutes, section 256.736, subdivisions 14a and 20"

Page 54, line 20, delete "\$1,574,000" and insert "\$1,687,000"

Page 54, line 29, delete "AND WORK"

Page 54, line 30, delete "READINESS"

Page 54, line 31, delete everything before the period

Page 55, line 2, before the period, insert "for the fiscal year beginning July 1, 1996"

The motion prevailed. So the amendment was adopted.

Mr. Samuelson then moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

(1) inpatient hospital services;

(2) outpatient hospital services;

(3) services provided by Medicare certified rehabilitation agencies;

(4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;

(5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;



- (6) eyeglasses and eye examinations provided by a physician or optometrist;
  - (7) hearing aids;
  - (8) prosthetic devices;
  - (9) laboratory and X-ray services;
  - (10) physician's services;
  - (11) medical transportation;
  - (12) chiropractic services as covered under the medical assistance program;
  - (13) podiatric services;
  - (14) dental services;
  - (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
  - (16) day treatment services for mental illness provided under contract with the county board;
  - (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
  - (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
  - (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
  - (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
  - (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.
- (b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.
- (c) Notwithstanding paragraphs (a) and (b), gender reassignment surgery and related services are not covered services under this subdivision. This paragraph does not apply to an individual who began receiving gender reassignment services before July 1, 1995.
- (d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services

under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

~~(d)~~ (e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

~~(e)~~ (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

~~(f)~~ (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

~~(g)~~ (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Ms. Berglin moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 45, after line 23, insert:

"Sec. 30. Minnesota Statutes 1994, section 270.11, subdivision 2, is amended to read:

Subd. 2. [COUNTY ASSESSOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.] Each county assessor shall file by April 1 with the commissioner of revenue a copy of the abstract that will be acted upon by the local and county boards of review. The abstract must list the real and personal property in the county itemized by assessment districts. The assessor of each county in the state shall file with the commissioner, within ten working days following final action of the local board of review or equalization and within five days following final action of the county board of equalization, any changes made by the local or county board. The information must be filed in the manner prescribed by the commissioner. It must be accompanied by a printed or typewritten copy of the proceedings of the appropriate board.

The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before September 1 of each calendar year. The final abstract must separately report the captured tax capacity of tax increment financing districts under section 469.177, subdivision 2, and empowerment zones under section 469.314, subdivision 2, the metropolitan revenue contribution value under section 473F.07, and the value subject to the power line credit under section 273.42.

Sec. 31. Minnesota Statutes 1994, section 272.71, is amended to read:

272.71 [TIF AND EMPOWERMENT ZONE PROPERTIES; NOTICE OF POTENTIAL VALUATION REDUCTIONS.]

(a) The following officials shall notify the municipality of potential reductions in the market value of taxable parcels located in a tax increment financing district or an empowerment zone:

(1) for applications to reduce market value or abate taxes or for applications to a local or county board of review, the assessor;

(2) for applications to reduce market value or abate taxes by the state board of equalization, the commissioner of revenue;

(3) for petitions to reduce market value or object to taxes under chapter 278, the county attorney.

The official shall provide the notice to the municipality in writing within 60 days after the petition or application for a reduction is made.

(b) This section applies only to reductions in valuation or taxes that are granted after certification of final values for purposes of certifying local tax rates.

(c) For purposes of this section, "municipality" means the municipality for the tax increment financing district, as defined under section 469.174, subdivision 6, or the county for the empowerment zone established under section 469.312.

Sec. 32. Minnesota Statutes 1994, 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) 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 as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code of 1986, as amended through December 31, 1991. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership;

(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;

(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 or empowerment zone tax receipts used for the acquisition or rehabilitation of the building or interest rate write-downs 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 (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.

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. 33. Minnesota Statutes 1994, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, ~~except that for aid 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 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent and the class rate applicable to class 2a property over \$115,000 market value and less than 320 acres is 1.15 percent,~~ and (ii) estimated market values for the assessment two years prior to that in which aid is payable. ~~The exclusion of the value of the house, garage, and one acre from the first tier of agricultural homestead property must not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1994.~~ "Total net tax capacity" means the net tax capacities for all

property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and of the captured net tax capacity of empowerment zones as defined in section 469.314, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1), (2), and (3), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(d) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and of empowerment zones as defined in section 469.314, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) capital expenditure facilities revenue under section 124.243, subdivision 3;
- (4) capital expenditure equipment revenue under section 124.244, subdivision 2;
- (5) basic transportation under section 124.226, subdivision 1; and
- (6) referendum revenue under section 124A.03.

(g) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(i) "Human services aids" means:

- (1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;
- (2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (3) general assistance medical care under section 256D.03, subdivision 6;
- (4) general assistance under section 256D.03, subdivision 2;
- (5) work readiness under section 256D.03, subdivision 2;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;
- (9) work readiness services under section 256D.051;
- (10) case management services under section 256.736, subdivision 13;
- (11) general assistance claims processing, medical transportation and related costs; and
- (12) medical assistance, medical transportation and related costs.

(j) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(k) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(l) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(m) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(n) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies.

Sec. 34. Minnesota Statutes 1994, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by

~~special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and~~

~~(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.~~

~~For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).~~

Sec. 35. Minnesota Statutes 1994, section 428A.03, subdivision 1, is amended to read:

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section 469.177 or 469.314 or to the distribution or contribution value under section 473F.08. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, a service charge may be imposed only in the amount needed to pay for the increased level of service. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, a hearing must be held under section 428A.02 and notice must be given and must be mailed to any individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and upon completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year in which the service charge is to be collected; and

(4) a statement that the petition requirements of section 428A.08 have either been met or do not apply to the proposed service charge.

Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Sec. 36. Minnesota Statutes 1994, section 428A.05, is amended to read:

428A.05 [COLLECTION OF SERVICE CHARGES.]

Service charges may be imposed on the basis of the net tax capacity of the property on which



the service charge is imposed but must be spread only upon the net tax capacity of the taxable property located in the geographic area described in the ordinance. Service charges based on net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed must be collected as provided by ordinance. Service charges based on net tax capacity collected under sections 428A.01 to 428A.10 are not included in computations under section 469.177, 469.314, chapter 473F, or any other law that applies to general ad valorem levies.

Sec. 37. [469.311] [DEFINITIONS.]

Subdivision 1. [CAPTURED NET TAX CAPACITY.] "Captured net tax capacity" means 75 percent of the amount by which the current net tax capacity of an empowerment zone exceeds the original net tax capacity, including the value of property normally taxable as personal property by reason of its location on or over property owned by a tax-exempt entity.

Subd. 2. [ORIGINAL NET TAX CAPACITY.] "Original net tax capacity" means the tax capacity of all taxable real property within an empowerment zone as certified by the commissioner of revenue for the previous assessment year, provided that the request by a county for certification of a new empowerment zone has been made to the county auditor by June 30. The original tax capacity of zones for which requests are filed after June 30 has an original tax capacity based on the current assessment year. In any case, the original tax capacity must be determined together with subsequent adjustments as set forth in section 469.314, subdivisions 1 and 4. In determining the original net tax capacity, the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting county and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.

Subd. 3. [PARCEL.] "Parcel" means a tract or plat of land established prior to the certification of the zone as a single unit for purposes of assessment.

Sec. 38. [469.312] [ESTABLISHING; MODIFYING EMPOWERMENT ZONE; ANNUAL ACCOUNTS.]

Subdivision 1. [EMPOWERMENT ZONE PLAN.] To establish an empowerment zone under sections 469.311 to 469.314, a county shall develop an empowerment zone plan which shall contain:

(1) a statement of the objectives and a description of the projects proposed by the county for the empowerment zone to accomplish the zone's purposes as stated in section 39, subdivision 2;

(2) a statement as to the program for the zone including a plan designed to secure development of private commercial or industrial enterprises within the zone. In addition, the public infrastructure improvements to be undertaken in the empowerment zone must be public infrastructure improvements that will maximize the development of private commercial or industrial enterprises within the empowerment zone;

(3) estimates of the following:

(i) cost of the program, including administration expenses;

(ii) sources of revenue to finance or otherwise pay public costs;

(iii) the most recent net tax capacity of taxable real property within the empowerment zone; and

(iv) the estimated captured net tax capacity of the empowerment zone at completion;

(4) statements of the county's alternate estimates of the impact of the empowerment zone on the net tax capacities of all taxing jurisdictions in which the empowerment zone is located in whole or in part. For purposes of one statement, the county shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the zone, and for purposes of the second statement, the county shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the zone; and

(5) identification of all parcels to be included in the zone, including verification that the total market value of all the parcels as most recently determined by the assessor at the time of the request for certification is no greater than the market value of those parcels as determined by the assessor as of the date four years prior to the request.

Subd. 2. [CITY, SCHOOL BOARD, AND PARK BOARD APPROVAL.] The city council of each city in which any portion of the proposed zone is located, the school board of each school district in which any portion of the proposed zone is located, and the board of the park district in which any portion of the proposed zone is located, if any, must approve the creation of an empowerment zone. The county shall present to the city council and the boards its estimate of the fiscal and economic implications of the proposed empowerment zone.

Subd. 3. [COUNTY APPROVAL; HEARING.] The county shall approve the empowerment zone plan only after a public hearing thereon after published notice in a newspaper of general circulation in the county at least once not less than ten days nor more than 30 days prior to the date of the hearing. The published notice must include a map of the area of the zone from which increments may be collected. Before or at the time of approval of the empowerment zone plan, the county shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the public benefits proposed to accrue through the plan, in the opinion of the county, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the creation of the empowerment zone is deemed necessary;

(2) that the empowerment zone plan will afford maximum opportunity, consistent with the sound needs of the county as a whole, for the development or redevelopment of the empowerment zone by private enterprise; and

(3) that the county elects the method of tax increment computation set forth in section 469.314, subdivision 3, paragraph (b), if applicable.

Subd. 4. [EFFECT OF APPROVAL.] Upon adoption of the empowerment zone plan, the authority shall file a copy of the plan with the commissioner of revenue.

Once approved, the determination of the county to create the empowerment zone and the resolution of the county board of commissioners shall be conclusive of the findings therein and of the public need for creation of the empowerment zone.

#### Sec. 39. [469.313] [LIMITATIONS.]

Subdivision 1. [DURATION LIMITS; TERMS.] No empowerment zone taxes shall be paid to the county after five years from date of receipt by the county of the first empowerment zone tax receipts.

Subd. 2. [LIMITATION ON USE OF EMPOWERMENT ZONE TAX RECEIPTS; GENERAL RULE.] All revenues derived from the empowerment zone tax shall be used in accordance with the empowerment zone plan. The revenues shall be used solely to pay the costs of capital improvements relating to public infrastructure, natural systems, and housing. The expenditures for these purposes must be planned in a manner that is most likely to accomplish the following goals:

(1) to reduce crime;

(2) to implement strategies for job skill enhancement; or

(3) to improve the local tax base.

#### Sec. 40. [469.314] [COMPUTATION OF EMPOWERMENT ZONE TAX.]

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of an empowerment zone plan, the auditor of the county in which the zone is situated shall, upon request of the county, certify the original net tax capacity of the empowerment zone as described in the

empowerment zone plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the zone or changes pursuant to subdivision 4.

(b) If the classification under section 273.13 of property located in a zone changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(c) The amount to be added to the original net tax capacity of the zone as a result of previously tax exempt real property within the zone becoming taxable equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If substantial taxable improvements were made to a parcel after certification of the zone and if the property later becomes tax exempt, in whole or part, as a result of the county acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement or as a result of tax forfeiture, the amount to be added to the original net tax capacity of the zone as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified.

(d) If the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(e) The amount to be subtracted from the original net tax capacity of the zone as a result of previously taxable real property within the zone becoming tax exempt shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt. If the net tax capacity of property located within the empowerment zone is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor, or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the zone when the property upon which the abatement is made has not been improved since the date of certification of the zone and to the captured net tax capacity of the zone in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the county.

Subd. 2. [CAPTURED NET TAX CAPACITY.] The county auditor shall certify the amount of the captured net tax capacity to the county each year, together with the proportion that the captured net tax capacity bears to the total net tax capacity of the real property within the tax increment financing zone for that year.

Subd. 3. [EMPOWERMENT ZONE TAX; RELATIONSHIP TO CHAPTER 473F.] (a) Unless the county board of commissioner elects, pursuant to paragraph (b) the following method of computation shall apply:

(1) the original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, 75 percent of the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount is the captured net tax capacity of the county; and

(2) the county auditor shall exclude the captured net tax capacity of the county from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the captured net tax capacity of the county as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the local taxing district tax rates to the captured net tax capacity of the county is the empowerment zone tax of the county.

(b) The county may, by resolution approving the empowerment zone financing plan pursuant to section 469.312, subdivision 3, elect the following method of computation:

(1) the original net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no empowerment zone tax determination. Where the original net tax capacity is less than the current net tax capacity, 75 percent of the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount is the captured net tax capacity of the county;

(2) the county auditor shall exclude the captured net tax capacity of the county from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the captured net tax capacity of the county as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the local taxing zone tax rates to the captured net tax capacity of the county is the empowerment zone tax of the county; and

(3) an election by the county pursuant to paragraph (b) shall be submitted to the county auditor by the county at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of empowerment zone tax applied to a zone pursuant to paragraph (a) or (b) shall remain the same for the duration of the zone, except that the county board of commissioners may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The county shall, after diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1 with a listing of all properties within the empowerment zone for which building permits have been issued during the 18 months immediately preceding approval of the empowerment plan by the county pursuant to section 469.312, subdivision 3. The county auditor shall increase the original net tax capacity of the zone by the net tax capacity of each improvement for which a building permit was issued.

Subd. 5. [EMPOWERMENT ZONE TAX RECEIPTS ACCOUNT.] The empowerment zone tax receipts received with respect to any zone shall be segregated by the county in a special account or accounts on its official books and records or as otherwise established by resolution of the county to be held by a trustee or trustees for the benefit of holders of the bonds.

Subd. 6. [REQUEST FOR CERTIFICATION OF NEW EMPOWERMENT ZONE.] A request for certification of a new empowerment zone pursuant to subdivision 1 received by the county auditor on or before July 1 shall be recognized by the county auditor in determining local tax rates for the current and subsequent levy years. Requests received by the county auditor after July 1 shall not be recognized by the county auditor in determining local tax rates for the current levy year but shall be recognized by the county auditor in determining local tax rates for subsequent levy years.

Subd. 7. [PROPERTY CLASSIFICATION CHANGES.] When any law governing the classification of real property and determining the percentage of market value to be assessed for ad valorem taxation purposes is amended, the increase or decrease in net tax capacity resulting therefrom shall be applied proportionately to original net tax capacity and captured net tax capacity of any empowerment zone in each year thereafter.

Sec. 41. Minnesota Statutes 1994, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may

be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision.

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area;~~

~~(c) for taxes payable in 1990, an amount not to exceed \$2,700,000; and~~

~~(d) for taxes payable in 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable in 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for taxes payable in 1988.~~

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.

Sec. 42. Minnesota Statutes 1994, section 473.249, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council may levy a tax on all taxable property in the metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

The property tax levied by the metropolitan council for general purposes shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of 8/30 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; and~~

~~(e) for taxes payable in 1990 and subsequent years~~, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) the lesser of

(i) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for the previous taxes payable year;

(ii) an index equal to the implicit price deflator for state and local government purchases of goods and services for the most recent month for which data are available divided by the implicit price deflator for state and local government purchases of goods and services for the same month of the previous year; or

(iii) 103 percent.

For the purpose of determining the metropolitan council's property tax levy limitation for general purposes ~~for the taxes payable year 1988 and subsequent years~~ under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

Sec. 43. Minnesota Statutes 1994, 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 council 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 council under section 473.436, subdivision 6;

(b) an additional amount, if any, the council 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 has specifically pledged tax levies under this clause.

The property tax levied by the council for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1995, the council's property tax levy limitation for general transit purposes is equal to the former regional transit board's property tax levy limitation for general transit purposes under this subdivision, for taxes payable in 1994, multiplied by 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; and

(2) for taxes payable in 1996 and subsequent years, the product of (i) the council's property tax levy limitation for general transit 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 taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year. For the taxes payable year 1995, the index for market valuation changes shall be multiplied by an amount equal to the sum of the regional transit board's property tax levy limitation for the taxes payable year 1994 and \$160,665.

The \$160,665 increase shall be a permanent adjustment to the levy limit base used in determining the regional transit board's property tax levy limitation for general purposes for subsequent taxes payable years.

For the purpose of determining the council's property tax levy limitation for general transit purposes 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), empowerment zones (sections 469.311 to 469.314), 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 0.510 percent of 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 0.765 percent of 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 council 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. 44. Minnesota Statutes 1994, section 473.711, subdivision 2, is amended to read:

Subd. 2. [BUDGET; TAX LEVY.] 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.

The property tax levied by the metropolitan mosquito control commission shall not exceed 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 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), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

Sec. 45. Minnesota Statutes 1994, section 473F.08, subdivision 4, is amended to read:

Subd. 4. [TAX RATE; NONCOMMERCIAL PROPERTY.] In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the net tax capacity of the governmental unit, taking ~~section~~ sections 469.177, subdivision 3, and 469.314, subdivision 3, into account, less that portion subtracted from net tax capacity pursuant to subdivision 2, clause (a). The resulting tax rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

Sec. 46. Minnesota Statutes 1994, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY NET TAX CAPACITY.] "City net tax capacity" means (1) the net tax capacity computed using the net tax capacity rates in section 273.13, and the market values for taxes payable in the year prior to the aid distribution plus (2) a city's fiscal disparities distribution tax capacity under section 473F.08, subdivision 2, paragraph (b), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing city net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and the captured net tax capacity of empowerment zones as defined in section 469.314, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The city net tax capacity will be computed using equalized market values.

Sec. 47. [EMPOWERMENT ZONES; ADMINISTRATIVE SIMPLIFICATION OF WELFARE LAWS.]

(a) The commissioner of human services shall make recommendations to effectuate the changes in federal laws and regulations, state laws and rules, and the state plan to improve the administrative efficiency of the aid to families with dependent children, general assistance, work readiness, family general assistance, medical assistance, general assistance medical care, and food stamp programs. At a minimum, the following administrative standards and procedures must be changed.

The commissioner shall:

(1) require income or eligibility reviews no more frequently than annually for cases in which income is normally invariant, as in aid to families with dependent children cases where the only source of household income is Supplemental Social Security Income;

(2) permit households to report income annually when the source of income is excluded, such as a minor's earnings;

(3) require income or eligibility reviews no more frequently than annually for extended medical assistance cases;

(4) require income or eligibility reviews no more frequently than annually for a medical assistance postpartum client, where the client previously had eligibility under a different basis prior to pregnancy or if other household members have eligibility with the same income/basis that applies to the client;

(5) permit all income or eligibility reviews for foster care medical assistance cases to use the short application form;

(6) make dependent care expenses declaratory for medical assistance; and

(7) permit households to only report gifts worth \$100 or more per month.

(b) The county's administrative savings resulting from these changes may be allocated to fund the empowerment zones initiative or be used for any other lawful purpose.



(c) The recommendations must be provided in a report to the chairs of the appropriate legislative committees by August 1, 1995. The recommendations must include a list of the administrative standards and procedures that require approval by the federal government before implementation, and also which administrative simplification standards and procedures may be implemented by a county prior to receiving a federal waiver.

(d) The commissioner shall seek the necessary waivers from the federal government as soon as possible to implement the administrative simplification standards and procedures.

Sec. 48. [EMPOWERMENT ZONES.]

The commissioner of human services, and certain county agencies shall develop, by December 1, 1995, a plan to improve the employment opportunities available to economic assistance recipients. The employment activities shall be focused on improving public infrastructure, enhancing the local tax base, improving the quality of available housing, reducing crime, designing strategies for job skill enhancement, strengthening communities, and maintaining and improving natural systems. The county is authorized to retain 75 percent of the increased valuation of the property included in the empowerment zone for five years. This money must be placed into a pool and used for funding of empowerment zones. The plan shall include input and support from city council, county board, park board, and school board. The plan shall coordinate existing funding streams and target them to mutually agreed upon projects. Organized labor shall be consulted in the development of the plan and implementation of any work activities. Participating jurisdictions shall report back to the legislature by August 1, 1995, with a plan for the projects to be located in pockets of poverty, as identified by the city council, county board, park board, and school board.

The commissioner of human services is authorized to permit counties to use the savings that have been identified as resulting from the administrative simplification of welfare laws to fund the empowerment zone initiative."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin then moved to amend the Berglin amendment to H.F. No. 5 as follows:

Page 30, delete lines 31 to 34

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

Mr. Bertram questioned whether the Berglin amendment, as amended, was germane.

The President ruled that the amendment was germane.

Mr. Merriam requested division of the Berglin amendment, as amended.

First portion: Section 47

Second portion: The remainder of the amendment

Mr. Neuville moved to amend the first portion of the Berglin amendment to H.F. No. 5 as follows:

Page 29, line 33, delete "the empowerment zones"

Page 29, line 34, delete "initiative or be used for" and delete "other"

The motion prevailed. So the amendment to the first portion of the Berglin amendment was adopted.

The question was taken on the adoption of the first portion of the Berglin amendment, as amended. The motion prevailed.

So the first portion of the Berglin amendment, as amended, was adopted.

Mr. Bertram questioned whether the second portion of the Berglin amendment was germane.

The President ruled that the amendment was germane.

Ms. Runbeck moved to amend the second portion of the Berglin amendment to H.F. No. 5 as follows:

Page 30, after line 34, insert:

"Sec. 49. [SUNSET.]

The provisions in sections 30 to 46 relating to the empowerment zones initiative in section 48, and section 48 shall sunset effective June 30, 1997."

The motion prevailed. So the amendment to the second portion of the Berglin amendment was adopted.

The question was taken on the adoption of the second portion of the Berglin amendment, as amended.

The roll was called, and there were yeas 40 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Oliver	Runbeck
Beckman	Hanson	Kroening	Olson	Sams
Belanger	Hottinger	Lesewski	Pappas	Samuelson
Berglin	Janezich	Marty	Piper	Solon
Betzold	Johnson, D.J.	Metzen	Pogemiller	Spear
Chandler	Johnson, J.B.	Mondale	Reichgott Junge	Terwilliger
Cohen	Kelly	Murphy	Riveness	Vickerman
Finn	Kramer	Novak	Robertson	Wiener

Those who voted in the negative were:

Berg	Johnston	Langseth	Moe, R.D.	Price
Bertram	Kiscaden	Larson	Morse	Scheevel
Chmielewski	Kleis	Lessard	Neuville	Stevens
Dille	Knutson	Limmer	Ourada	
Johnson, D.E.	Laidig	Merriam	Pariseau	

The motion prevailed. So the second portion of the Berglin amendment, as amended, was adopted.

Mr. Kramer moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;

- (7) hearing aids;
  - (8) prosthetic devices;
  - (9) laboratory and X-ray services;
  - (10) physician's services;
  - (11) medical transportation;
  - (12) chiropractic services as covered under the medical assistance program;
  - (13) podiatric services;
  - (14) dental services;
  - (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
  - (16) day treatment services for mental illness provided under contract with the county board;
  - (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
  - (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
  - (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
  - (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
  - (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.
- (b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.
- (c) Notwithstanding paragraphs (a) and (b), gender reassignment surgery and related services are not covered services under this subdivision. This paragraph does not apply to an individual who began receiving gender reassignment services before July 1, 1995.
- (d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(d) (e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(e) (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

(f) (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(g) (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Chandler questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Scheevel moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. Minnesota Statutes 1994, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, 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 professional medical associations and professional pharmacist associations, 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 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 three-year terms and shall serve without compensation. Members may be reappointed once.

(b) 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 shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. 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 at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing 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 information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

(i) drugs or products for which there is no federal funding;

(ii) over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, and vitamins for children under the age of seven and pregnant or nursing women;

(iii) 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;

- (iv) anorectics; and
- (v) drugs for which medical value has not been established.

The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(c) 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 shall be estimated by the commissioner, at average wholesale price minus 7.6 percent effective January 1, 1994. 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.

(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, 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 MinnesotaCare program or the children's health plan."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Knutson moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 35, after line 10, insert:

"Sec. 19. [256.7361] [BONUS FOR SCHOOL ATTENDANCE.]

Subdivision 1. [WAIVER.] The commissioner of human services in consultation with the commissioner of education shall, through use of all necessary federal waivers, establish a pilot program, in one or more counties to be selected by the commissioner of human services, to provide bonuses and sanctions in accordance with this section to encourage teenagers under the age of 20 who are receiving AFDC to obtain a high school diploma or equivalency degree.

Subd. 2. [MANDATORY PARTICIPANTS.] In counties selected for participation in the pilot program, any of the following individuals who do not have a high school diploma or an equivalency degree, and are not exempt under subdivision 3, shall be required to participate in the program: (1) teenagers who are receiving assistance as part of an AFDC household; and (2) all custodial parents under the age of 20.

Subd. 3. [EXEMPTIONS.] Teenagers are exempt from mandatory participation in the pilot when any of the following circumstances apply:

- (1) the teen is pregnant and the pregnancy is in the third month or later;
- (2) the teen is the primary caregiver of a child who is less than three months old;
- (3) the child care needed by the teen to attend school is not available;
- (4) the teen or the teen's child has an illness that is expected to last one month or longer; or
- (5) in the opinion of the county social worker, there are exceptional circumstances which make participation impossible.

Subd. 4. [ASSESSMENT.] All teens required to participate under subdivision 2 must attend an assessment interview. If the teen misses two scheduled assessments without good reason, the family will lose \$65 of their AFDC grant for each month the teen fails to complete the required assessment.

Subd. 5. [SCHOOL ATTENDANCE REQUIRED; BONUS; SANCTION.] (a) All teens participating in the pilot are required to attend a school or education program leading to a high school diploma or equivalent in accordance with a plan developed during the assessment interview.

(b) All teens attending a regular high school or GED program under an education plan are eligible for an additional \$65 for every month in which they have two or fewer unexcused absences and no more than four total absences.

(c) If a teen has more than two unexcused absences in a month, the family AFDC grant is reduced by \$65.

(d) If a teen has two or fewer unexcused absences but more than four total absences, there is no bonus paid and no sanctions imposed.

Subd. 6. [EXCUSED ABSENCES.] Absence from school is excused in the following circumstances:

- (1) the teen or the teen's child was ill, injured, or incapacitated;
- (2) the teen's regular child care arrangement was unavailable, and no alternative was available;
- (3) the teen's normal transportation to school or child care was unavailable and no alternative was available;
- (4) the teen or the teen's child had a scheduled or emergency appointment for medical, dental, or vision care;
- (5) the teen was needed to care for an ill family member;

(6) a member of the teen's family died;

(7) the teen had a scheduled or emergency appointment at a court or social services agency; and

(8) other exceptional circumstances.

In addition, absences caused by an illness or injury of the teen or the teen's child are not counted if verified by a physician's statement.

Subd. 7. [SUPPORT SERVICES PROVIDED.] Teens participating in the project are entitled to child care as necessary to attend school. They must also be provided with transportation assistance for this purpose. Each teen shall be assigned to a case manager, who is responsible for helping the teen remove barriers to school attendance.

Subd. 8. [TRANSFER OF ATTENDANCE DATA.] Notwithstanding the requirements of section 13.32, the commissioners of education and human services shall develop procedures to effectuate the transmittal of necessary student attendance data to county social services agencies."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn moved to amend the Knutson amendment to H.F. No. 5 as follows:

Page 1, line 36, delete "in the opinion of the county social worker,"

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

Mr. Finn then moved to amend the Knutson amendment to H.F. No. 5 as follows:

Page 2, line 26, after "no" insert "reasonable"

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

The question was taken on the adoption of the Knutson amendment, as amended.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Laidig	Oliver	Scheevel
Berg	Kelly	Larson	Olson	Solon
Bertram	Kiscaden	Lesewski	Ourada	Stevens
Chmielewski	Kleis	Lessard	Pariseau	Terwilliger
Frederickson	Knutson	Limmer	Robertson	
Johnson, D.E.	Kramer	Neuville	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Morse	Riveness
Beckman	Hanson	Langseth	Murphy	Sams
Berglin	Hottinger	Marty	Pappas	Samuelson
Betzold	Janezich	Merriam	Piper	Spear
Chandler	Johnson, D.J.	Metzen	Pogemiller	Vickerman
Cohen	Johnson, J.B.	Moe, R.D.	Price	Wiener
Finn	Krentz	Mondale	Reichgott Junge	

The motion did not prevail. So the Knutson amendment, as amended, was not adopted.

Mr. Scheevel moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. [256D.045] [SOCIAL SECURITY NUMBER REQUIRED.]

To be eligible for assistance under sections 256D.01 to 256D.21, an individual must provide the individual's social security number to the county agency. The provisions of this section do not apply to the determination of eligibility for emergency general assistance under section 256D.06, subdivision 2."



Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Kiscaden moved to amend the Scheevel amendment to H.F. No. 5 as follows:

Page 1, line 12, after "agency" insert "or submit proof that an application has been made"

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

The question was taken on the adoption of the Scheevel amendment, as amended.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Langseth	Neuville	Samuelson
Berg	Johnson, D.E.	Larson	Oliver	Scheevel
Bertram	Johnson, D.J.	Lesewski	Olson	Solon
Betzold	Johnson, J.B.	Lessard	Ourada	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Pogemiller	Terwilliger
Cohen	Kiscaden	Merriam	Price	Vickerman
Dille	Kleis	Metzen	Reichgott Junge	Wiener
Finn	Knutson	Moe, R.D.	Riveness	
Frederickson	Kramer	Mondale	Robertson	
Hanson	Krentz	Morse	Runbeck	
Hottinger	Kroening	Murphy	Sams	

Mses. Anderson, Flynn, Pappas and Piper voted in the negative.

The motion prevailed. So the Scheevel amendment, as amended, was adopted.

Mr. Neuville moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 19, after line 13, insert:

"Sec. 10. [256.7341] [WORK FIRST PROGRAM.]

Subdivision 1. [CITATION.] Sections 256.7341 to 256.7349 may be cited as the work first program.

Subd. 2. [DEFINITIONS.] As used in sections 256.7341 to 256.7349, the following words have the meanings given them.

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Applicant" means an individual who has submitted a request for assistance and has never received an AFDC or FGA benefit through the MAXIS computer system as a caretaker or whose AFDC or FGA application was denied or benefits were terminated due to noncompliance with work first requirements.

(d) "Application date" means the date any Minnesota county agency receives a signed and dated CAF Part I.

(e) "CAF" means a combined application form on which people apply for multiple assistance programs including: aid to families with dependent children, refugee cash assistance, general assistance, work readiness, Minnesota supplemental aid, food stamps, medical assistance, general assistance medical care, emergency assistance, emergency medical assistance, and emergency general assistance medical care.

(f) "Caretaker" means a parent or eligible adult, including a pregnant woman, who is part of the assistance unit that has applied for or is receiving an AFDC or FGA grant.

(g) "Child support" means a voluntary or court-ordered payment by absent parents in an assistance unit.

(h) "Commissioner" means the commissioner of human services.

(i) "Department" means the department of human services.

(j) "Employability development plan" or "EDP" means a plan developed by the participant, with advice from the employment advisor, for the purposes of identifying an employment goal, improving work skills through certification or education, training or skills recertification, and which addresses barriers to employment.

(k) "EDP status report form" means a program form on which deferred participants indicate what has been achieved in the participant's EDP and the types of problems encountered.

(l) "Employment advisor" means a program staff who is qualified to assist the participant to develop a job search or employability development plan, match the participant with existing job openings, refer the participant to employers, and has an extensive knowledge of employers in the area.

(m) "Financial specialist" means a program staff who is trained to explain the benefits offered under the program, determine eligibility for different assistance programs, and broker other resources from employers and the community.

(n) "Job network" means people that a person may contact to learn more about particular companies, inquire about job leads, or discuss one's occupational interests and expertise.

(o) "Job search allowance" means the amount of financial assistance needed to support job search.

(p) "Job search plan" or "JSP" means the specific plan developed by the participant, with advice from the employment advisor, to secure a job as soon as possible, and focus the scope of the search process and other activities. Under the work first program, a job search plan shall meet the requirements for an EDP under section 256.736, subdivision 10, paragraph (a), clause (15).

(q) "JSP status report form" means a program form on which participants indicate the number of submitted job applications, job interviews held, jobs offered, other outcomes achieved, problems encountered, and the total number of hours spent on job search per week.

(r) "Participant" means an applicant or a recipient who is required to participate in the work first program.

(s) "Program" means the work first program.

(t) "Provider" means an employment and training agency certified by the commissioner of economic security under section 268.871, subdivision 1.

(u) "Self-employment" means employment where people work for themselves rather than an employer, are responsible for their own work schedule, and do not have taxes or FICA withheld by an employer.

(v) "Self-sufficiency agreement" means the agreement between the provider or its representative and the participant that describes the activities that the participant must conduct and the necessary services and aid to be furnished by the provider to enable the individual to meet the purpose of either the JSP or EDP.

(w) "Subsidized job" means a job that is partly reimbursed by the county or provider for cost of wages for participants in the program.

Subd. 3. [ESTABLISHING WORK FIRST PROGRAM.] The commissioners of human services and economic security shall develop and establish a program which requires applicants for aid under AFDC under section 256.72, or general assistance program (FGA) under section 256D.05, subdivision 1, clause (15), in selected pilot counties to meet the requirements of the work first program. The purpose of the program is to:

- (1) ensure that the participant is working as early as possible;
- (2) promote greater opportunity for economic self-support, participation, and mobility in the work force; and
- (3) minimize the risk for long-term welfare dependency.

Subd. 4. [PROGRAM ADMINISTRATION.] The program must be administered in a way that, in addition to the county agency, other sectors in the community such as employers from the public and private sectors, not-for-profit organizations, educational and social service agencies, labor unions, and neighborhood associations are involved. To the extent possible, program operation shall be advised and supported by a voluntary local entity organized specifically for the program.

Subd. 5. [PROGRAM DESIGN.] The program shall meet the following principles:

- (1) work is the primary means of economic support;
- (2) the individual's potential is reviewed during the application process to determine how to approach the job market aggressively;
- (3) public aid such as cash and medical assistance, child care, child support assurance, and other cash benefits are used to support intensive job search and immediate work; and
- (4) maximum use is made of tax credits to supplement income.

Subd. 6. [WAIVER REQUESTS.] The department shall request all waivers as soon as possible to implement the program by July 1, 1996, or as soon as possible thereafter, provided that all conditions are met under section 256.01, subdivision 2, clause (12). Upon obtaining all waivers, the department shall amend the state plans for the AFDC and the Jobs Opportunities and Basic Skills Program (JOBS), and supportive services plan to coordinate these programs under the work first program for the pilot counties, and shall seek approval of state plan amendments. The department shall request all waivers from federal statutes and regulations to qualify the program as a federally approved demonstration project under section 1115 of the Social Security Act.

Subd. 7. [COMPARISON SITES; PROGRAM EVALUATION.] The commissioners of human services and economic security shall select the counties which shall serve as field trial or comparison sites for three years based on criteria which ensure reliable evaluation of the program.

Subd. 8. [DUTIES OF COMMISSIONER.] In addition to any other duties imposed by law, the commissioner shall:

- (1) request all waivers to implement the program by July 1, 1996, or as soon as possible thereafter;
- (2) establish the program according to sections 256.7341 to 256.7349 and allocate money to pilot counties participating in the program;
- (3) provide systems development and staff training;
- (4) accept and supervise the disbursement of any funds that may be provided from other sources for use in the demonstration program; and
- (5) direct a study to safeguard the interests of children.

Subd. 9. [DUTIES OF COUNTY AGENCY.] The county agency shall:

- (1) collaborate with the commissioners of human services and economic security and other agencies to develop, implement, and evaluate the demonstration of the work first program;
- (2) operate the work first program in partnership with private and public employers, local industry councils, labor unions, and employment, educational, and social service agencies and according to subdivision 4;

(3) ensure that program components such as client orientation, immediate job search, job development, creation of temporary public service jobs, job placements, and post placement follow-up are implemented according to the work first program; and

(4) for job assignments under section 256.7345 provide written notification to and obtain the written concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements and ensure that no work assignment under this section results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contract for services of collective bargaining agreements; or (v) a participant filling an established unfilled position vacancy, except for on-the-job training under this section. If there is a dispute between an exclusive bargaining representative and a county or public work employer over whether or not job duties are covered under a collective bargaining agreement, the exclusive bargaining representative, the county, or the public works employer may petition the bureau of mediation services, who shall determine if the job duties are covered by a collective bargaining agreement.

Subd. 10. [DUTIES OF PARTICIPANT.] The participant must cooperate with the county agency, the provider, and the participant's employer in all aspects of the program to be eligible for AFDC or FGA.

Sec. 11. [256.7342] [PROGRAM PARTICIPANTS.]

An applicant who has never received an AFDC or FGA grant through the MAXIS computer system as a caretaker, or whose AFDC or FGA application was denied or grant terminated due to noncompliance with the work first requirements, must meet the requirements under the work first program. If eligible, the payments for rent and utilities up to the AFDC or FGA benefits to which the assistance unit is entitled will be vendor paid for as many months as the recipient is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA recipient, unless it is used as a wage subsidy under section 256.7344, subdivision 2. This provision shall apply to all applicants including those meeting the exemption categories under section 256.7343, subdivision 1, or the deferral categories under section 256.7343, subdivision 9.

Sec. 12. [256.7343] [PROGRAM REQUIREMENTS.]

Subdivision 1. [EXEMPTION CATEGORIES.] The applicant or recipient will be exempted from conducting job search and working in temporary public service job and development of JSP or EDP, if the applicant or recipient belongs to any of the following groups:

(1) caretakers under age 20 who have not completed a high school education and are attending high school on a full-time basis;

(2) individuals who are age 60 or older;

(3) individuals who are 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;

(4) caretakers whose presence in the home is needed because of illness or incapacity of another member in the household;

(5) women who are pregnant, if it has been medically verified that the child is expected to be born within the next six months;

(6) caretakers or other caretaker relatives of a child under the age of three who personally provide full-time care for the child;

(7) individuals employed at least 30 hours per week;

(8) individuals for whom participation would require a round trip commuting time by available transportation of more than two hours, excluding transporting of children for child care; and

(9) individuals in need of refresher courses for purposes of obtaining professional certification or licensure.

Subd. 2. [AFDC-UP APPLICANTS AND RECIPIENTS.] All applicants or recipients under the AFDC-UP program are required to participate in the community work experience program under section 256.737, instead of the program established in this section, subdivisions 5 to 12.

Subd. 2a. [DESIGNATED PARTICIPANT IN FGA FAMILIES.] Unless all adult members of a FGA family are exempt under section 256.7343, subdivision 1, one adult in the family must be designated to participate in all the requirements under this section. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. If no designation is made or if the adults cannot agree, the county shall designate the adult having earned the greater income, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate.

Subd. 3. [NOTIFICATION OF PROGRAM REQUIREMENTS.] Except for the provisions in this section, the provisions for AFDC and FGA application process shall be followed. Within two days after the receipt of a completed combined application form, the county agency must notify the applicant who meets the definitions under section 256.7342, in writing of the program including the following provisions:

(1) notification that, as part of the application process, applicants are required to attend program orientation within 14 days from the date of application;

(2) the program provider, the date, time, and location of the scheduled program orientation;

(3) the immediate availability of supportive services, including, but not limited to, child care, transportation, medical assistance, and other work-related aid; and

(4) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for exemptions and deferrals, the consequences for refusing or failing to participate fully, and the appeal process.

Subd. 4. [PROGRAM ORIENTATION; EMPLOYMENT ADVISOR.] The provider must give a face-to-face orientation regarding the program to the applicant within 14 days after the date of application. The provider must assign an employment advisor to the nonexempt applicant at the end of orientation. The orientation must be designed to inform the applicants of:

(1) the importance of locating and obtaining a job as soon as possible;

(2) the benefits that will be provided to support work;

(3) the manner by which benefits shall be paid;

(4) how other supportive services such as medical assistance, child care, transportation, and other work-related aid shall be available to support job search and work;

(5) the consequences for failure without good cause to comply with program requirements; and

(6) the appeal process.

Subd. 5. [JOB SEARCH PLAN.] Within seven days from the date of issuance of the initial payment, the participant must meet with the employment advisor. With advice from the employment advisor, the participant must develop a job search plan (JSP) based on existing job markets, prior employment, work experience, and transferable work skills. A job search must be planned and conducted for a period of up to eight consecutive weeks from the date of eligibility and for at least 32 hours per week. The types of and target number of job openings to be pursued per week must be written in the job search plan. The following activities may be included in the job search plan:

(1) motivational counseling;

- (2) job networking or training on how to locate job openings;
- (3) development of a personal resume; and
- (4) information on how to conduct job interviews and establish a personal job network.

Following the development of the JSP or the employability development plan (EDP) under subdivision 8, the employment advisor must assist the participant to obtain benefits under sections 256.7346 and 256.7347 to support the job search or employability development plan. The provider must attach to the appropriate plan the summary of the necessary enabling services and benefits to be furnished by the provider. The provider or its representative and the participant must sign the plan, with its attachment, to indicate a self-sufficiency agreement between the provider and the participant.

Subd. 6. [IMMEDIATE JOB SEARCH.] A participant must be required to begin job search within seven days after the date of issuance of initial payment for at least 32 hours per week for up to eight weeks, unless exempted under subdivision 1 or deferred under subdivision 8. Within the first five days of job search, the participant is required to initiate informational contacts with prospective employers, generate additional job leads from the job network, review references and experiences from previous employment, and carry out the other activities under the job search plan developed under subdivision 5.

Subd. 7. [JOB SEARCH STATUS REPORT.] The participant must submit a completed JSP status report form to the employment advisor every two weeks during the job search process.

Subd. 8. [EMPLOYABILITY DEVELOPMENT PLAN.] At the discretion and approval of the employment advisor, the participant may be deferred from the requirement to conduct at least 32 hours of job search per week for up to eight consecutive weeks, if during the development of the job search plan, the participant is determined to:

(1) not have worked within the past 12 months and not have a high school or a general equivalency diploma provided the participant agrees to develop and carry out an EDP instead of job search plan, and concurrently work for at least 16 hours per week in a temporary public service job. The EDP must include the employment goals and specific outcomes the participant must achieve;

(2) potentially have a difficulty in obtaining and retaining a job due to lack of proficiency in the English language, provided that the participant is attending an intensive program designed to remedy the language deficiency, agrees to develop an EDP instead of a job search plan and concurrently work for at least 16 hours per week in a temporary service job; or

(3) be within six months of completing any post-secondary training program, provided that the participant agrees to develop and carry out an EDP instead of a job search plan, and concurrently work for a minimum number of hours per week in a temporary public service job. The EDP must include the employment goal and specific outcomes that the participant must achieve. The participant that is deferred under this subdivision may choose to work in a job other than a public service job for a minimum number of hours per week rather than in a temporary public service job. For individuals who are participating in an educational program under this paragraph and who are attending school full time as determined by the institution there is no work requirement.

For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased in inverse proportion to the number of credit hours being taken, up to a maximum of eight hours weekly work.

During vacation periods of one month or more, a 16-hour per week minimum work requirement shall apply.

The participant may be deferred for up to six months. At the end of the deferment period, the participant must develop a job search plan and conduct at least 32 hours of job search per week for up to eight consecutive weeks, and submit reports as required under subdivisions 6 and 7.

Subd. 9. [EDP STATUS REPORT.] The participant who is deferred from job search under

subdivision 8 must submit a completed EDP status report form to the employment advisor every 14 days as long as the participant continues to be deferred.

Subd. 10. [JOB OFFER.] The participant must not refuse any job offer, provided that the job is within the participant's physical and mental abilities, pays hourly gross wages of not less than the applicable state or federal minimum wage, and meets health and safety standards set by federal, state, and local agencies. If a job is offered, the participant must inform the county and provider immediately to redetermine eligibility for and extent of benefits and services to support work. To enhance job retention, the provider may provide services such as motivational counseling or on-site problem solving for up to six months. The participant who has completed at least six months of work in a nonsubsidized job shall be encouraged to participate in a training program that would improve the participant's ability to obtain a job that pays a higher wage.

Subd. 11. [DUTY TO REPORT.] The participant must immediately inform the county and provider regarding any changes related to the participant's employment status.

Subd. 12. [REQUIREMENT TO WORK IN A TEMPORARY PUBLIC SERVICE JOB.] (a) If after the completion of the maximum eight weeks of job search the participant has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant to which the recipient is entitled, whichever is applicable, the participant is required to work in a temporary public service job for up to 67 working days for (1) at least 32 hours per week, or (2) a period equivalent to the result of dividing the AFDC or FGA grant to which the recipient is entitled, whichever is applicable, by the federal hourly minimum wage, or applicable hourly state minimum wage, or the hourly rate of pay for individuals employed in the same occupation at the site, whichever is highest. If the result is more than 128 hours per month, the participant's requirement to work in a temporary public service job shall not be more than 32 hours per week.

(b) Within seven days from the date of issuance of the initial payment, the participant that is deferred under subdivision 8, clause (1), clause (2), or clause (3), and is participating in an educational program or part-time basis must work in a temporary public service job as required.

(c) The provider shall strive to match the profile of the participant with the needs of the employers that are participating in a temporary jobs program under section 256.7345.

Subd. 13. [TERMINATION OF WORK ASSIGNMENT.] If after 67 working days in a temporary public service job, under subdivision 12, paragraph (a), the participant has not secured a nonsubsidized job, the employer must terminate the work assignment and inform the county or the provider. The county or provider must briefly assess the participant's status and refer the participant to other work and training programs.

#### Sec. 13. [256.7344] [JOB DEVELOPMENT AND SUBSIDY.]

Subdivision 1. [JOB INVENTORY.] The provider must develop an inventory of job openings including full-time, part-time, permanent, temporary or seasonal, and training positions, in partnership with private and public employers, local industry councils, and employment agencies. To the extent possible, the inventory must include specific information regarding job openings, must be updated on a weekly basis, and must be available to all participants on a daily basis.

Subd. 2. [JOB SUBSIDY.] The county may use all or part of an AFDC or FGA benefit as a subsidy to employers for the purpose of providing work experience or training to the participant who has completed the job search plan, provided that (1) the job to be subsidized is permanent and full time, and pays an hourly rate of at least \$6 per hour; (2) the employer agrees to retain the participant after satisfactory completion of the work experience or training period; and (3) the participant has first tried to secure a nonsubsidized job by following the job search plan. The subsidy may be available for up to six months.

#### Sec. 14. [256.7345] [TEMPORARY JOBS PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] The provider must establish and operate a program to provide temporary jobs to participants who, after eight weeks of job search, are not hired into a nonsubsidized or a subsidized job, or are deferred under section 256.7343, subdivision

8. The temporary jobs to be created under this section must be public service jobs that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to the aged or disabled citizens, and child care.

Subd. 2. [ASSIGNMENT TO TEMPORARY PUBLIC SERVICE JOBS.] The provider must assign the participant that is within completion of the required eight weeks of job search and has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant to which the recipient is entitled, whichever is applicable, to a temporary public service job. The assignment must be made seven days before the end of the job search and be based on section 256.7343, subdivision 12. The participant that is deferred under section 256.7343, subdivision 8, will be assigned by the provider to a temporary public service job within seven days of the date of issuance of the initial payment.

Subd. 3. [PARTICIPANT'S STATUS.] The participant who is working in a temporary public service job under this section is not considered an employee for the purposes of unemployment insurance compensation, retirement, or civil service laws, and shall not perform work ordinarily performed by a public employee.

Subd. 4. [CONTINUOUS JOB SEARCH REQUIREMENT.] At the discretion of the employer or the provider, the participant who is working in a temporary public service job under section 256.7343, subdivision 12, may be required to continue to look for a job for up to eight hours per week.

Subd. 5. [EXCUSED ABSENCES.] The participant who is working in a temporary public service job may be allowed excused absences from the assigned temporary job site up to eight hours per month. For the purposes of this subdivision, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, the unavailability of licensed child care or unavailability of transportation needed to go to and from the work site, or a nonmedical emergency. For the purposes of this subdivision, "emergency" means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires action.

Subd. 6. [MOVE TO A DIFFERENT COUNTY.] If the applicant or recipient who is required under the work first program moves to a different county in Minnesota, the benefits and enabling services as agreed upon in the self-sufficiency agreement shall be provided by the pilot county where the applicant or recipient originated as long as the move was included in the job search or employability development plan. If the applicant or recipient is moving to a different county for failure to comply with the requirements of the work first program, the applicant or recipient will not be eligible for AFDC or FGA in Minnesota for at least six months from the date of the move.

**Sec. 15. [256.7346] [TRANSITIONAL BENEFITS TO SUPPORT WORK; RENT AND UTILITIES VENDOR PAYMENT.]**

Payments for rent and utilities up to the amount of the AFDC or FGA benefits to which the assistance unit is entitled shall be provided in the form of vendor payments for as many months as the recipient is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA recipient, unless it is used as a wage subsidy under section 256.7344, subdivision 2. This provision shall apply to all applicants including those meeting the exemption categories under section 256.7343, subdivision 1, or the deferral categories under section 256.7343, subdivision 8. To the extent needed, a job search allowance shall be provided for up to eight weeks to cover expenses related to the job search. Before the job search allowance is issued, it must be approved by the employment advisor and clearly described in the job search plan.

**Sec. 16. [256.7347] [ELIGIBILITY FOR FOOD STAMPS, MEDICAL ASSISTANCE, AND CHILD CARE.]**

The participant shall be treated as an AFDC or FGA recipient for food stamps, medical assistance, and child care eligibility purposes. As with an AFDC recipient, the participant who leaves the program as a result of increased earnings from employment shall be eligible for transitional medical assistance and child care.



Sec. 17. [256.7348] [SANCTIONS AND APPEAL PROCESS.]

Subdivision 1. [GOOD CAUSE.] (a) For the purpose of this subdivision, "good cause" means absence due to: temporary illness or injury of the participant or a member of the participant's family; the unavailability of licensed child care or the unavailability of transportation needed to attend orientation or conduct job search; or an emergency as defined under section 256.7345, subdivision 5.

(b) An applicant who is required, but fails, without good cause, to participate in program orientation under section 256.7343, subdivision 4, shall be denied AFDC and FGA benefits. The applicant will not be eligible for AFDC or FGA in Minnesota for the next six months.

(c) Applicants and recipients in AFDC-UP cases who are subject to the vendor payment provisions of section 256.7346 and required to attend program orientation under section 256.7343, subdivision 4, are subject to the job search, work experience, and sanction provisions of sections 256.736, subdivision 14, and 256.737 and not the job search and work provisions under work first program.

(d) If, after receiving a written warning from the county, the participant fails without good cause to conduct at least 32 hours of job search per week in any given two-week period, the participant is required to immediately begin work for at least 16 hours per week in a temporary public service job. The required 32 hours per week of job search will be reduced to 16 hours.

(e) If the participant who is deferred under section 256.7343, subdivision 8, fails without good cause to comply with the activities described in the EDP, the participant will lose the deferment status, provided that the participant has received at least two written warnings from the provider.

(f) If the participant refuses to work in a temporary public service job or is terminated from a temporary public service job for failure to work, benefits to the assistance unit shall be terminated and the participant is not eligible for aid under the AFDC or FGA program for at least six months from the date of refusal or termination. If the participant, before completing at least three consecutive months of employment, voluntarily quits a nonsubsidized or a subsidized job, or is terminated, the participant shall immediately be assigned to work in a temporary public service job for at least 32 hours per week for at least 67 working days, unless the participant is hired or rehired into a nonsubsidized or subsidized job.

Subd. 2. [NOTICE OF SANCTIONS.] If the county determines that the participant has failed or refused without good cause, as defined in subdivision 1, to cooperate with the program requirements, the county shall inform the participant in writing of the county's intent to impose an applicable sanction under subdivision 1, and the participant's opportunity to have a conciliation conference, upon request, within five days of receipt of the notice, before sanction is imposed.

Sec. 18. [256.7349] [FUNDING.]

Subdivision 1. [BLOCK GRANT.] A block grant to fund the entire program including, but not limited to, the costs for program administration and provision of cash benefits and program services including the entire costs of vendor payments made on behalf of clients and the entire cost of the temporary jobs program, will be paid to the county agency or provider participating in the work first program. Counties may request additional funds if there are unexpected increases in caseload.

Subd. 2. [LEVERAGING GRANT AMOUNT TO SECURE OTHER FUNDS.] The county agency or the provider in cooperation with the department may leverage the grant amount to secure other funds from employers, foundations, and the community for the purpose of developing additional components to benefit children and improve the program.

Subd. 3. [EMPLOYER REIMBURSEMENT.] The employer shall be reimbursed for wages paid to participants under section 256.7344, subdivision 2."

Page 41, after line 10, insert:

"Sec. 34. Minnesota Statutes 1994, 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, psychological practitioner, 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 work readiness service provider determines is not employable. has been assessed by a vocational specialist and, in consultation with the county agency, has been determined to be unemployable 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. The person's 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. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;~~

(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;

(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;

(15) (i) 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; (ii) Notwithstanding the work and training requirements for first-time applicants and recipients under the work first program under section 256.7341, and unless all adults in the family are exempt under section 256D.051, subdivision 3a, one adult in the family must participate in and cooperate with the food stamp employment and training program under section 256D.051 each month that the family receives general assistance benefits. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. The designation may be changed once annually at the annual redetermination of eligibility. If no designation is made or if the adults cannot agree, the county agency shall designate the adult having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate. The recipient's participation must begin on the first day of the first full month following the determination of eligibility for general assistance benefits. To the extent of available resources, and with the county agency's consent, the recipient may voluntarily continue to participate in food stamp employment and training services for up to three additional consecutive months immediately following termination of general assistance benefits in order to complete the provisions of the recipient's employability development plan. If the adult member fails without~~

good cause to participate in or cooperate with the food stamp employment and training program, the county agency shall concurrently terminate that person's eligibility for general assistance and food stamps for two months or until compliance is achieved, whichever is shorter, using the notice, good cause, conciliation and termination procedures specified in section 256D.051; or

(16) a person over age 18 whose primary language is not English and who is attending high school at least half time.

(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~~ for exemption from the food stamp employment and training program 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."

Page 42, delete section 26 and insert:

"Sec. 36. Minnesota Statutes 1994, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. ~~[WORK REGISTRATION FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.]~~ ~~(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~~ The commissioner shall implement a food stamp employment and training program in order to meet the food stamp employment and training participation requirements of the United States Department of Agriculture. Unless all adult members of the food stamp household are exempt under subdivision 3a, one nonexempt adult recipient in each household must participate in the food stamp employment and training program each month that the household is eligible for food stamps, up to a maximum period of six calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. The designation may be changed only once annually at the annual redetermination of eligibility. If no designation is made or if the adults cannot agree, the county agency shall designate the adult having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for food stamp benefits, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate the adult that must participate. The person's eligibility period begins participation in food stamp employment and training services must begin on the first day of the calendar month following the date of application eligibility for assistance or following the date all eligibility factors are met, whichever is later; however, food stamps. With the county agency's consent, and to the extent of available resources, the person may voluntarily continue to participate in work readiness food stamp employment and training services for up to three additional consecutive months immediately following the last month of benefits end of the six-month mandatory participation period in order to complete the provisions of the person's employability development plan. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, 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 (15), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half time in an institution of higher education or a post secondary program is ineligible for the work readiness program. Post secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill specific technical training that has a course of study of less than three months, that is not paid for using work readiness funds, and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.~~

~~(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. 37. Minnesota Statutes 1994, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [~~WORK READINESS PAYMENTS NOTICES; CONCILIATION CONFERENCE; SANCTIONS.~~] (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 household that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services food stamps, the county agency must inform all mandatory registrants employment and training services participants as identified in subdivision 1 in the assistance unit household that they must comply with all work readiness food stamp employment and training program requirements that each month, including the requirement to attend an initial orientation to the food stamp employment and training program and that work readiness food stamp eligibility will end at the end of the month unless the registrants participants comply with work readiness the 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).~~

(b) A participant who fails without good cause to comply with food stamp employment and training program requirements of this section, including attendance at orientation, will lose food stamp eligibility for two months or until the county agency determines that the participant has complied with the program requirements, whichever is shorter. If the participant is not the head of household, the person shall be considered an ineligible household member for food stamp purposes. If the participant is the head of household, the entire household is ineligible to participate as provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means circumstances beyond the control of the participant, such as illness or injury, illness or injury of another household member requiring the participant's presence, a household emergency, or the inability to obtain child care for children between the ages of six and 12 or to obtain transportation needed in order for the participant to meet the food stamp employment and training program participation requirements.

(c) The county agency shall mail or hand deliver a notice to the participant not later than five days after determining that the participant has failed without good cause to comply with food stamp employment and training program requirements which specifies the requirements that were not complied with, the factual basis for the determination of noncompliance, the right to reinstate eligibility upon a showing of good cause or the failure to meet the requirements, must ask the reason for the noncompliance, and must identify the participant's appeal rights. The notice must request that the participant inform the county agency if the participant believes that good cause existed for the failure to comply, must offer the participant a conciliation conference as provided in paragraph (d), and must state that the county agency intends to terminate eligibility for food stamp benefits due to failure to comply with food stamp employment and training program requirements.

(d) The county agency must offer a conciliation conference to participants who have failed to comply with food stamp employment and training program requirements. The purpose of the conference is to determine the cause for noncompliance, to attempt to resolve the problem causing the noncompliance so that all requirements are complied with, and to determine if good cause for noncompliance was present. The conciliation period shall run for ten working days from the date of the notice required in paragraph (c). Information about how to request a conciliation conference must be specified in the notice required in paragraph (c). If the county agency determines that the participant, during the conciliation period, complied with all food stamp employment and training program requirements that the recipient was required to comply with prior to and during the conciliation period, or if the county agency determines that good cause for failing to comply with the requirements was present, a sanction on the participant's or household's food stamp eligibility shall not be imposed.

(e) If the county agency determines that the participant did not comply during the conciliation period with all food stamp employment and training program requirements that were in effect prior to and during the conciliation period, and if the county agency determines that good cause was not present, the county must provide a ten-day notice of termination of food stamp benefits. The termination notice must be issued following the last day of the conciliation period. The amount of food stamps that are withheld from the household and determination of the impact of the sanction on other household members is governed by Code of Federal Regulations, title 7, section 273.7.

(f) The participant may appeal the termination of food stamp benefits under the provisions of section 256.045.

Sec. 38. Minnesota Statutes 1994, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [COUNTY AGENCY DUTIES.] (a) The county agency shall provide to ~~registrants~~ food stamp recipients a ~~work readiness~~ food stamp employment and training program. The ~~work readiness~~ program must include:

(1) orientation to the ~~work readiness~~ food stamp employment and training program;

(2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, educational and employment history, and that estimates the length of time it will take the ~~registrant~~ participant to obtain employment. The employability assessment and development

plan must be completed in consultation with the ~~registrant~~ participant, must assess the ~~registrant's~~ participant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. A copy of the employability development plan must be provided to the registrant;

(3) referral to available accredited remedial or skills training programs designed to address ~~registrant's~~ participant's barriers to employment;

(4) referral to available programs ~~including the Minnesota employment and economic development program~~ that provide subsidized or unsubsidized employment as necessary;

(5) a job search program, including job seeking skills training; and

(6) other activities, to the extent of available resources designed by the county agency to prepare the ~~registrant~~ participant for permanent employment.

~~The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.~~

In order to allow time for job search, the county agency may not require an individual to participate in the ~~work readiness~~ food stamp employment and training program for more than 32 hours a week. The county agency shall require an individual to spend at least eight hours a week in job search or other ~~work readiness~~ food stamp employment and training program activities.

(b) The county agency shall prepare an annual plan for the operation of its ~~work readiness~~ food stamp employment and training program. The plan must be submitted to and approved by the commissioner of economic security. The plan must include:

(1) a description of the services to be offered by the county agency;

(2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;

(3) a description of the factors that will be taken into account when determining a client's employability development plan; and

~~(4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program; and~~

~~(5) provisions to ensure that the county agency's employment and training service provider provides each recipient with an orientation, employability assessment, and employability development plan as specified in paragraph (a), clauses (1) and (2), within 30 days of the recipient's application eligibility for assistance.~~

Sec. 39. Minnesota Statutes 1994, section 256D.051, is amended by adding a subdivision to read:

Subd. 2a. [DUTIES OF COMMISSIONER.] In addition to any other duties imposed by law, the commissioner shall:

(1) based on sections 256D.051 and 256D.052 and Code of Federal Regulations, title 7, section 273.7, supervise the administration of food stamp employment and training services to county agencies;

(2) disburse money appropriated for food stamp employment and training services to county agencies based upon the county's costs as specified in section 256D.06;

(3) accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for food stamp employment and training services; and

(4) cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.051 and 256D.052.

Sec. 40. Minnesota Statutes 1994, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [~~REGISTRANT PARTICIPANT DUTIES.~~] In order to receive ~~work-readiness food stamp~~ assistance, a registrant shall: (1) cooperate with the county agency in all aspects of the ~~work-readiness food stamp employment and training~~ program; (2) accept any suitable employment, including employment offered through the job training partnership act, and other employment and training options; and (3) participate in ~~work-readiness food stamp employment and training~~ activities assigned by the county agency. The county agency may terminate assistance to a registrant who fails to cooperate in the ~~work-readiness food stamp employment and training~~ program, as provided in subdivision 1a.

Sec. 41. Minnesota Statutes 1994, section 256D.051, subdivision 3a, is amended to read:

Subd. 3a. [~~PERSONS REQUIRED TO REGISTER FOR AND PARTICIPATE IN THE WORK-READINESS FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.~~] ~~Each person in a work-readiness assistance unit who is 18 years old or older must register for and participate in the work-readiness program. A person in the assistance unit who is at least 16 years old but less than 19 years old and who is not a full-time secondary school student is required to register and participate. A student who was enrolled as a full-time student during the last school term must be considered a full-time student during summers and school holidays. (a) To the extent required under Code of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of food stamps is required to register for work as a condition of eligibility for food stamp benefits. Applicants and recipients are registered by signing an application or annual reapplication for food stamps, and must be informed that they are registering for work by signing the form.~~

(b) The following food stamp recipients are exempt from mandatory participation in food stamp employment and training services:

(1) recipients of benefits under the AFDC program, Minnesota supplemental aid program, or the general assistance program, except that an adult who receives general assistance under section 256D.05, subdivision 1, paragraph (b), is not exempt unless that person qualifies under one of the remaining exemption provisions in this paragraph;

(2) a child;

(3) a recipient over age 55;

(4) a recipient who has a mental or physical illness, injury, or incapacity which is expected to continue for at least 30 days and which impairs the recipient's ability to obtain or retain employment as evidenced by professional certification or the receipt of temporary or permanent disability benefits issued by a private or government source;

(5) a parent or other household member responsible for the care of either a dependent child in the household who is under age six or a person in the household who is professionally certified as having a physical or mental illness, injury, or incapacity. Only one parent or other household member may claim exemption under this provision;

(6) a recipient receiving unemployment compensation or who has applied for unemployment compensation and has been required to register for work with the department of economic security as part of the unemployment compensation application process;

(7) a recipient participating each week in a drug addiction or alcohol abuse treatment and rehabilitation program, provided the operators of the treatment and rehabilitation program, in consultation with the county agency, recommend that the recipient not participate in the food stamp employment and training program;

(8) a recipient employed or self-employed for 30 or more hours per week at employment paying at least minimum wage, or who earns wages from employment equal to or exceeding 30 hours multiplied by the federal minimum wage;

(9) a student enrolled at least half time in any school, training program, or institution of higher education. When determining if a student meets this criteria, the school's, program's or institution's criteria for being enrolled half time shall be used; or



(10) a recipient who the county agency anticipates will receive less than \$50 in food stamp benefits per month for at least the next three months.

Sec. 42. Minnesota Statutes 1994, section 256D.051, subdivision 3b, is amended to read:

Subd. 3b. [~~WORK READINESS PARTICIPATION REQUIREMENTS ORIENTATION.~~] A work readiness registrant meets the work readiness participation requirements if the registrant:

(1) completes the specific tasks or assigned duties that were identified by the county agency in the notice required under section 256D.101, subdivision 1, paragraph (a); and

(2) meets the requirements in subdivisions 3 and 8. The county agency or its employment and training service provider must provide an orientation to food stamp employment and training services to each nonexempt food stamp recipient within 30 days of the date that food stamp eligibility is determined. The orientation must inform the participant of the requirement to participate in services, the date, time, and address to report to for services, the name and telephone number of the food stamp employment and training service provider, the consequences for failure without good cause to comply, the services and support services available through food stamp employment and training services and other providers of similar services, and must encourage the participant to view the food stamp program as a temporary means of supplementing the family's food needs until the family achieves self-sufficiency through employment. The orientation may be provided through audio-visual methods, but the participant must have the opportunity for face-to-face interaction with county agency staff.

Sec. 43. Minnesota Statutes 1994, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [~~SERVICE COSTS.~~] Within the limits of available resources, the commissioner shall reimburse 92 percent of county agency expenditures for providing work readiness food stamp employment and training services including direct participation expenses and administrative costs, except as provided in section 256.017. State work readiness food stamp employment and training funds shall be used only to pay the county agency's and work readiness food stamp employment and training service provider's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness such employment and training services. Beginning July 1, 1991, The average annual reimbursable cost for providing work readiness food stamp employment and training services to a recipient for whom an individualized employability development plan is not completed must not exceed \$60 for the work readiness food stamp employment and training services, and \$223 \$240 for necessary recipient support services such as transportation or child care needed to participate in work readiness services food stamp employment and training program. If an individualized employability development plan has been completed, the average annual reimbursable cost for providing work readiness food stamp employment and training services must not exceed \$283, except that the total annual average reimbursable cost shall not exceed \$804 for recipients who participate in a pilot project work experience program under Laws 1993, First Special Session chapter 1, article 6, section 55, \$300 for all services and costs necessary to implement the plan, including the costs of training, employment search assistance, placement, work experience, on-the-job training, other appropriate activities, the administrative and program costs incurred in providing these services, and necessary recipient support services such as tools, clothing, and transportation needed to participate in work readiness food stamp employment and training services. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991. Payment to counties under this subdivision is subject to the provisions of section 256.017. The county agency may expend additional county funds over and above the dollar limits of this subdivision without state reimbursement.

Sec. 44. Minnesota Statutes 1994, section 256D.051, subdivision 6b, is amended to read:

Subd. 6b. [~~FEDERAL REIMBURSEMENT.~~] Federal financial participation from the United States Department of Agriculture for work readiness food stamp employment and training expenditures that are eligible for reimbursement through the food stamp employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for the operation of the work readiness food stamp employment and training program. Federal

financial participation for the nonstate portion of ~~work readiness~~ food stamp employment and training costs must be paid to the county agency that incurred the costs.

Sec. 45. Minnesota Statutes 1994, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person who is required to participate in ~~work readiness~~ food stamp employment and training services is not eligible for ~~general assistance or work readiness payments or services~~ food stamps if, without good cause, the person refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who is required to participate in ~~work readiness~~ food stamp employment and training services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving ~~general assistance or work readiness payments or services~~ food stamps shall be terminated from the ~~general assistance or work readiness~~ food stamp program as specified in subdivision 1a.

Sec. 46. Minnesota Statutes 1994, section 256D.051, subdivision 9, is amended to read:

Subd. 9. [SUBCONTRACTORS.] A county agency may, at its option, subcontract any or all of the duties under ~~subdivision 2~~ this section to a public or private entity approved by the commissioner of economic security.

Sec. 47. Minnesota Statutes 1994, section 256D.051, subdivision 17, is amended 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~~ food stamp employment training program participants 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~~ participant. The commissioner shall allocate money appropriated for start work grants to counties based on each county's ~~work readiness~~ food stamp employment and training program caseload in the 12 months ending in March for each following state fiscal year and may reallocate any unspent amounts."

Page 44, after line 21, insert:

"Sec. 50. Minnesota Statutes 1994, section 256D.052, subdivision 3, is amended to read:

Subd. 3. [~~SERVICES PROVIDED PARTICIPANT LITERACY TRANSPORTATION COSTS.~~] Within the limits of the state appropriation the county agency must provide transportation to enable people food stamp employment and training participants to participate in literacy training under this section. The state shall reimburse county agencies for the costs of providing transportation under this section up to the amount of the state appropriation. Counties must make every effort to ensure that child care is available as needed by recipients who are pursuing literacy training."

Page 49, delete section 33

Page 54, delete lines 29 to 31 and insert:

"Subd. 11. [GENERAL ASSISTANCE GRANTS.] \$..... is appropriated to cover the projected expansion in the general assistance caseload attributable to the transfer of some work readiness clients to general assistance."

Page 55, after line 2, insert:

"Subd. 15. [WORK FIRST PROGRAM.] \$..... is appropriated for purposes of implementing sections 256.7341 to 256.7349.

Sec. 39. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to delete the words "work readiness" wherever they appear in Minnesota Statutes, sections 256D.01 to 256D.21, in the next and subsequent editions of Minnesota Statutes.

Page 55, line 4, before "Minnesota" insert "Subdivision 1."

Page 55, after line 4, insert:

"Subd. 2. Minnesota Statutes 1994, sections 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113, are repealed."

Page 55, line 19, after the period, insert "Sections 34, 36 to 47, 50 and 63, subdivision 2, (256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 2a, 3, 3a, 3b, 6, 6b, 8, 9, and 17; 256D.052, subdivision 3; instruction to revisor; Repealer: 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113) are effective July 1, 1995, and apply to all applications for assistance received on or after that date. Individuals eligible for and receiving work readiness assistance on June 30, 1995, shall, if otherwise eligible, be entitled to receive assistance for the remainder of their six-month entitlement and shall be subject to the provisions of the work readiness program in effect on June 30, 1995, for the remainder of their six-month entitlement period."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Knutson	Oliver	Runbeck
Berg	Johnson, D.E.	Kramer	Olson	Scheevel
Bertram	Johnston	Lesewski	Ourada	Stevens
Chandler	Kiscaden	Limmer	Pariseau	Terwilliger
Dille	Kleis	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Hanson	Lessard	Pappas	Solon
Beckman	Hottinger	Marty	Piper	Spear
Berglin	Janezich	Merriam	Pogemiller	Vickerman
Betzold	Johnson, D.J.	Metzen	Price	Wiener
Chmielewski	Johnson, J.B.	Moe, R.D.	Reichgott Junge	
Cohen	Kelly	Mondale	Riveness	
Finn	Krentz	Morse	Sams	
Flynn	Kroening	Murphy	Samuelson	

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

Mr. Ourada moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 48, after line 27, insert:

"Sec. 32. [TIME LIMIT ON AFDC BENEFITS.]

Subdivision 1. [WAIVER AUTHORIZED.] The commissioner of human services shall seek a statewide waiver of the requirements of the program of aid to families with dependent children, in order to limit the time that an AFDC household can continue to receive assistance.

Subd. 2. [TIME LIMIT OF 24 MONTHS IMPLEMENTATION.] The waiver request authorized by this section shall be submitted by the commissioner of human services and evaluated as part of the AFDC waiver package authorized by the 1995 legislature. The waiver authorized by this section shall become effective on the first day of the first month after receipt of federal approval. All families receiving AFDC benefits on that date may continue to receive benefits for no more than 24 additional consecutive months. All households that become eligible on or after that date may receive benefits for no more than 24 months out of a 48-month period. Households who lose eligibility for benefits because of the time limits imposed under this waiver are eligible to apply after 36 months have elapsed since losing eligibility due to the time limits for an additional 24 months of benefits out of another 48-month period.

After receiving federal approval for the waiver, and after its implementation under the following subdivision, the commissioner of finance, with the assistance of the commissioner of human services, must estimate the savings resulting from implementation of the waiver request by January 1, 1998, and by each January 1 thereafter, and must transfer this amount to an account in the general fund to be known as the "welfare dependency education account." Money in this account shall not cancel and shall be appropriated by the legislature for education purposes.

Subd. 3. [CONTINUED ELIGIBILITY FOR MEDICAL ASSISTANCE.] Subject to federal approval and contingent on federal financial participation, recipients that lose AFDC eligibility due to the time limits imposed under this section, but who otherwise would be eligible for medical assistance, must be provided continuing categorical eligibility for medical assistance during the 36-month period. The 36-month period begins to run on the first day of the month subsequent to the month in which the household loses benefits due to the time limit.

Subd. 4. [CONTINUED ELIGIBILITY FOR CHILD CARE ASSISTANCE.] As part of this waiver request, the commissioner shall seek federal approval to provide 12 months of child care assistance with federal financial participation to families otherwise eligible for AFDC who lose benefits because of the time limits imposed by this section. The 12-month period begins to run on the first day of the first month subsequent to the month in which the household loses benefits due to the time limit. If the waiver request authorized by this section is not granted, the commissioner shall seek legislation to make families who lose AFDC eligibility because of the time limits, a priority under Minnesota Statutes, section 256H.03.

Subd. 5. [CONTINUED ELIGIBILITY FOR EMPLOYMENT AND TRAINING SERVICES.] As part of the waiver request authorized by this section, the commissioner shall seek federal approval and federal financial participation to provide 12 months of employment and training services to families who lose benefits because of the time limits imposed by this section. The 12-month period begins to run on the first day of the first month subsequent to the month in which the household loses benefits due to the time limit.

Subd. 6. [EXTENSION OF BENEFITS BEYOND 24 MONTHS.] The waiver request must provide for an extension of the eligibility period beyond 24 months for families who meet certain conditions. In each month after the 24-month time limit expires that each person in the assistance household meets at least one of the following conditions, the household may receive AFDC benefit payments:

- (1) the person receives a supplemental security income payment;
- (2) the person is the head of the household, is not a legally responsible relative of a dependent child in the household, and is not included in determining the amount of the household's benefit;
- (3) the person is under 18 years of age;
- (4) the person is incapacitated or is needed in the home to care for another member of the household who is incapacitated;
- (5) the person is needed in the home to care for a child who is under the age of three; or
- (6) the county agency determines, in accordance with rules promulgated by the commissioner, that unusual circumstances exist that warrant an additional month of benefit payments and an extension of the benefit period.

Subd. 7. [COORDINATION WITH OTHER PROGRAMS.] (a) Families who lose eligibility for AFDC because of the time limits are not eligible for general assistance under Minnesota Statutes, section 256D.05, subdivision 1, paragraph (a), clause (15), during their period of ineligibility for AFDC because of the time limits.

(b) In setting up the waiver, the commissioner shall exempt families participating in the Minnesota family investment plan under Minnesota Statutes, sections 256.031 to 256.0361, who are headed by a single parent and are in the first 24 months of their transitional status under Minnesota Statutes, section 256.035.

(c) The commissioner shall coordinate the design and implementation of the waiver with operation of the STRIDE program under Minnesota Statutes, section 256.736."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn moved to amend the Ourada amendment to H.F. No. 5 as follows:

Page 1, after line 10, insert:

"If the federal government approves the waiver request, this provision becomes effective at such time that there is a statewide unemployment rate of three percent or less, and the federal minimum wage is at least \$6 per hour."

Page 1, line 14, delete "The"

Page 1, delete lines 15 and 16

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

The question recurred on the Ourada amendment, as amended.

The roll was called, and there were yeas 28 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.J.	Laidig	Neuville	Runbeck
Berg	Johnston	Langseth	Oliver	Scheevel
Bertram	Kelly	Larson	Olson	Stevens
Chmielewski	Kiscaden	Lesewski	Ourada	Terwilliger
Frederickson	Knutson	Lessard	Pariseau	
Johnson, D.E.	Kramer	Limmer	Robertson	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Murphy	Sams
Beckman	Hanson	Marty	Pappas	Samuelson
Berglin	Hottinger	Merriam	Piper	Spear
Betzold	Janezich	Metzen	Pogemiller	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kleis	Mondale	Reichgott Junge	
Finn	Krentz	Morse	Riveness	

The motion did not prevail. So the Ourada amendment, as amended, was not adopted.

Mr. Frederickson moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 48, after line 17, insert:

"Subd. 8. [GRANT AMOUNT WAIVER.] The commissioner of human services shall seek federal waivers as necessary in order to adjust AFDC assistance payment amounts so that, notwithstanding the provisions of Minnesota Statutes, section 256.74, subdivision 1, the amount of assistance granted to an eligible family that has resided in Minnesota for less than 12 months shall be the lesser of the maximum assistance payment that would have been received by that family from the state of immediate prior residence, or the amount calculated in accordance with Minnesota Rules, parts 9500.2440 to 9500.2480."

Page 48, line 18, delete "8" and insert "9"

Page 48, line 23, delete "9" and insert "10"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Betzold	Dille	Janezich	Johnston
Belanger	Chandler	Finn	Johnson, D.E.	Kelly
Berg	Chmielewski	Frederickson	Johnson, D.J.	Kiscaden
Bertram	Cohen	Hanson	Johnson, J.B.	Kleis

Knutson	Lesewski	Morse	Pogemiller	Samuelson
Kramer	Lessard	Murphy	Price	Scheevel
Krentz	Limmer	Neuville	Reichgott Junge	Stevens
Kroening	Merriam	Oliver	Riveness	Terwilliger
Laidig	Metzen	Olson	Robertson	Vickerman
Langseth	Moe, R.D.	Ourada	Runbeck	
Larson	Mondale	Pariseau	Sams	

The motion prevailed. So the amendment was adopted.

Mr. Stevens moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 44, after line 10, insert:

"Sec. 28. Minnesota Statutes 1994, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. ~~[REPRESENTATIVE PAYEE VENDOR PAYMENTS FOR DRUG DEPENDENT PERSONS.] Notwithstanding subdivision 1, the commissioner shall adopt rules, and may adopt emergency rules, governing the assignment of a representative payee and management of the general assistance or work readiness assistance grant of a drug dependent person as defined in section 254A.02, subdivision 5. The representative payee is responsible for deciding how the drug dependent person's benefits can best be used to meet that person's needs. 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. Upon receipt of the assessor's determination of drug dependency, the county shall determine whether a representative payee will be assigned to manage the person's benefits. The chemical use assessment, the decision to refer a person for the assessment, and the county determination of whether a representative payee will be assigned are subject to the administrative and judicial review provisions of section 256.045. However, notwithstanding any provision of section 256.045 to the contrary, an applicant or recipient who is referred for an assessment and is otherwise eligible to receive a general assistance or work readiness benefit, may only be provided with emergency general assistance or vendor payments pending the outcome of an administrative or judicial review. If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance or a work readiness assistance grant is drug dependent, as defined in section 254A.02, subdivision 5, the person may shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for questioning whether a person is drug dependent referring an individual for an assessment exists when:~~

- (1) the person has required detoxification two or more times in the past 12 months;
- (2) the person appears intoxicated at the county agency as indicated by two or more of the following:
  - (i) the odor of alcohol;
  - (ii) slurred speech;
  - (iii) disconjugate gaze;
  - (iv) impaired balance;
  - (v) difficulty remaining awake;
  - (vi) consumption of alcohol;
  - (vii) responding to sights or sounds that are not actually present;
  - (viii) extreme restlessness, fast speech, or unusual belligerence;
- (3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or
- (4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

~~The assignment to representative payee status must be reviewed at least every 12 months. The county agency shall designate the representative payee after consultation with the recipient. The county agency shall select the representative payee from appropriate individuals, or public or nonprofit agencies, including those suggested by the recipient, but the county agency's designation of representative payee prevails, subject to the administrative and judicial review provisions of section 256.045.~~

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert chemical dependency as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (6).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

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 34 and nays 27, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Kramer	Neuville	Robertson
Berg	Johnson, D.E.	Laidig	Oliver	Runbeck
Bertram	Johnston	Langseth	Olson	Scheevel
Betzold	Kelly	Larson	Ourada	Stevens
Chandler	Kiscaden	Lessard	Pappas	Terwilliger
Chmielewski	Kleis	Limmer	Pariseau	Vickerman
Dille	Knutson	Metzen	Riveness	

Those who voted in the negative were:

Anderson	Hanson	Kroening	Piper	Solon
Beckman	Hottinger	Marty	Pogemiller	Spear
Berglin	Janezich	Merriam	Price	Wiener
Cohen	Johnson, D.J.	Moe, R.D.	Reichgott Junge	
Finn	Johnson, J.B.	Morse	Sams	
Flynn	Krentz	Murphy	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 1, after line 34, insert:

"Section 1. [256.0111] [TARGETS RELATED TO CHILDREN LIVING IN POVERTY.]

Subdivision 1. [GOVERNOR'S RECOMMENDATION.] By the fourth Monday in January of each odd-numbered year, the governor shall submit to the legislature a recommended target for the maximum acceptable number of Minnesota children living in poverty for the next two bienniums. The recommended target must specify:

(1) the maximum acceptable number of children who are homeless or living in substandard housing;

(2) the maximum acceptable number of children failing to get adequate nutrition; and

(3) the maximum acceptable number of children who are left unsupervised for lack of affordable child care while the parent works.

Subd. 2. [LEGISLATIVE RESOLUTION.] By March 15 of each odd-numbered year, the legislature shall by concurrent resolution adopt targets for the maximum acceptable number of Minnesota children living in poverty for the next two bienniums. The resolution must specify:

(1) the maximum acceptable number of children who are homeless or living in substandard housing;

(2) the maximum acceptable number of children failing to get adequate nutrition; and

(3) the maximum acceptable number of children who are left unsupervised for lack of affordable child care while the parent works.

The resolution must be based on the February forecast prepared under section 16A.103 and take into consideration the targets recommended by the governor under subdivision 1."

Page 53, after line 15, insert:

"Sec. 39. [TARGETS RELATING TO CHILDREN LIVING IN POVERTY REQUIRED IN 1995.]

For purposes of Minnesota Statutes, section 256.0111, the governor shall provide the recommended targets required under Minnesota Statutes, section 256.0111, subdivision 1, by July 1, 1995, and the concurrent resolution may be adopted by the legislature during a special session in the 1995 calendar year, if one occurs, or shall be adopted within four weeks of the beginning of the 1996 legislative session."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 5 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Robertson
Beckman	Hanson	Kroening	Neuville	Runbeck
Belanger	Hottinger	Laidig	Novak	Sams
Berg	Janezich	Langseth	Oliver	Samuelson
Berglin	Johnson, D.E.	Larson	Olson	Scheevel
Bertram	Johnson, D.J.	Lesewski	Ourada	Solon
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Dille	Kleis	Moe, R.D.	Price	Wiener
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

Mr. Merriam voted in the negative.

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

Without objection, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Motions and Resolutions.

## REPORTS OF COMMITTEES

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



**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 877:** A bill for an act relating to construction; changing and clarifying law relating to the building code and zoning law; amending Minnesota Statutes 1994, sections 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3, and by adding a subdivision; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a and 9; and 462.359, subdivision 4.

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

Page 5, line 32, delete everything after "if"

Page 5, line 33, delete everything before "binding" and insert "adopted under chapter 14, are"

Page 7, lines 15 and 16, reinstate the stricken language

Page 10, line 4, strike the second "the"

Page 10, line 5, strike "general" and insert "a special revenue"

Page 15, after line 2, insert:

"ARTICLE 3  
INTERSTATE COMPACT

Section 1. Minnesota Statutes 1994, section 16B.75, is amended to read:

16B.75 [INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS.]

The state of Minnesota ratifies and approves the following compact:

INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS

ARTICLE I

FINDINGS AND DECLARATIONS OF POLICY

(1) The compacting states find that:

(a) Industrialized/modular buildings are constructed in factories in the various states and are a growing segment of the nation's affordable housing and commercial building stock.

(b) The regulation of industrialized/modular buildings varies from state to state and locality to locality, which creates confusion and burdens state and local building officials and the industrialized/modular building industry.

(c) Regulation by multiple jurisdictions imposes additional costs, which are ultimately borne by the owners and users of industrialized/modular buildings, restricts market access and discourages the development and incorporation of new technologies.

(2) It is the policy of each of the compacting states to:

(a) Provide the states which regulate the design and construction of industrialized/modular buildings with a program to coordinate and uniformly adopt and administer the states' rules and regulations for such buildings, all in a manner to assure interstate reciprocity.

(b) Provide to the United States Congress assurances that would preclude the need for a voluntary preemptive federal regulatory system for modular housing, as outlined in Section 572 of the Housing and Community Development Act of 1987, including development of model standards for modular housing construction, such that design and performance will insure quality, durability and safety; will be in accordance with life-cycle cost-effective energy conservation standards; all to promote the lowest total construction and operating costs over the life of such housing.

## ARTICLE II DEFINITIONS

As used in this compact, unless the context clearly requires otherwise:

(1) "Commission" means the interstate industrialized/modular buildings commission.

(2) "Industrialized/modular building" means any building which is of closed construction, i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage or destruction, and which is made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site. "Industrialized/modular building" includes, but is not limited to, modular housing which is factory-built single-family and multifamily housing (including closed wall panelized housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974.

(3) "Interim reciprocal agreement" means a formal reciprocity agreement between a noncompacting state wherein the noncompacting state agrees that labels evidencing compliance with the model rules and regulations for industrialized/modular buildings, as authorized in Article VIII, section (9), shall be accepted by the state and its subdivisions to permit installation and use of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting state requires all industrialized/modular building manufacturers within that state to comply with the model rules and regulations for industrialized/modular buildings.

(4) "State" means a state of the United States, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(5) "Uniform administrative procedures" means the procedures adopted by the commission (after consideration of any recommendations from the rules development committee) which state and local officials, and other parties, in one state, will utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard of requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies.

(6) "Model rules and regulations for industrialized/modular buildings" means the construction standards adopted by the commission (after consideration of any recommendations from the rules development committee) which govern the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The construction standards and any amendments thereof shall conform insofar as practicable to model building codes and referenced standards generally accepted and in use throughout the United States.

## ARTICLE III CREATION OF COMMISSION

The compacting states hereby create the Interstate Industrialized/Modular Buildings Commission, hereinafter called commission. Said commission shall be a body corporate of each compacting state and an agency thereof. The commission shall have all the powers and duties set forth herein and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states.

## ARTICLE IV SELECTION OF COMMISSIONERS

The commission shall be selected as follows. As each state becomes a compacting state, one resident shall be appointed as commissioner. The commissioner shall be selected by the governor of the compacting state, being designated from the state agency charged with regulating industrialized/modular buildings or, if such state agency does not exist, being designated from among those building officials with the most appropriate responsibilities in the state. The

commissioner may designate another official as an alternate to act on behalf of the commissioner at commission meetings which the commissioner is unable to attend.

Each state commissioner shall be appointed, suspended, or removed and shall serve subject to and in accordance with the laws of the state which said commissioner represents; and each vacancy occurring shall be filled in accordance with the laws of the state wherein the vacancy exists.

~~When For every three state commissioners that have been appointed in the manner described, those state commissioners shall select one additional commissioner who shall be a representative of manufacturers of industrial- residential- or commercial-use industrialized/modular buildings. When For every six state commissioners that have been appointed in the manner described, the state commissioners shall select a second one additional commissioner who shall be a representative of consumers of industrialized/modular buildings. With each addition of three state commissioners, the state commissioners shall appoint one additional representative commissioner, alternating between a representative of manufacturers of industrialized/modular buildings and consumers of industrialized/modular buildings. The ratio between state commissioners and representative commissioners shall be three to one.~~ In the event states withdraw from the compact or, for any other reason, the number of state commissioners is reduced, the state commissioners shall remove the last added representative commissioner as necessary to maintain a the ratio of state commissioners to representative commissioners of three to one described herein.

Upon a majority vote of the state commissioners, the state commissioners may remove, fill a vacancy created by, or replace any representative commissioner, provided that any replacement is made from the same representative group and ~~a three to one ratio~~ the ratio described herein is maintained. Unless provided otherwise, the representative commissioners have the same authority and responsibility as the state commissioners.

In addition, the commission may have as a member one commissioner representing the United States government if federal law authorizes such representation. Such commissioner shall not vote on matters before the commission. Such ~~commission~~ commissioner shall be appointed by the President of the United States, or in such other manner as may be provided by Congress.

## ARTICLE V

### VOTING

Each commissioner (except the commissioner representing the United States government) shall be entitled to one vote on the commission. A majority of the commissioners shall constitute a quorum for the transaction of business. Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the quorum present and voting.

## ARTICLE VI

### ORGANIZATION AND MANAGEMENT

The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall also select a secretariat, which shall provide an individual who shall serve as secretary of the commission. The commission shall fix and determine the duties and compensation of the secretariat. The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

The commission shall adopt a seal.

The commission shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules, and regulations.

The commission shall establish and maintain an office at the same location as the office maintained by the secretariat for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chairman may call additional meetings and upon the request of a majority of the commissioners of three or more of the compacting states shall call an additional meeting.

The commission annually shall make the governor and legislature of each compacting state a

report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

## ARTICLE VII COMMITTEES

The commission will establish such committees as it deems necessary, including, but not limited to, the following:

(1) An executive committee which functions when the full commission is not meeting, as provided in the bylaws of the commission. The executive committee will ensure that proper procedures are followed in implementing the commission's programs and in carrying out the activities of the compact. The executive committee shall be elected by vote of the commission. It shall be comprised of at least three and no more than nine commissioners, selected from ~~those commissioners who are representatives of the governor of their respective state~~ the state commissioners and one member of the industry commissioners and one member of the consumer commissioners.

(2) A rules development committee appointed by the commission. The committee shall be consensus-based and consist of not less than seven nor more than 21 members. Committee members will include state building regulatory officials; manufacturers of industrialized/modular buildings; private, third-party inspection agencies; and consumers. This committee may recommend procedures which state and local officials, and other parties, in one state, may utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies. This committee may also recommend construction standards for the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The committee will submit its recommendations to the commission, for the commission's consideration in adopting and amending the uniform administrative procedures and the model rules and regulations for industrialized/modular buildings. The committee may also review the regulatory programs of the compacting states to determine whether those programs are consistent with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings and may make recommendations concerning the states' programs to the commission. In carrying out its functions, the rules committee may conduct public hearings and otherwise solicit public input and comment.

(3) Any other advisory, coordinating or technical committees, membership on which may include private persons, public officials, associations or organizations. Such committees may consider any matter of concern to the commission.

(4) Such additional committees as the commission's bylaws may provide.

## ARTICLE VIII POWER AND AUTHORITY

In addition to the powers conferred elsewhere in this compact, the commission shall have power to:

(1) Collect, analyze and disseminate information relating to industrialized/modular buildings.

(2) Undertake studies of existing laws, codes, rules and regulations, and administrative practices of the states relating to industrialized/modular buildings.

(3) Assist and support committees and organizations which promulgate, maintain and update model codes or recommendations for uniform administrative procedures or model rules and regulations for industrialized/modular buildings.

(4) Adopt and amend uniform administrative procedures and model rules and regulations for industrialized/modular buildings.

(5) Make recommendations to compacting states for the purpose of bringing such states' laws, codes, rules and regulations and administrative practices into conformance with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings, provided that such recommendations shall be made to the appropriate state agency with due consideration for the desirability of uniformity while also giving appropriate consideration to special circumstances which may justify variations necessary to meet unique local conditions.

(6) Assist and support the compacting states with monitoring of plan review programs and inspection programs, which will assure that the compacting states have the benefit of uniform industrialized/modular building plan review and inspection programs.

(7) Assist and support organizations which train state and local government and other program personnel in the use of uniform industrialized/modular building plan review and inspection programs.

(8) Encourage and promote coordination of state regulatory action relating to manufacturers, public or private inspection programs.

(9) Create and sell labels to be affixed to industrialized/modular building units, constructed in or regulated by compacting states, where such labels will evidence compliance with the model rules and regulations for industrialized/modular buildings, enforced in accordance with the uniform administrative procedures. The commission may use receipts from the sale of labels to help defray the operating expenses of the commission.

(10) Assist and support compacting states' investigations into and resolutions of consumer complaints which relate to industrialized/modular buildings constructed in one compacting state and sited in another compacting state.

(11) Borrow, accept or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, association, person, firm or corporation.

(12) Accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

(13) Establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(14) Enter into contracts and agreements, including but not limited to, interim reciprocal agreements with noncompacting states.

## ARTICLE IX

### FINANCE

The commission shall submit to the governor or designated officer or officers of each compacting state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the compacting states. The total amount of appropriations requested under any such budget shall be apportioned among the compacting states as follows: one-half in equal shares; one-fourth among the compacting states in accordance with the ratio of their populations to the total population of the compacting states, based on the last decimal federal census; and one-fourth among the compacting states in accordance with the ratio of industrialized/modular building units manufactured in each state to the total of all units manufactured in all of the compacting states.

The commission shall not pledge the credit of any compacting state. The commission may meet any of its obligations in whole or in part with funds available to it by donations, grants, or sale of labels: provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it by donations, grants or sale of labels, the commission shall not incur any obligation prior to the allotment of funds by the compacting states adequate to meet the same.

The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the compacting states and any person authorized by the commission.

Nothing contained in this article shall be construed to prevent commission compliance relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

#### ARTICLE X

##### ENTRY INTO FORCE AND WITHDRAWAL

This compact shall enter into force when enacted into law by any three states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all compacting states whenever there is a new enactment of the compact.

Any compacting state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a compacting state prior to the time of such withdrawal.

#### ARTICLE XI

##### RECIPROCITY

If the commission determines that the standards for industrialized/modular buildings prescribed by statute, rule or regulation of compacting state are at least equal to the commission's model rules and regulations for industrialized/modular buildings, and that such state standards are enforced by the compacting state in accordance with the uniform administrative procedures, industrialized/modular buildings approved by such a compacting state shall be deemed to have been approved by all the compacting states for placement in those states in accordance with procedures prescribed by the commission.

#### ARTICLE XII

##### EFFECT ON OTHER LAWS AND JURISDICTION

Nothing in this compact shall be construed to:

(1) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction pursuant to this compact, is expressly conferred upon another agency or body.

(2) Supersede or limit the jurisdiction of any court of the United States.

#### ARTICLE XIII

##### CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the

applicability thereof to any government, agency, person or circumstances is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "amending the interstate compact on industrialized/modular buildings;"

Page 1, line 7, after the third semicolon, insert "16B.75;"

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 Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 759:** A bill for an act relating to economic development; changing certain departmental operating procedures; altering the corporate structure of Advantage Minnesota, Inc.; clarifying economic development authority powers; amending Minnesota Statutes 1994, sections 116J.58, subdivision 1; 116J.693, subdivisions 2, 3, 4, and 5; 116N.02, subdivision 1; 116N.06; and 446A.03, subdivision 4.

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 606:** A bill for an act relating to family law; authorizing courts to require parties to participate in orientation programs in proceedings involving children; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Page 1, line 9, delete "contested"

Page 1, line 13, after the period, insert "Upon request of a party and a showing of good cause, the court shall excuse the party from attending the program."

Page 1, line 16, delete "If"

Page 1, line 17, delete everything before the second "the"

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 642:** A bill for an act relating to human services; child support obligation and enforcement; amending Minnesota Statutes 1994, sections 256.978, subdivision 1; 518.171, subdivision 2a; 518.575; 518.611, subdivisions 1, 2, and 8a; 518.613, subdivisions 1 and 2; 518.614, subdivision 1; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1994, section 518.561.

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

Pages 1 to 5, delete article 1 and insert:

"ARTICLE 1  
EMPLOYER REPORTING

Section 1. [256.998] [EMPLOYMENT REGISTRY.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Date of hiring" means the earlier of: (1) the first day for which a worker is owed compensation by an employer; or (2) the first day that a worker reports to work or performs labor or services for an employer.

(c) "Earnings" means payment owed by an employer for labor or services rendered by a worker.

(d) "Worker" means a person who resides or works in Minnesota and performs services for compensation, in whatever form, for an employer. Worker does not include persons hired for domestic service in the private home of the employer, as defined in the federal tax code.

(e) "Employer" means a person or entity located or doing business in this state that employs one or more workers for payment, and includes the state, political or other governmental subdivisions of the state, and the federal government.

(f) "Hiring" means engaging a person to perform services for compensation and includes the reemploying or return to work of any previous worker who was laid off, furloughed, separated, granted a leave without pay, or terminated from employment.

Subd. 2. [REGISTRY ESTABLISHED.] The commissioner of human services shall establish a centralized employment registry for the purpose of receiving and maintaining information from employers on newly hired or rehired workers. The commissioner of human services shall take reasonable steps to inform the state's employers of the requirements of this section and the acceptable processes by which employers can comply with the requirements of this section.

Subd. 3. [DUTY TO REPORT.] Employers doing business in this state shall report to the commissioner of human services the hiring of any worker who resides or works in this state to whom the employer anticipates paying earnings. Employers shall submit reports required under this subdivision within 15 calendar days of the date of hiring of the worker.

Subd. 4. [MEANS TO REPORT.] Employers may report by delivering, mailing, or telefaxing a copy of the worker's federal W-4 form or W-9 form or any other document that contains the required information, submitting electronic media in a compatible format, toll-free telecommunication, or other means authorized by the commissioner of human services that will result in timely reporting. The commissioner shall provide employers with appropriately marked or addressed envelopes or other documents to facilitate the required reporting.

Subd. 5. [REPORT CONTENTS.] Reports required under this section must contain:

(1) the worker's name, address, social security number, and date of birth when available, which can be hand-written or otherwise added to the W-4 form, W-9 form, or other document submitted; and

(2) the employer's name, address, and federal identification number.

Subd. 6. [SANCTIONS.] If an employer fails to report under this section, the commissioner of human services shall send the employer a written notice of noncompliance requesting that the employer comply with the reporting requirements of this section. The notice of noncompliance must explain the reporting procedure under this section and advise the employer of the penalty for noncompliance. An employer who has received a notice of noncompliance and later incurs a second violation is subject to a civil penalty of \$50 for each intentionally unreported worker. An employer who has received a notice of noncompliance and later incurs a third or subsequent violation is subject to a civil penalty of \$500 for each intentionally unreported worker. These penalties may be imposed and collected by the commissioner of human services.

Subd. 7. [ACCESS TO DATA.] The commissioner of human services shall retain the information reported to the employment registry for a period of six months. Data in the employment registry may be disclosed to federal agencies, local agencies of this state, and state and local agencies of other states for purposes of enforcing state and federal laws governing child support.



The commissioner of human services shall charge a state or federal department or agency accessing the information contained in the employment registry the proportionate costs of gathering and furnishing information under this subdivision.

Subd. 8. [AUTHORITY TO CONTRACT.] The commissioner may contract for services to carry out this section.

Sec. 2. Minnesota Statutes 1994, section 518.171, subdivision 2a, is amended to read:

~~Subd. 2a. [EMPLOYER AND OBLIGOR NOTICE RESPONSIBILITY.] If an individual is hired for employment, the employer shall request that the individual disclose whether the individual has court ordered medical support obligations that are required by law to be withheld from income and the terms of the court order, if any. The employer shall request that the individual disclose whether the individual has been ordered by a court to provide health and dental dependent insurance coverage. The~~ An individual shall disclose this information at the time of hiring. If an individual discloses that if medical support is required to be withheld, the ~~employee discloses that medical support is required to be withheld, the employer shall begin withholding according to the terms of the order and pursuant to section 518.611, subdivision 8. If an individual discloses an obligation to obtain health and dental dependent insurance coverage and coverage is available through the employer, the employer shall make all application processes known to the individual upon hiring and enroll the employee and dependent in the plan pursuant to subdivision 3.~~

Sec. 3. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services to allow the commissioner to implement the employment registry under section 1, to be available until June 30, 1997.

Sec. 4. [REPEALER.]

Minnesota Statutes 1994, sections 518.561; and 518.611, subdivision 8, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective January 1, 1997."

Page 9, line 8, delete "At least once" and insert "Twice"

Page 9, line 13, delete "(3)" and strike "has not made a child support payment"

Page 9, line 16, delete the new language

Page 9, strike line 17

Page 9, line 18, strike "taxes."

Page 9, line 20, before "The" insert "(3) is not in compliance with a written payment agreement regarding both current support and arrearages approved by the public authority."

Page 9, line 21, delete the new language and insert "publish the name of each obligor in the newspaper or newspapers of widest circulation in the area where the obligor is most likely to be residing. For each publication, the commissioner shall release the list of all names being published not earlier than the first day on which names appear in any newspaper."

Page 9, line 26, delete the third "the"

Page 9, delete lines 27 and 28

Page 9, line 29, delete "bankruptcy," and delete the second comma

Page 9, line 30, before the period, insert "; or (iii) other circumstances as determined by the commissioner"

Page 15, line 21, strike "and"

Page 15, line 30, strike the period and insert "; and"

Page 15, line 31, delete "Determine" and insert "determine"

Page 15, line 35, delete "such" and insert "these"

Page 16, line 5, before "Upon" insert "Subdivision 1. [GENERAL.] Except as provided in subdivision 2," and reinstate the stricken language

Page 16, line 6, reinstate the stricken language and delete the new language

Page 16, line 36, before "When" insert "Except as provided in subdivision 2," and reinstate the stricken language and delete the new language

Page 17, line 3, delete "full"

Page 17, line 4, delete "in full"

Page 17, after line 5, insert:

"Subd. 2. [CHILD SUPPORT OR MAINTENANCE JUDGMENT.] In the case of a judgment for child support or spousal maintenance, an execution or certificate of satisfaction need not be filed with the court until the judgment is satisfied in full."

Page 17, delete section 12 and insert:

"Sec. 12. [SUSPENSION OF PUBLICATIONS.]

Notwithstanding Minnesota Statutes, section 518.575, the commissioner of human services may not publish names of delinquent child support obligors until January 1, 1997."

Page 17, line 22, after the period, insert "Section 12 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "enforcement," insert "appropriating money;"

Page 1, line 9, delete "chapter 518" and insert "chapters 256; and 518"

Page 1, line 10, delete "section 518.561" and insert "sections 518.561; and 518.611, subdivision 8"

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 799:** A bill for an act relating to crime prevention; clarifying the reasonable person standard for manslaughter in the first degree; clarifying certain acts that constitute murder in the first degree; amending Minnesota Statutes 1994, sections 609.185; and 609.20.

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

Page 3, after line 22, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1995, and apply to crimes committed on or after that date."

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 98:** A bill for an act relating to public safety; requiring landlords of residential rental buildings to conduct a criminal conviction background check of individuals employed as building managers or caretakers; requiring criminal background checks for individuals employed as managers or caretaking employees in manufactured park homes; requiring 24-hour oral or written notice before entry of certain buildings used as dwellings, including apartments and manufactured homes; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapters 327; and 504.

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.66] [CITATION.]

Sections 299C.66 to 299C.71 may be cited as the "Kari Koskinen manager background check act."

Sec. 2. [299C.67] [DEFINITIONS.]

Subdivision 1. [TERMS.] The definitions in this section apply to sections 299C.66 to 299C.71.

Subd. 2. [BACKGROUND CHECK CRIME.] "Background check crime" means:

(a)(1) a felony violation of section 609.185 (first degree murder); 609.19 (second degree murder); 609.20 (first degree manslaughter); 609.221 (first degree assault); 609.222 (second degree assault); 609.223 (third degree assault); 609.25 (kidnapping); 609.342 (first degree criminal sexual conduct); 609.343 (second degree criminal sexual conduct); 609.344 (third degree criminal sexual conduct); 609.345 (fourth degree criminal sexual conduct); 609.561 (first degree arson); or 609.749 (harassment and stalking);

(2) an attempt to commit a crime in clause (1); or

(3) a conviction for a crime in another jurisdiction that would be a violation under clause (1) or an attempt under clause (1) in this state; or

(b)(1) a felony violation of section 609.195 (third degree murder); 609.205 (second degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.2231 (fourth degree assault); 609.224 (fifth degree assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.255 (false imprisonment); 609.52 (theft); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or a nonfelony violation of section 609.749 (harassment and stalking);

(2) an attempt to commit a crime in clause (1); or

(3) a conviction for a crime in another jurisdiction that would be a violation under clause (1) or an attempt under clause (1) in this state.

Subd. 3. [CJIS.] "CJIS" means the Minnesota criminal justice information system.

Subd. 4. [MANAGER.] "Manager" means an individual who is hired or is applying to be hired by an owner and who has or would have the means, within the scope of the individual's duties, to enter tenants' dwelling units. "Manager" does not include a person who is hired on a casual basis and not in the ongoing course of the business of the owner.

Subd. 5. [OWNER.] "Owner" has the meaning given in section 566.18, subdivision 3. However, "owner" does not include a person who owns, operates, or is in control of a health care facility or a home health agency licensed by the commissioner of health or human services under chapter 144, 144A, or 245A.

Subd. 6. [SUPERINTENDENT.] "Superintendent" means the superintendent of the bureau of criminal apprehension.

Subd. 7. [TENANT.] "Tenant" has the meaning given in section 566.18, subdivision 2.

Sec. 3. [299C.68] [BACKGROUND CHECKS ON MANAGERS.]

Subdivision 1. [WHEN REQUIRED.] Before hiring a manager, an owner shall request the superintendent to conduct a background check under this section. An owner may employ a manager after requesting a background check under this section before receipt of the background check report, provided that the owner complies with section 299C.69. An owner may request a background check for a currently employed manager under this section. By August 1, 1996, an owner shall request the superintendent to conduct a background check under this section for managers hired before August 1, 1995, who are currently employed.

Subd. 2. [PROCEDURES.] The superintendent shall develop procedures to enable an owner to request a background check to determine whether a manager is the subject of a 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. If the manager has resided in Minnesota for less than five years or upon request of the owner, the superintendent shall also conduct a search of the national criminal records repository, including the criminal justice data communications network. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost of a background check through a fee charged to the owner.

Subd. 3. [FORM.] The superintendent shall develop a standardized form to be used for requesting a background check, which must include:

(1) a notification to the manager that the owner will request the superintendent to perform a background check under this section;

(2) a notification to the manager of the manager's rights under subdivision 4; and

(3) a signed consent by the manager to conduct the background check.

If the manager has resided in Minnesota for less than five years, or if the owner is requesting a search of the national criminal records repository, the form must be accompanied by the fingerprints of the manager on whom the background check is to be performed.

Subd. 4. [MANAGER'S RIGHTS.] (a) The owner shall notify the manager of the manager's rights under paragraph (b).

(b) A manager who is the subject of a background check request has the following rights:

(1) the right to be informed that the owner will request a background check on the manager to determine whether the manager has been convicted of a crime specified in section 299C.67, subdivision 2;

(2) the right to be informed by the owner of the superintendent's response to the background check and to obtain from the owner a copy of the background check report;

(3) the right to obtain from the superintendent any record that forms the basis for the report;

(4) the right to challenge the accuracy and completeness of information contained in the report or record under section 13.04, subdivision 4; and

(5) the right to be informed by the owner if the manager's application to be employed by the owner or to continue as an employee has been denied because of the result of the background check.

Subd. 5. [RESPONSE OF BUREAU.] The superintendent shall respond to a background check request within a reasonable time not to exceed ten working days after receiving the signed form under subdivision 3. If a search is being done of the national criminal records repository and that portion of the background check is not completed, the superintendent shall notify the owner that the background check is not complete and shall provide that portion of the background check to

the owner as soon as it is available. The superintendent's response must indicate whether the manager has ever been convicted of a background check crime and, if so, a description of the crime, date and jurisdiction of conviction, and date of discharge of the sentence.

Subd. 6. [EQUIVALENT BACKGROUND CHECK.] (a) An owner may satisfy the requirements of this section by obtaining a background check from a private business or a local law enforcement agency rather than the superintendent if the scope of the background check provided by the private business or local law enforcement agency is at least as broad as that of a background check performed by the superintendent and the response to the background check request occurs within a reasonable time not to exceed ten working days after receiving the signed form described in subdivision 3. Local law enforcement agencies may access the criminal justice data network to perform the background check.

(b) A private business or local law enforcement agency providing a background check under this section must use a notification form similar to the form described in subdivision 3, except that the notification form must indicate that the background check will be performed by the private business or local law enforcement agency using records of the superintendent and other data sources.

Sec. 4. [299C.69] [OWNER DUTIES IF MANAGER CONVICTED OF BACKGROUND CHECK CRIME.]

(a) If the superintendent's response indicates that the manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (a), the owner may not hire the manager or, if the manager was hired pending completion of the background check, shall terminate the manager's employment. Except as provided in paragraph (c), if an owner otherwise knows that a manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (a), the owner shall terminate the manager's employment.

(b) If the superintendent's response indicates that the manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (b), the owner may not hire the manager unless more than ten years have elapsed since the date of discharge of the sentence. If the manager was hired pending completion of the background check, the owner shall terminate the manager's employment unless more than ten years have elapsed since the date of discharge of the sentence. Except as provided in paragraph (c), if an owner otherwise knows that a manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (b), the owner shall terminate the manager's employment unless more than ten years have elapsed since the date of discharge of the sentence.

(c) If an owner knows that a manager hired before August 1, 1995, was convicted of a background check crime for an offense committed before August 1, 1995, the owner may continue to employ the manager. However, the owner shall notify all tenants and prospective tenants whose dwelling units would be accessible to the manager of the crime for which the manager has been convicted and of the right of a current tenant to terminate the tenancy under this paragraph, if the manager was convicted of a background check crime defined in:

(1) section 299C.67, subdivision 2, paragraph (a); or

(2) section 299C.67, subdivision 2, paragraph (b), unless more than ten years have elapsed since the sentence was discharged.

Notwithstanding a lease provision to the contrary, a current tenant who receives a notice under this paragraph may terminate the tenancy within 60 days of receipt of the notice by giving the owner at least 14 days' advance notice of the termination date.

(d) The owner shall notify the manager of any action taken under this subdivision.

Sec. 5. [299C.70] [PENALTY.]

An owner who knowingly fails to comply with the requirements of section 299C.68 or 299C.69 is guilty of a misdemeanor.

Sec. 6. [299C.71] [BUREAU OF CRIMINAL APPREHENSION IMMUNITY.]

The bureau of criminal apprehension is immune from any civil or criminal liability that might otherwise arise under section 299C.68, based on the accuracy or completeness of records it receives from the Federal Bureau of Investigation, if the bureau acts in good faith.

Sec. 7. [504.183] [TENANT'S RIGHT TO PRIVACY.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Building" has the meaning given in section 566.18, subdivision 7.

(b) "Landlord" means the owner as defined in section 566.18, subdivision 3, the owner's agent, or other person acting under the owner's direction and control.

(c) "Tenant" has the meaning given in section 566.18, subdivision 2.

Subd. 2. [ENTRY BY LANDLORD.] A landlord may not enter the premises rented by a tenant except:

(1) if specifically requested by the tenant;

(2) for a reasonable business purpose and after giving the tenant reasonable notice under the circumstances of the intent to enter; or

(3) as provided in subdivision 4.

A tenant may not waive and the landlord may not require the tenant to waive the tenant's right to prior notice of entry under this section as a condition of entering into or maintaining the lease.

Subd. 3. [REASONABLE PURPOSE.] For purposes of subdivision 2, a reasonable business purpose includes:

(1) showing the unit to prospective tenants after the current tenant has given notice to move to the owner or owner's agent;

(2) performing maintenance work; and

(3) allowing inspections by state, county, or city officials charged in the enforcement of health, housing, building, fire prevention, or housing maintenance codes.

Subd. 4. [EXCEPTION TO NOTICE REQUIREMENT.] (a) Notwithstanding subdivision 2, a landlord may enter the premises rented by a tenant without prior notice to the tenant if the landlord reasonably believes that:

(1) immediate entry is necessary to prevent injury to persons or property because of emergencies relating to maintenance or building security;

(2) immediate entry is requested by a peace officer; or

(3) immediate entry is necessary to determine a tenant's safety when requested to do so by a member of the tenant's family or a friend of the tenant or if the tenant has requested the landlord to monitor the tenant's safety.

(b) If the landlord enters the premises under this subdivision when the tenant is not present, the landlord shall disclose the entry by placing a written disclosure of the entry in a conspicuous place in the premises.

Subd. 5. [PENALTY.] If a landlord violates this section, the tenant is entitled to rescission of the lease, recovery of any damage deposit less any proven damages to the rental property, and a \$100 civil penalty for each violation. A tenant shall follow the procedures in sections 566.18 to 566.33 to enforce the provisions of this section."

Delete the title and insert:

"A bill for an act relating to public safety; requiring owners of residential rental buildings to request criminal background checks of managers; prohibiting owners from hiring or continuing to employ certain individuals as managers and requiring notices; requiring the superintendent of the bureau of criminal apprehension to assist in the performance of the background checks; limiting owner entry of residential dwellings; imposing penalties; proposing coding for new law in Minnesota Statutes, chapters 299C; and 504."

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

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

**S.F. No. 11:** A bill for an act relating to the environment; exempting newer motor vehicles from annual air pollution emissions inspections; amending Minnesota Statutes 1994, section 116.61, subdivision 2.

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

Page 1, line 22, delete everything after "vehicle"

Page 1, line 23, delete "time of registration" and insert "the model year of which is no more than four years earlier than the year in which it is being registered"

Page 1, after line 23, insert:

"Sec. 2. [REPORT ON NEED FOR VEHICLE EMISSION INSPECTION PROGRAM.]

(a) The commissioner of the pollution control agency, in consultation with the United States Environmental Protection Agency, shall take all reasonable steps to enable the state, by July 1, 1998, to comply with the federal Clean Air Act without having to continue the motor vehicle emission inspection program.

(b) By December 15, 1997, the commissioner shall submit to the chairs of the environment and natural resources committees of the legislature a report that includes:

(1) a description of the commissioner's efforts under paragraph (a) and the results of those efforts;

(2) an analysis of the state's attainment status under the federal Clean Air Act as it relates to the need for a motor vehicle emission inspection program; and

(3) recommendations regarding continuation of the motor vehicle emission inspection program after July 1, 1998."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring a report;"

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 217:** A bill for an act relating to family law; providing for enforcement of child support obligations; authorizing programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 168A.05, subdivisions 2, 3, 7, and by adding subdivisions; 168A.16; 214.101, subdivisions 1 and 4; 256.01, by adding a subdivision; 518.24; 518.551, subdivision 12, and by adding a subdivision; and 518.611, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 171; 256; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.551, subdivision 5a; and 518.561.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;
- (9) to the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;
- (12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;
- (13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);
- (14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;
- (15) the current address of a recipient of aid to families with dependent children may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties;
- (16) the current address of a recipient of general assistance, work readiness, or general



assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c); or

(18) data on a child support obligor who is in arrears may be disclosed for purposes of publishing the data pursuant to section 518.575; or

(19) data in the employment registry may be disclosed under section 256.998, subdivision 7.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), or (17), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. Minnesota Statutes 1994, section 168A.05, subdivision 2, is amended to read:

Subd. 2. [RECORD OF CERTIFICATES ISSUED.] The department shall maintain a record of all certificates of title issued by it:

- (1) Under a distinctive title number assigned to the vehicle;
- (2) By vehicle identifying number;
- (3) Alphabetically, under the name of the owner.

Such record shall consist of the certificate of title, including the notations of all security interests recorded, assigned, terminated, or released and liens filed by a public authority responsible for child support enforcement of which the department has notice, of duplicate certificates issued or applied for, and such other information as the department may deem proper.

Sec. 3. Minnesota Statutes 1994, section 168A.05, subdivision 3, is amended to read:

Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of title issued by the department shall contain:

- (1) the date issued;
- (2) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;
- (3) the names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;
- (4) any liens filed by a public agency responsible for child support enforcement against the owner;

(5) the title number assigned to the vehicle;

~~(5)~~ (6) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

~~(6)~~ (7) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

~~(7)~~ (8) with respect to vehicles subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed"; and

~~(8)~~ (9) any other data the department prescribes.

Sec. 4. Minnesota Statutes 1994, section 168A.05, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL PROCESS RELATING TO CERTIFICATE OR VEHICLE.] A certificate of title for a vehicle is not subject to garnishment, attachment, execution, or other judicial process, but this subdivision does not prevent a lawful levy upon the vehicle or the lawful enforcement of an administrative lien or judgment debt or lien filed by a public authority responsible for child support enforcement.

Sec. 5. Minnesota Statutes 1994, section 168A.05, is amended by adding a subdivision to read:

Subd. 8. [LIENS FILED FOR ENFORCEMENT OF CHILD SUPPORT.] This subdivision applies if the court or a public authority responsible for child support enforcement orders or directs the commissioner to enter a lien, as provided in section 518.551, subdivision 14. If a certificate of title is applied for by the owner, the department shall enter a lien on the title in the name of the state of Minnesota or in the name of the obligee in accordance with the notice. The lien on the title is subordinate to any bona fide purchase money security interest as defined in section 336.9-107 regardless of when the purchase money security interest is perfected. With respect to all other security interests, the lien is perfected as of the date entered on the title. The lien is subject to an exemption in an amount of \$4,500.

Sec. 6. Minnesota Statutes 1994, section 168A.16, is amended to read:

168A.16 [INAPPLICABLE LIENS AND SECURITY INTERESTS.]

(a) Sections 168A.01 to 168A.31 do not apply to or affect:

- (1) A lien given by statute or rule of law to a supplier of services or materials for the vehicle;
- (2) A lien given by statute to the United States, ~~this state, or any political subdivision of this state;~~
- (3) A security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale.

(b) Sections 168A.17 to 168A.19 do not apply to or affect a lien given by statute or assignment to this state or any political subdivision of this state.

Sec. 7. Minnesota Statutes 1994, section 168A.20, is amended by adding a subdivision to read:

Subd. 4. [SATISFACTION OF LIEN FOR CHILD SUPPORT.] If the secured party is a public authority or a child support or maintenance obligee with a lien under section 168A.05, subdivision 8, upon either the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, or the execution by the owner of a written payment agreement determined to be acceptable by the public authority or the obligee, within 15 days the secured party shall execute a release of security interest on the form prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

Sec. 8. Minnesota Statutes 1994, section 168A.21, is amended to read:

168A.21 [DISCLOSURE OF SECURITY INTEREST.]

Subdivision 1. [GENERAL.] A secured party named in a certificate of title shall upon written request of the owner or of another secured party named on the certificate disclose any pertinent information as to the security agreement and the indebtedness secured by it.

Subd. 2. [CHILD SUPPORT.] A secured party that is a public authority or an obligee with a lien under section 168A.05, subdivision 8, shall, upon written request of the owner, disclose the amount of the judgment debt secured.

Sec. 9. Minnesota Statutes 1994, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] (a) The department shall be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$2;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$2;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$4.

(b) In addition to each of the fees required under paragraph (a), clauses (1) and (3), the department shall be paid:

(1) from July 1, 1994, to June 30, 1997, \$3.50; but then

(2) after June 30, 1997, \$1.

The additional fee collected under this paragraph must be deposited in the transportation services fund and credited to the state patrol motor vehicle account established in section 299D.10.

Sec. 10. [171.186] [SUSPENSION; NONPAYMENT OF SUPPORT.]

Subdivision 1. [SUSPENSION.] The commissioner shall suspend a person's driver's license or operating privileges without a hearing upon receipt of a court order or notice from a public authority responsible for child support enforcement that states that the driver is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the public authority responsible for child support enforcement, in accordance with section 518.551, subdivision 13.

Subd. 2. [NOTICE.] Upon suspending a driver's license or operating privileges under this section, the department shall immediately notify the licensee, in writing, by mailing a notice addressed to the licensee at the licensee's last known address.

Subd. 3. [DURATION.] A license or operating privilege must remain suspended and may not be reinstated, nor may a license be subsequently issued to the person, until the commissioner receives notice from the court or public authority responsible for child support enforcement that the person is in compliance with all current orders of support or written payment agreements regarding both current support and arrearages. A fee may not be assessed for reinstatement of a license under this section.

Sec. 11. Minnesota Statutes 1994, 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 or a notice from a public authority responsible for child support enforcement agency under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court or the public agency authority to be in

arrears in child support or maintenance payments, or both, the board shall, within 30 days of receipt of the court order or public agency authority notice, ~~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 or the public agency 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 or public agency notice 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 underlying child support 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 and maintenance~~ suspend the license as directed by the order or notice.

Sec. 12. Minnesota Statutes 1994, section 214.101, subdivision 4, is amended to read:

Subd. 4. [VERIFICATION OF PAYMENTS.] ~~Before A board may terminate probation, remove a suspension, not issue, reinstate, or renew a license of a person who has been suspended or placed on probation or is the subject of an order or notice under this section, it shall contact until it receives notification from the court or public agency authority that referred the matter to the board to determine confirming that the applicant is not in arrears for in either child support or maintenance or both payments, or confirming that the person is in compliance with a written payment plan regarding both current support and arrearages. The board may not issue or renew a license until the applicant proves to the board's satisfaction that the applicant is current in support payments and maintenance.~~

Sec. 13. [256.996] [COOPERATION FOR THE CHILDREN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in consultation with a representative from the office of administrative hearings and the office of the attorney general and with input from community groups, shall develop and implement the cooperation for the children program as an effort to promote parental relationships with children. The program must be designed with three distinct components:

- (1) addressing the needs of parents for educational services pertaining to issues of child custody and visitation arrangements;
- (2) providing a nonjudicial forum to aid in the resolution of custody and visitation issues through facilitation of written agreements; and
- (3) providing mediation services to resolve conflicts related to custody and visitation issues, when appropriate.

Subd. 2. [PROGRAM DESIGN.] (a) The cooperation for the children program must be administered by the office of administrative hearings and, by contract, implemented in selected counties. The program may accept referrals from the district court, the child support administrative process, or self-referral by individuals. The program must be designed to provide services to individuals who are parents by virtue of birth or adoption of a child, individuals adjudicated as parents through a paternity action or through the recognition of parentage process, or individuals who have experienced a marriage dissolution. The program must be designed to screen all referrals for domestic abuse. The program must coordinate with existing agencies, such as court services, to provide program services to parents. If a participating county operates a parenting education program, a nonjudicial conflict resolution program, or a mediation program, the cooperation for the children program must utilize the existing programs to the greatest extent possible in an effort to minimize costs.

(b) The voluntary issue resolution component of the cooperation for the children program must facilitate the parents' discussion of custody and visitation issues in dispute. If there are allegations or indications of domestic abuse, the program shall allow the parents to attend separate sessions with the program facilitator. If agreement of both parties is reached to the disputed issues through the program and the agreement contains a sufficient factual basis to support a finding that the terms are in the best interests of the children, the agreement may be incorporated into a proposed order by program counsel for submission to an administrative law judge or district court judge for execution as a court order.

(c) The mediation component of the program must utilize certified mediators who are competent in recognizing the dynamics of domestic abuse and sensitive to the cultural issues of the participants. Relationships that involve allegations or indications of domestic abuse are not appropriate for mediation services through the cooperation for the children program.

(d) In cases where no agreement is voluntarily reached through the program, both parents must be provided with forms sufficient to allow them access to the district court to seek formal adjudication of the dispute.

Subd. 3. [DEMONSTRATION.] The commissioner shall contract with the office of administrative hearings and any county to administer and operate a demonstration project of the cooperation for the children program.

Subd. 4. [EVALUATION.] By January 15, 1997, and every two years after that, the office of administrative hearings shall submit a report to the legislature that identifies the following information relevant to the implementation of this section:

(1) the number of citizens offered and provided services by the program;

(2) the circumstances in which the program provided services, whether in paternity adjudications, situations involving recognition of parentage executions, dissolutions, or postdecree matters;

(3) the reduction in court actions and the increase in family stability resulting from the use of the program; and

(4) the cost of implementation and operation of the program in the participating counties.

Sec. 14. [256.997] [CHILD SUPPORT OBLIGOR COMMUNITY SERVICE WORK EXPERIENCE PROGRAM.]

Subdivision 1. [AUTHORIZATION.] The commissioner of human services may contract with a county that operates a community work experience program or a judicial district department of corrections that operates a community work experience program to include child support obligors who are physically able to work and fail to pay child support as participants in the community work experience program.

Subd. 2. [LIMITATIONS.] (a) Except as provided in paragraph (f), a person ordered to participate in a work program under section 518.617 shall do so if services are available.

(b) A person may not be required to participate for more than 32 hours per week in the program under this section.

(c) A person may not be required to participate for more than six weeks for each finding of contempt.

(d) If a person is required by a governmental entity to participate in another work or training program, the person may not be required to participate in a program under this section in a week for more than 32 hours minus the number of hours the person is required to participate in the other work or training program in that week.

(e) If a person is employed, the person may not be required to participate in a program under this section in a week for more than 80 percent of the difference between 40 hours and the number of hours actually worked in the unsubsidized job during that week, to a maximum of 32 hours.

(f) A person who works an average of 32 hours or more per week in an unsubsidized job is not required to participate in a program under this section.

Subd. 3. [NOTICE TO COURT.] If a person completes six weeks of participation in a program under this section, the county operating the program shall inform the court administrator, by affidavit, of that completion.

Subd. 4. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] (a) This subdivision applies to payment of any claims resulting from an alleged injury or death of a

participant in a community work experience program established and operated by a county or a judicial district department of corrections under this section.

(b) Claims of \$1,000 or less that are subject to this section must be investigated by the county agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance. The investigating county agency shall submit all valid claims to the commissioner of human services. The commissioner shall pay the portion of an approved claim that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims paid during the preceding calendar year that are to be reimbursed by legislative appropriation for claims that exceed the original appropriation provided to the commissioner to operate this program. Unspent money from this appropriation carries over to the second year of the biennium, and any unspent money remaining at the end of the second year must be returned to the general fund. A claim in excess of \$1,000 and a claim that was not paid by the commissioner may be presented to, heard, and determined by the appropriate committees of the senate and house of representatives and, if approved, paid under the legislative claims procedure.

(c) Claims for worksite injuries not otherwise covered by this section must be referred to the commissioner of labor and industry for assessment. The commissioner of labor and industry shall verify the validity of the claim and recommend compensation. The compensation recommended must afford the same protection for on-site injuries at the same level and to the same extent as provided in chapter 176.

(d) Compensation paid under this section is limited to reimbursement for medical expenses and compensation for disability as impairment compensation or death. Compensation may not be paid under this section for pain and suffering or lost wages. Payments made under this section must be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(e) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant may not seek damages from any state or county insurance policy or self-insurance program.

(f) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards.

A claim that is not valid because of failure to verify safety training or compliance with safety standards may not be paid by the commissioner of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

Subd. 5. [TRANSPORTATION EXPENSES.] A county shall reimburse a person for reasonable transportation costs incurred because of participation in a program under this section, up to a maximum of \$25 per month.

Subd. 6. [PAYMENT TO COUNTY.] The commissioner shall pay a county \$200 for each person who participates in the program under this section in that county. The county is responsible for any additional costs of the program.

Sec. 15. [256.998] [EMPLOYMENT REGISTRY.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Date of hiring" means the earlier of: (1) the first day for which a worker is owed compensation by an employer; or (2) the first day that a worker reports to work or performs labor or services for an employer.

(c) "Earnings" means payment owed by an employer for labor or services rendered by a worker.

(d) "Worker" means a person who resides or works in Minnesota and performs services for compensation, in whatever form, for an employer. Worker does not include persons hired for domestic service in the private home of the employer, as defined in the federal tax code.

(e) "Employer" means a person or entity located or doing business in this state that employs one or more workers for payment, and includes the state, political or other governmental subdivisions of the state, and the federal government.

(f) "Hiring" means engaging a person to perform services for compensation and includes the reemploying or return to work of any previous worker who was laid off, furloughed, separated, granted a leave without pay, or terminated from employment.

Subd. 2. [REGISTRY ESTABLISHED.] The commissioner of human services shall establish a centralized employment registry for the purpose of receiving and maintaining information from employers on newly hired or rehired workers. The commissioner of human services shall take reasonable steps to inform the state's employers of the requirements of this section and the acceptable processes by which employers can comply with the requirements of this section.

Subd. 3. [DUTY TO REPORT.] Employers doing business in this state shall report to the commissioner of human services the hiring of any worker who resides or works in this state to whom the employer anticipates paying earnings. Employers shall submit reports required under this subdivision within 15 calendar days of the date of hiring of the worker.

Subd. 4. [MEANS TO REPORT.] Employers may report by delivering, mailing, or telefaxing a copy of the worker's federal W-4 form or W-9 form or any other document that contains the required information, submitting electronic media in a compatible format, toll-free telecommunication, or other means authorized by the commissioner of human services that will result in timely reporting. The commissioner shall provide employers with appropriately marked or addressed envelopes or other documents to facilitate the required reporting.

Subd. 5. [REPORT CONTENTS.] Reports required under this section must contain:

(1) the worker's name, address, social security number, and date of birth when available, which can be hand-written or otherwise added to the W-4 form, W-9 form, or other document submitted; and

(2) the employer's name, address, and federal identification number.

Subd. 6. [SANCTIONS.] If an employer fails to report under this section, the commissioner of human services shall send the employer a written notice of noncompliance requesting that the employer comply with the reporting requirements of this section. The notice of noncompliance must explain the reporting procedure under this section and advise the employer of the penalty for noncompliance. An employer who has received a notice of noncompliance and later incurs a second violation is subject to a civil penalty of \$50 for each intentionally unreported worker. An employer who has received a notice of noncompliance and later incurs a third or subsequent violation is subject to a civil penalty of \$500 for each intentionally unreported worker. These penalties may be imposed and collected by the commissioner of human services.

Subd. 7. [ACCESS TO DATA.] The commissioner of human services shall retain the information reported to the employment registry for a period of six months. Data in the employment registry may be disclosed to federal agencies, local agencies of this state, and state and local agencies of other states for the purposes of enforcing state and federal laws governing child support.

The commissioner of human services shall charge a state or federal department or agency accessing the information contained in the employment registry the proportionate costs of gathering and furnishing information under this subdivision.

Sec. 16. Minnesota Statutes 1994, section 518.171, subdivision 2a, is amended to read:

Subd. 2a. [EMPLOYER AND OBLIGOR NOTICE RESPONSIBILITY.] ~~If an individual is hired for employment, the employer shall request that the individual disclose whether the individual has court ordered medical support obligations that are required by law to be withheld from income and the terms of the court order, if any. The employer shall request that the individual disclose whether the individual has been ordered by a court to provide health and dental dependent insurance coverage. The~~ An individual shall disclose this information at the time of hiring. ~~If an individual discloses that if medical support is required to be withheld, the~~ If an employee discloses that medical support is required to be withheld, the employer shall begin withholding according to the terms of the order and pursuant to section 518.611, subdivision 8. If an individual discloses an obligation to obtain health and dental dependent insurance coverage and coverage is available through the employer, the employer shall make all application processes known to the individual upon hiring and enroll the employee and dependent in the plan pursuant to subdivision 3.

Sec. 17. Minnesota Statutes 1994, 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 or maintenance order constitutes prima facie evidence that the obligor has the ability to pay the award. If the obligor disobeys the order, it is prima facie evidence of contempt. The court may cite the obligor for contempt under this section, section 518.617, or chapter 588.

Sec. 18. Minnesota Statutes 1994, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] (a) Upon petition of an obligee, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the court may direct the licensing board or other licensing agency to conduct a hearing suspend the license 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.

(b) If a public agency authority responsible for child support enforcement finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the public agency authority may direct the licensing board or other licensing agency to conduct a hearing suspend the license under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the public agency authority 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 public agency authority.

(c) At least 30 days before notifying a licensing authority under paragraph (b), the public authority shall mail a written notice to the license holder addressed to the license holder's last known address that the public authority intends to seek license suspension under this subdivision



and that the license holder must request a hearing within 30 days in order to contest the suspension. If the license holder makes a written request for a hearing within 30 days of the date of the notice, either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4. Notwithstanding any law to the contrary, the license holder must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the license holder. The notice may be served personally or by mail.

(d) The administrative law judge, on behalf of the public authority, or the court shall order the licensing board or licensing agency to suspend the license if the judge finds that:

(1) the person is licensed by a licensing board or other state agency that issues an occupational license; and

(2) the person has not made full payment of arrearages found to be due by the public authority or has not executed or is not in compliance with a payment plan approved by the court, an administrative law judge, or the public authority.

(e) Within 30 days of the date on which the obligor either makes full payment of arrearages found to be due by the court or public authority or executes and initiates good faith compliance with a written payment plan approved by the court, an administrative law judge, or the public authority, the court or public authority responsible for child support enforcement shall notify the licensing board or licensing agency that the obligor is no longer ineligible for license issuance, reinstatement, or renewal under this subdivision.

Sec. 19. Minnesota Statutes 1994, section 518.551, is amended by adding a subdivision to read:

Subd. 13. [DRIVER'S LICENSE SUSPENSION.] (a) Upon motion of an obligee, if a court finds that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the court shall order the commissioner of public safety to suspend the obligor's driver's license. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement regarding both current support and arrearages, which payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the court. An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph.

(b) If a public authority responsible for child support enforcement determines that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments or both in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the public authority.

(c) At least 90 days prior to notifying the commissioner of public safety pursuant to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to seek suspension of the obligor's driver's license and that the obligor must request a hearing within 30 days in order to contest the suspension. If the obligor makes a written request for a hearing within 30 days of the date of the notice, either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a

hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the district court or the administrative law judge shall order the commissioner of public safety to suspend the obligor's driver's license or operating privileges unless the court or administrative law judge determines that the obligor has executed and is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority.

(e) An obligor whose driver's license or operating privileges are suspended may provide proof to the court or the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements regarding both current support and arrearages. Within 15 days of the receipt of that proof, the court or public authority shall inform the commissioner of public safety that the obligor's driver's license or operating privileges should no longer be suspended.

(f) On January 1, 1997, and every two years after that, the commissioner of human services shall submit a report to the legislature that identifies the following information relevant to the implementation of this section:

- (1) the number of child support obligors notified of an intent to suspend a driver's license;
- (2) the amount collected in payments from the child support obligors notified of an intent to suspend a driver's license;
- (3) the number of payment agreements executed in response to notification of an intent to suspend a driver's license;
- (4) the number of drivers' licenses suspended; and
- (5) the cost of implementation and operation of the requirements of this section.

Sec. 20. Minnesota Statutes 1994, section 518.551, is amended by adding a subdivision to read:

Subd. 14. [MOTOR VEHICLE LIEN.] (a) Upon motion of an obligee, if a court finds that the obligor is the registered owner of a motor vehicle and the obligor is a debtor for a judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the court shall order the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, in accordance with section 168A.05, subdivision 8, unless the court finds that the obligor is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or that the obligor's interest in the motor vehicle is valued at less than \$4,500. The court's order must be stayed for 90 days in order to allow the obligor to either execute a written payment agreement regarding both current support and arrearages, which agreement shall be approved by either the court or the public authority responsible for child support enforcement, or to allow the obligor to demonstrate that the ownership interest in the motor vehicle is valued at less than \$4,500. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or has not demonstrated that the ownership interest in the motor vehicle is valued at less than \$4,500 after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall record the lien. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public authority responsible for child support enforcement determines that the obligor is

the registered owner of a motor vehicle and the obligor is a debtor for judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the public authority shall direct the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, under section 168A.05, subdivision 8, unless the public authority determines that the obligor is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or that the obligor's ownership interest in the motor vehicle is valued at less than \$4,500. The remedy under this subdivision is in addition to any other enforcement remedy available to the public agency.

(c) At least 90 days prior to notifying the commissioner of public safety pursuant to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to record a lien on the obligor's motor vehicle certificate of title and that the obligor must request a hearing within 30 days in order to contest the action. If the obligor makes a written request for a hearing within 30 days of the date of the notice, either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice and the obligor does not execute a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or demonstrate to the public authority that the obligor's ownership interest in the motor vehicle is valued at less than \$4,500 within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to record the lien under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the district court or the administrative law judge shall order the commissioner of public safety to record the lien unless the court or administrative law judge determines that:

(1) the obligor has executed and is in compliance with a written payment agreement regarding both current support and arrearages determined to be acceptable by the court, an administrative law judge, or the public authority; or

(2) the obligor has demonstrated that the ownership interest in the motor vehicle is valued at less than \$4,500.

(e) An obligor who has had a lien recorded against a motor vehicle certificate of title may provide proof to the court or the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements regarding both current support and arrearages. Within 15 days of the receipt of that proof, the court or public authority shall execute a release of security interest under section 168A.20, subdivision 4, and mail or deliver the release to the owner or other authorized person.

#### **Sec. 21. [518.553] [PAYMENT AGREEMENTS.]**

In proposing or approving proposed written payment agreements for purposes of section 518.551, the court, an administrative law judge, or the public authority shall take into consideration the amount of the arrearages, the amount of the current support order, the pendency of a request for modification, and the earnings of the obligor.

#### **Sec. 22. [518.616] [ADMINISTRATIVE SEEK EMPLOYMENT ORDERS.]**

Subdivision 1. [COURT ORDER.] For any support order being enforced by the public authority, the public authority may seek a court order requiring the obligor to seek employment if employment of the obligor cannot be verified and if the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment plan. Upon proper notice being given to the obligor, the court shall enter a seek

employment order if it finds that the obligor has not provided proof of gainful employment and has not consented to an order for income withholding under section 518.611 or 518.613 or entered into a written payment plan approved by the court, an administrative law judge, or the public authority.

Subd. 2. [CONTENTS OF ORDER.] The order to seek employment shall:

(1) order that the obligor seek employment within a determinate amount of time;

(2) order that the obligor file with the public authority on a weekly basis a report of at least five new attempts to find employment or of having found employment, which report must include the names, addresses, and telephone numbers of any employers or businesses with whom the obligor attempted to seek employment and the name of the individual contact to whom the obligor made application for employment or to whom an inquiry was directed;

(3) notify the obligor that failure to comply with the order is evidence of a willful failure to pay support under section 518.617;

(4) order that the obligor provide the public authority with verification of any reason for noncompliance with the order; and

(5) specify the duration of the order, not to exceed three months.

Sec. 23. [518.617] [CONTEMPT PROCEEDINGS FOR NONPAYMENT OF SUPPORT.]

Subdivision 1. [GROUNDS.] If a person against whom an order or decree for support has been entered under this chapter, chapter 256, or a comparable law from another jurisdiction, is in arrears in court-ordered child support or maintenance payments in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment plan approved by the court, an administrative law judge, or the public authority, the person may be cited and punished by the court for contempt under section 518.64, chapter 588, or this section. Failure to comply with a seek employment order entered under section 518.616 is evidence of willful failure to pay support.

Subd. 2. [COURT OPTIONS.] (a) If a court cites a person for contempt under this section, and the obligor lives in a county that contracts with the commissioner of human services under section 256.997, the court may order the performance of community service work up to 32 hours per week for six weeks for each finding of contempt if the obligor:

(1) is able to work full time;

(2) works an average of less than 32 hours per week; and

(3) has actual weekly gross income averaging less than 40 times the federal minimum hourly wage under United States Code, title 29, section 206(a)(1), or is voluntarily earning less than the obligor has the ability to earn, as determined by the court.

An obligor is presumed to be able to work full time. The obligor has the burden of proving inability to work full time.

(b) A person ordered to do community service work under paragraph (a) may, during the six-week period, apply to the court to be released from the community service work requirement if the person:

(1) provides proof to the court that the person is gainfully employed and submits to an order for income withholding under section 518.611 or 518.613;

(2) enters into a written payment plan regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority; or

(3) provides proof to the court that, subsequent to entry of the order, the person's circumstances have so changed that the person is no longer able to fulfill the terms of the community service order.

Subd. 3. [CONTINUING OBLIGATIONS.] The performance of community service work does not relieve a child support obligor of any unpaid accrued or accruing support obligation.

Sec. 24. [CHILD SUPPORT ASSURANCE WAIVER.]

The commissioner of human services shall seek a waiver from the secretary of the United States Department of Health and Human Services to enable the department of human services to operate a demonstration project of child support assurance. The commissioner shall seek authority from the legislature to implement a demonstration project of child support assurance when enhanced federal funds become available for this purpose.

Sec. 25. [APPROPRIATIONS.]

Subdivision 1. [CHILD SUPPORT OBLIGOR COMMUNITY SERVICE WORK EXPERIENCE PROGRAM.] \$..... is appropriated from the general fund to the commissioner of human services to fund the child support obligor community service work experience program in section 14, to be available until June 30, 1997.

Subd. 2. [MOTOR VEHICLE CERTIFICATES OF TITLE.] \$..... is appropriated from the general fund to the commissioner of public safety to fund the necessary changes to the existing computer system to allow for memorialization of liens on motor vehicle certificates of title and to allow for suspension of drivers' licenses, to be available until June 30, 1997.

Subd. 3. [SUSPENSION OF DRIVERS' LICENSES.] \$..... is appropriated from the general fund to the commissioner of human services to allow the commissioner to seek the suspension of drivers' licenses under Minnesota Statutes, section 518.551, subdivision 13, to be available until June 30, 1997.

Subd. 4. [EMPLOYMENT REGISTRY.] \$..... is appropriated from the general fund to the commissioner of human services to allow the commissioner to implement the employment registry under section 15, to be available until June 30, 1997.

Subd. 5. [PUBLIC EDUCATION.] \$..... is appropriated from the general fund to the commissioner of human services for transfer to the attorney general for continuance of the child support public education campaign, to be available until June 30, 1997.

Subd. 6. [COOPERATION FOR THE CHILDREN PROGRAM.] (a) \$..... is appropriated from the general fund to the commissioner of human services for purposes of developing and implementing the cooperation for the children program under section 13, to be available until June 30, 1997.

(b) \$..... is appropriated from the general fund to the commissioner of human services, for transfer to the office of administrative hearings, for purposes of developing and implementing the cooperation for the children program, to be available until June 30, 1997.

Sec. 26. [REPEALER.]

Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.561; and 518.611, subdivision 8, are repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 2 to 10, 15, and 19, are effective January 1, 1996."

Delete the title and insert:

"A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 518.171, subdivision 2a; 518.24; and 518.551, subdivision 12, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 171; 256;

and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.561; and 518.611, subdivision 8."

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

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

**S.F. No. 619:** A bill for an act relating to lawful gambling; regulating lawful purpose expenditures; providing for contributions to certain compulsive gambling programs; amending Minnesota Statutes 1994, section 349.12, subdivision 25.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 240.01, subdivision 18, is amended to read:

Subd. 18. [ON-TRACK PARI-MUTUEL BETTING.] "On-track pari-mutuel betting" means wagering conducted at a licensed racetrack, ~~or at a class E licensed facility whose wagering system is electronically linked to a licensed racetrack.~~

Sec. 2. Minnesota Statutes 1994, section 240.01, subdivision 23, is amended to read:

Subd. 23. [FULL RACING CARD.] "Full racing card" means three or more races that are: (1) part of a horse racing program being conducted at a racetrack; and (2) being simulcast or telereace simulcast at a licensed racetrack ~~or telereace facility.~~

Sec. 3. Minnesota Statutes 1994, section 240.10, is amended to read:

240.10 [LICENSE FEES.]

The fee for a class A license is \$10,000 per year. The fee for a class B license is \$100 for each assigned racing day on which racing is actually conducted, and \$50 for each day on which simulcasting is authorized and actually takes place. The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. ~~The fee for a class E license is \$1,000 per year.~~ Fees imposed on class B and class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08 but no annual fee for a class C license may exceed \$100.

License fee payments received must be paid by the commission to the state treasurer for deposit in the general fund.

Sec. 4. Minnesota Statutes 1994, section 240.19, is amended to read:

240.19 [CONTRACTS.]

The commission shall by rule require that all contracts entered into by a class A, class B, or class D, ~~or class E~~ licensee for the provision of goods or services, including concessions contracts, be subject to commission approval. The rules must require that the contract include an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363. The rules may also establish goals to provide economic opportunity for disadvantaged and emerging small businesses, racial minorities, women, and disabled individuals. The commission may require a contract holder to submit to it documents and records the commission deems necessary to evaluate the contract.

Sec. 5. Minnesota Statutes 1994, section 240.23, is amended to read:

240.23 [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in this chapter to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D, ~~and class E~~ licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts;

(i) affirmative action in employment and contracting by class A, class B, and class D licensees; and

(j) ~~the operation of teleracing facilities; and~~

~~(k)~~ any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 6. Minnesota Statutes 1994, section 240.27, subdivision 2, is amended to read:

Subd. 2. [HEARING; APPEAL.] An order to exclude a person from any or all licensed racetracks ~~or licensed teleracing facilities~~ in the state must be made by the commission at a public hearing of which the person to be excluded must have at least five days' notice. If present at the hearing, the person must be permitted to show cause why the exclusion should not be ordered. An appeal of the order may be made in the same manner as other appeals under section 240.20.

Sec. 7. Minnesota Statutes 1994, section 240.27, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO RACETRACKS.] Upon issuing an order excluding a person from any or all licensed racetracks ~~or licensed teleracing facilities~~, the commission shall send a copy of the order to the excluded person and to all racetracks or teleracing facilities named in it, along with other information as it deems necessary to permit compliance with the order.

Sec. 8. Minnesota Statutes 1994, section 240.27, subdivision 4, is amended to read:

Subd. 4. [PROHIBITIONS.] It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack ~~or a teleracing facility~~ named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack ~~or a teleracing facility~~ knowingly to permit an excluded person to enter or be on the premises.

Sec. 9. Minnesota Statutes 1994, section 240.27, subdivision 5, is amended to read:

Subd. 5. [EXCLUSIONS BY RACETRACK.] The holder of a license to conduct racing ~~or operate a teleracing facility~~ may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises ~~or teleracing facility~~ may appeal the exclusion to the commission and must be given a public hearing on the appeal upon request. At the hearing the person must be given the opportunity to show cause why the exclusion should not have been ordered. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack ~~or teleracing~~

facility making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 240.20.

Sec. 10. Minnesota Statutes 1994, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

(g) "Used gambling device" means a gambling device five or more years old from the date of manufacture.

(h) "Test" means the process of examining a gambling device to determine its characteristics or compliance with the established requirements of any jurisdiction.

(i) "Testing facility" means a person in Minnesota who is engaged in the testing of gambling devices for use in any jurisdiction.

Sec. 11. Minnesota Statutes 1994, 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 from licensing under section 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 chapter 240, 297E, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A;

(5) races are conducted by a person licensed under chapter 240; or

(6) gambling devices are manufactured, or distributed, or tested, including places of storage under section 299L.07.

Sec. 12. Minnesota Statutes 1994, section 299L.05, is amended to read:

299L.05 [GAMBLING VIOLATIONS; RESTRICTIONS ON FURTHER ACTIVITY.]

An owner of an establishment is prohibited from having lawful gambling under chapter 349 conducted on the premises, or selling any lottery tickets under chapter 349A, ~~or having a video game of chance as defined under section 349.50 located on the premises~~, if a person was convicted of violating section 609.76, subdivision 1, clause (7), or 609.76, subdivision (2), for an activity occurring on the owner's premises.

Sec. 13. Minnesota Statutes 1994, section 299L.07, subdivision 1, is amended to read:



Subdivision 1. [LICENSE REQUIRED.] Except as provided in subdivision 2, a person may not (1) manufacture, sell, offer to sell, lease, rent, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, or (2) operate a testing facility, without first obtaining a license under this section.

Sec. 14. Minnesota Statutes 1994, section 299L.07, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Notwithstanding subdivision 1, a gambling device:

(1) ~~may be manufactured without a license as provided in section 349.40; and~~

(2) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be possessed by a person not licensed under this section if the person holds a permit issued under section 19; and

(3) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling.

Sec. 15. Minnesota Statutes 1994, section 299L.07, is amended by adding a subdivision to read:

Subd. 2b. [TESTING FACILITIES.] (a) A person licensed as a testing facility may possess a gambling device only for the purpose of performing tests on the gambling device.

(b) No person may be licensed as a testing facility under this section who is licensed as a manufacturer or distributor of gambling devices under this section or as a manufacturer or distributor of gambling equipment under chapter 349.

Sec. 16. Minnesota Statutes 1994, section 299L.07, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] An application for a ~~manufacturer's or distributor's~~ license under this section must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Sec. 17. Minnesota Statutes 1994, section 299L.07, subdivision 5, is amended to read:

Subd. 5. [INVESTIGATION.] Before a ~~manufacturer's or distributor's~~ license under this section is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Sec. 18. Minnesota Statutes 1994, section 299L.07, subdivision 6, is amended to read:

Subd. 6. [LICENSE FEES.] (a) A license issued under this section is valid for one year.

(b) For a person who distributes 100 or fewer used gambling devices per year, the fee is \$1,500. For a person who distributes more than 100 used gambling devices per year, the fee is \$2,000.

(c) For a person who manufactures or distributes 100 or fewer new, or new and used gambling devices in a year, the fee is \$5,000. For a person who manufactures or distributes more than 100 new, or new and used gambling devices in a year, the fee is \$7,500.

(d) For a testing facility the fee is \$5,000.

Sec. 19. [299L.08] [TEMPORARY POSSESSION; PERMIT.]

Subdivision 1. [PERMIT AUTHORIZED.] The director may issue a temporary permit for a person to possess a gambling device for the purpose of displaying the gambling device at a trade show, convention, or other event where gambling devices are displayed.

Subd. 2. [APPLICATION; FEE.] An application for a temporary permit under this section must contain:

- (1) the applicant's name, address, and telephone number;
- (2) the name, date, and location of the event where the gambling device will be displayed;
- (3) the method or methods by which the gambling device will be transported to the event, including the name of all carriers performing the transportation and the date of expected shipment;
- (4) the individual or individuals who will be responsible for the gambling device while it is in Minnesota;
- (5) the type, make, model, and serial number of the device;
- (6) the location where the device will be stored in Minnesota while not at the event location;
- (7) the date on which the device will be transported outside Minnesota;
- (8) evidence satisfactory to the director that the applicant is registered and in compliance with 24 United States Code, sections 1171 to 1178; and
- (9) other information the director deems necessary.

The fee for a permit under this section is \$100.

Subd. 3. [TERMS.] A permit under this section authorizes possession of a gambling device only during the period and for the event named in the permit. The permit authorizes the possession of a gambling device for display, educational, and information purposes only, and does not authorize the conduct of any gambling. The permit may not extend for more than 72 hours beyond the end of the event named in the permit.

Subd. 4. [INSPECTION.] The director may conduct inspections of events where gambling devices are displayed to insure compliance with this section and other laws relating to gambling."

Page 4, after line 34, insert:

"Sec. 21. [REPEALER.]

Minnesota Statutes 1994, section 240.01, subdivisions 17, 20, and 21, are repealed."

Page 4, line 36, delete "Section 1 is" and insert "Sections 19 and 20 are"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to gambling; eliminating obsolete references to pari-mutuel telercacing; requiring licensing for testing of gambling devices; providing for temporary permits for display of gambling devices; regulating lawful purpose expenditures; providing for contributions

for certain compulsive gambling programs; amending Minnesota Statutes 1994, sections 240.01, subdivisions 18 and 23; 240.10; 240.19; 240.23; 240.27, subdivisions 2, 3, 4, and 5; 299L.01, subdivision 1; 299L.03, subdivision 1; 299L.05; 299L.07, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; and 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1994, section 240.01, subdivisions 17, 20, and 21."

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. 1100:** A bill for an act relating to lawful gambling; allowing unlimited use of the proceeds of lawful gambling for payment of real estate taxes and assessments; amending Minnesota Statutes 1994, section 349.12, subdivision 25.

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

Page 2, line 28, reinstate the stricken language

Page 2, delete lines 29 to 32 and insert:

"(i) ~~the amount which an organization may expend under board rule on rent~~ for premises used for bingo, ~~the amount which an organization may expend under board rules on rent for bingo; or~~ and

(ii) ~~\$15,000 per year~~ for premises used for other forms of lawful gambling;

(A) 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; and

(B) for other premises, \$35,000 per year;"

Amend the title as follows:

Page 1, line 4, after "assessments" insert "for certain premises"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 759, 799, 619 and 1100 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Novak moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1020. The motion prevailed.

Mr. Novak moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1165. The motion prevailed.

Ms. Hanson moved that her name be stricken as a co-author to S.F. No. 1239. The motion prevailed.

Ms. Hanson moved that her name be stricken as a co-author to S.F. No. 1240. The motion prevailed.

Mr. Solon moved that his name be stricken as a co-author to S.F. No. 1065. The motion prevailed.

Mr. Metzen moved that his name be stricken as a co-author to S.F. No. 1065. The motion prevailed.

Ms. Anderson moved that S.F. No. 352, No. 4 on General Orders, be stricken and returned to its author. 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. Solon, Janezich, Stumpf, Beckman and Stevens introduced--**

**S.F. No. 1241:** A bill for an act relating to health; eliminating hospital peer groups for purposes of certain payments; repealing Minnesota Statutes 1994, section 256.969, subdivision 24.

Referred to the Committee on Health Care.

**Messrs. Price, Morse, Frederickson, Riveness and Merriam introduced--**

**S.F. No. 1242:** A bill for an act relating to natural resources; motor vehicles; establishing special critical habitat license plates; appropriating money; amending Minnesota Statutes 1994, section 84.943, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Environment and Natural Resources.

**Mr. Day introduced--**

**S.F. No. 1243:** A bill for an act relating to education; providing for independent school district No. 763, Medford, to deposit land sale proceeds into its general fund.

Referred to the Committee on Education.

**Messrs. Kelly, Chandler, Kroening and Johnson, D.J. introduced--**

**S.F. No. 1244:** A bill for an act relating to taxes; establishing a rental tax equity program for Duluth, Minneapolis, Saint Paul, and other eligible cities; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Metzen and Chmielewski introduced--**

**S.F. No. 1245:** A bill for an act relating to telecommunications; requiring telephone companies to provide telephone lines for independent public pay telephone service providers; requiring a flat rate for this access; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Riveness, Metzen, Ms. Wiener, Messrs. Stevens and Bertram introduced--**

**S.F. No. 1246:** A bill for an act relating to state government; abolishing periodic reports.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Metzen; Moe, R.D.; Pogemiller; Ms. Wiener and Mr. Stevens introduced--**

**S.F. No. 1247:** A bill for an act relating to state government; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Kelly, Merriam, Spear, Cohen and Belanger introduced--**

**S.F. No. 1248:** A bill for an act relating to crime prevention; requiring applicants seeking initial peace officer licensure to have successfully completed a professional peace officer education program and to possess a bachelor's degree; requiring the board of peace officer standards and training to adopt rules; establishing a task force to assist the board in developing rules; requiring the board to report to the legislature; amending Minnesota Statutes 1994, section 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Crime Prevention.

**Mr. Oliver, Mses. Kiscaden, Piper, Messrs. Betzold and Terwilliger introduced--**

**S.F. No. 1249:** A bill for an act relating to health; establishing the Minnesota institute for women's health; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Messrs. Johnson, D.J.; Lessard; Chmielewski; Janezich and Solon introduced--**

**S.F. No. 1250:** A bill for an act relating to tax-forfeited land; modifying the terms of payment for certain tax-forfeited timber; amending Minnesota Statutes 1994, section 282.04, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Lessard; Johnson, D.J.; Chmielewski; Janezich and Solon introduced--**

**S.F. No. 1251:** A bill for an act relating to wood measurement; providing standard measurements for pulpwood, firewood, and other timber; amending Minnesota Statutes 1994, section 239.33.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Price and Stumpf introduced--**

**S.F. No. 1252:** A bill for an act relating to education; extending the expiration date of the advisory council for academic enrichment scholarships; modifying the duties of the higher education coordinating board; extending the expiration date of the higher education advisory council; modifying student advisory council to the higher education coordinating board; modifying the higher education board candidate advisory council to include higher education coordinating board candidates; modifying the progress report date of the higher education center on violence and abuse; amending Minnesota Statutes 1994, sections 126.56, subdivision 5; 135A.08, subdivisions 1, 2, and 3; 135A.10, subdivision 1; 135A.15, subdivision 1; 136A.01; 136A.02, subdivisions 1, 6, and 7; 136A.04, subdivision 1; 136A.043; 136A.05, subdivision 1; 136A.07; 136A.42; 136A.87; 136E.02, subdivision 3; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; and 144.1491, subdivision 2; Laws 1993, chapter 326, article 12, section 15, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1994, sections 136A.04, subdivision 2; 136A.041; 136A.1352; 136A.1353; 136A.1354; 136A.85; 136A.86; 136A.88; 136D.77; 136D.81, subdivision 2; 144.1488, subdivision 2; and 148.236; Laws 1993, chapter 326, article 12, section 15, subdivision 2; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 8.

Referred to the Committee on Education.

**Mr. Samuelson introduced--**

**S.F. No. 1253:** A bill for an act relating to commerce; modifying the petroleum tank release cleanup program in the department of commerce; limiting the amount of the deductible required

on residential and small business sites; establishing registration requirements for consultants and contractors; amending Minnesota Statutes 1994, sections 115C.02, by adding a subdivision; 115C.09, subdivision 3; and 115C.11, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Samuelson introduced--**

**S.F. No. 1254:** A bill for an act relating to solid waste; requiring the state to remit solid waste assessments for landfill cleanup fund to be returned to certain counties; amending Minnesota Statutes 1994, section 116.07, subdivision 10.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Limmer, Spear and Berg introduced--**

**S.F. No. 1255:** A bill for an act relating to corrections; authorizing use of force in defense of assault in correctional facilities under the control of or licensed by the commissioner; amending Minnesota Statutes 1994, section 243.52.

Referred to the Committee on Crime Prevention.

**Messrs. Merriam, Lessard, Frederickson, Laidig and Morse introduced--**

**S.F. No. 1256:** A bill for an act relating to the environment; environmental quality board; modifying the environmental review program; amending Minnesota Statutes 1994, section 116D.04, subdivisions 1a, 2a, 2b, and 5a.

Referred to the Committee on Environment and Natural Resources.

**Mr. Samuelson introduced--**

**S.F. No. 1257:** A bill for an act relating to education; providing for independent school district No. 486, Swanville, to transfer funds from its bus purchase account to its general fund.

Referred to the Committee on Education.

**Ms. Berglin introduced--**

**S.F. No. 1258:** A bill for an act relating to health care; changing the indices used to adjust hospital and nursing home reimbursement rates; amending Minnesota Statutes 1994, sections 256.969, subdivision 1; and 256B.431, subdivision 2l.

Referred to the Committee on Health Care.

**Messrs. Vickerman, Sams, Bertram and Morse introduced--**

**S.F. No. 1259:** A bill for an act relating to metropolitan government; requiring the metropolitan council to install an ethanol additive system on each of its diesel-powered transit buses; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Lessard introduced--**

**S.F. No. 1260:** A bill for an act relating to game and fish; establishing a special license for youthful deer hunters; extending authority to take does; increasing the pelting fee; eliminating the family hunting license; amending Minnesota Statutes 1994, sections 97A.475, subdivision 2; 97A.535, subdivision 1; 97B.301, subdivision 6; and 97B.311; and Minnesota Rules, part 6234.2800; repealing Minnesota Statutes 1994, section 97B.301, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

**Mr. Vickerman introduced--**

**S.F. No. 1261:** A bill for an act relating to education; modifying the cooperative secondary facilities program; authorizing a cooperative secondary facilities grant; authorizing the sale of bonds; appropriating money; amending Minnesota Statutes 1994, section 124.493, by adding a subdivision.

Referred to the Committee on Education.

**Mr. Vickerman introduced--**

**S.F. No. 1262:** A bill for an act relating to education; modifying the cooperative secondary facilities program; authorizing a cooperative secondary facilities grant; authorizing the sale of bonds; appropriating money; amending Minnesota Statutes 1994, section 124.493, by adding a subdivision.

Referred to the Committee on Education.

**Messrs. Limmer, Larson, Chandler, Mses. Johnson, J.B. and Wiener introduced--**

**S.F. No. 1263:** A bill for an act relating to commerce; residential building contractors; regulating licensees, amending Minnesota Statutes 1994, sections 326.83, subdivision 5, and by adding a subdivision; 326.84, subdivision 3; 326.91, subdivision 1; and 326.95, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Limmer introduced--**

**S.F. No. 1264:** A bill for an act relating to state government; requiring that certain purchases be made from Minnesota corrections industries; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Janezich; Johnson, D.J. and Stumpf introduced--**

**S.F. No. 1265:** A bill for an act relating to education; providing for athletic participation for pupils who enroll in a nonresident district; amending Minnesota Statutes 1994, section 120.062, by adding a subdivision.

Referred to the Committee on Education.

**Mr. Janezich introduced--**

**S.F. No. 1266:** A bill for an act relating to commerce; regulating motor vehicle service contracts and mechanical breakdown insurance; prohibiting certain provisions; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Janezich introduced--**

**S.F. No. 1267:** A bill for an act relating to alcoholic beverages; authorizing the St. Louis county board to issue one on-sale intoxicating malt liquor license.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Belanger, Laidig, Frederickson, Metzen and Price introduced--**

**S.F. No. 1268:** A bill for an act relating to the governor; providing that the governor may declare an inability to discharge duties of the office or may be declared unable to do so; amending Minnesota Statutes 1994, section 4.06.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Limmer, Spear, Mses. Wiener, Lesewski and Anderson introduced--**

**S.F. No. 1269:** A bill for an act relating to crime; expanding the interference with privacy crime to include persons who intrude on the privacy of occupants of hotel sleeping rooms and tanning booths; amending Minnesota Statutes 1994, section 609.746, subdivision 1.

Referred to the Committee on Crime Prevention.

**Messrs. Dille and Bertram introduced--**

**S.F. No. 1270:** A bill for an act relating to agriculture; clarifying certain procedures for agricultural chemical response reimbursement; amending Minnesota Statutes 1994, sections 18E.02, by adding subdivisions; and 18E.04, subdivisions 2 and 4.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Dille and Bertram introduced--**

**S.F. No. 1271:** A bill for an act relating to agriculture; changing the definition of "eligible person" for purposes of agricultural chemical response; amending Minnesota Statutes 1994, section 18E.02, subdivision 5.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Metzen and Solon introduced--**

**S.F. No. 1272:** A bill for an act relating to commerce; securities; regulating disclosure of payment received for directing order flow; amending Minnesota Statutes 1994, section 80A.06, subdivision 5.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Anderson; Johnson, J.B.; Messrs. Frederickson, Chmielewski and Kroening introduced--**

**S.F. No. 1273:** A bill for an act relating to housing; establishing an affordable home ownership funding program; appropriating money; amending Minnesota Statutes 1994, section 462A.21, subdivision 8, and by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Solon, Metzen and Spear introduced--**

**S.F. No. 1274:** A bill for an act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention.

**Ms. Anderson, Messrs. Knutson, Betzold, Mondale and Marty introduced--**



**S.F. No. 1275:** A bill for an act relating to metropolitan transit; appropriating money for security measures on metropolitan council transit vehicles.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Piper, Messrs. Marty, Morse, Chmielewski and Ms. Kiscaden introduced--**

**S.F. No. 1276:** A bill for an act relating to traffic regulations; directing the commissioner of transportation to establish a bicycle lane on marked interstate highway No. 90; prescribing operating rules for bicycles on a bicycle lane of an interstate highway; requiring a report; amending Minnesota Statutes 1994, section 169.222, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Dille introduced--**

**S.F. No. 1277:** A bill for an act relating to education; providing funding for the assurance of mastery program; appropriating money.

Referred to the Committee on Education.

**Ms. Pappas, Mr. Cohen, Mses. Wiener, Runbeck and Mr. Kelly introduced--**

**S.F. No. 1278:** A bill for an act relating to local government; eliminating a requirement that independent school district No. 625 contract with the city of Saint Paul for facilities furnished by the city civil service bureau; amending Laws 1965, chapter 705, section 1, subdivision 3.

Referred to the Committee on Education.

**Messrs. Finn, Knutson, Ms. Ranum, Mr. Merriam and Ms. Kiscaden introduced--**

**S.F. No. 1279:** A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; conforming provisions dealing with financial assistance data; providing for an information policy training program; appropriating money; amending Minnesota Statutes 1994, sections 13.03, by adding a subdivision; 13.06, subdivision 6; 13.08, subdivision 1; 13.10, subdivision 5; 13.32, subdivision 2; 13.43, subdivisions 2 and 5; 13.46, subdivision 2; 13.50, subdivision 2; 13.531; 13.551; 13.62; 13.643; 13.671; 13.76, subdivision 1; 13.761; 13.77; 13.78; 13.79; 13.82, subdivisions 5 and 10; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 17.117, subdivision 12; 41.63; 41B.211; 116O.03, subdivision 7; 116S.02, subdivision 8; and 446A.11, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1994, sections 13.69, subdivision 2; and 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17.

Referred to the Committee on Judiciary.

**Mr. Dille introduced--**

**S.F. No. 1280:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Meeker county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 1281:** A bill for an act relating to education; encumbering money for postservice benefits for participants in youth community service; amending Minnesota Statutes 1994, section 121.707, subdivision 3.

Referred to the Committee on Education.

**Messrs. Hottinger, Pogemiller, Mondale, Dille and Day introduced--**

**S.F. No. 1282:** A bill for an act relating to taxation; eliminating the LGA/HACA offset from certain tax increment financing districts; providing for state grants to certain tax increment financing districts; appropriating money; amending Minnesota Statutes 1994, section 116J.556; repealing Minnesota Statutes 1994, sections 273.1399; and 469.175, subdivision 7a.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Runbeck introduced--**

**S.F. No. 1283:** A bill for an act relating to employment; modifying a definition; extending certain occupational safety and health requirements to certain independent contractors; eliminating occupational safety and health exemptions for technically qualified individuals; requiring notification for certain construction projects; modifying the admissibility of evidence obtained during an occupational safety and health inspection; modifying requirements relating to discrimination; amending Minnesota Statutes 1994, sections 182.651, subdivisions 7, 14, and 15; 182.6521; 182.653, subdivisions 4b 4c, 4f, and by adding a subdivision; 182.659, subdivision 1; and 182.669, subdivision 1; repealing Minnesota Statutes 1994, section 182.651, subdivision 16.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Riveness, Mses. Piper, Robertson, Messrs. Chandler and Novak introduced--**

**S.F. No. 1284:** A bill for an act relating to human services; adding an exception to the group residential housing moratorium; amending Minnesota Statutes 1994, section 256I.04, subdivision 3.

Referred to the Committee on Family Services.

**Messrs. Kroening, Kramer, Betzold and Ms. Berglin introduced--**

**S.F. No. 1285:** A bill for an act relating to economic development; appropriating money for a multijurisdictional, collaborative reinvestment program.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kelly and Spear introduced--**

**S.F. No. 1286:** A bill for an act relating to crime prevention; changing the membership of the peace officer standards and training board; directing that certain institutions implement programs to allow completion of core law enforcement courses in two quarters; requiring representation of higher education on the board's training committee; appropriating money; amending Minnesota Statutes 1994, section 626.841; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Crime Prevention.

**Mses. Krentz and Runbeck introduced--**

**S.F. No. 1287:** A bill for an act relating to education; modifying debt service equalization aid and levy; amending Minnesota Statutes 1994, section 124.95, subdivisions 3 and 4.

Referred to the Committee on Education.

**Ms. Johnson, J.B.; Messrs. Stevens and Chmielewski introduced--**

**S.F. No. 1288:** A bill for an act relating to education; providing full campus status to Cambridge Community College center; appropriating money.

Referred to the Committee on Education.

**Mr. Knutson, Ms. Kiscaden, Messrs. Kleis and Riveness introduced--**

**S.F. No. 1289:** A bill for an act relating to human services; requiring the commissioner of human services to seek a waiver to permit AFDC payments to be made on behalf of children voluntarily placed in foster care by their minor mothers.

Referred to the Committee on Family Services.

**Mr. Moe, R.D. introduced--**

**S.F. No. 1290:** A bill for an act relating to the legislature; abolishing the legislative commission to review administrative rules, the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning; amending Minnesota Statutes 1994, sections 3.846, subdivision 2; 4.071, subdivision 2; 14.131; 14.15, subdivision 4; 14.19; 14.23; 14.26; 14.32, subdivision 2; 14.47, subdivisions 3, 6, and 8; 62J.04, subdivisions 1a and 9; 62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02; 256.9352, subdivision 3; 256B.431, subdivision 2i; 290.431; 290.432; and 473.846; repealing Minnesota Statutes 1994, sections 3.841; 3.842; 3.843; 3.844; 3.845; 3.861; 3.873; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.20, subdivision 6; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4.

Referred to the Committee on Rules and Administration.

**Mses. Berglin, Kiscaden, Messrs. Sams, Oliver and Ms. Piper introduced--**

**S.F. No. 1291:** A bill for an act relating to human services; expanding provisions for health care; amending Minnesota Statutes 1994, sections 256.9353, subdivisions 1 and 3; 256.9354, subdivision 5; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, by adding subdivisions; 256B.0625, subdivision 30; and 256B.69, subdivisions 2 and 4; Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 256B; repealing Minnesota Statutes 1994, section 256.9353, subdivisions 4 and 5.

Referred to the Committee on Health Care.

**Mr. Bertram introduced--**

**S.F. No. 1292:** A bill for an act relating to agriculture; establishing a pilot dairy education and technology transfer program; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Belanger, Ms. Johnston and Mr. Langseth introduced--**

**S.F. No. 1293:** A bill for an act relating to motor carriers; deregulating most motor carriers; making technical changes; providing for fees and penalties; amending Minnesota Statutes 1994, sections 168.013, subdivision 1e; 174A.02, subdivision 4; 174A.06; 221.011, subdivisions 7, 8, 9, 14, 15, 16, 23, 26, 37, and by adding subdivisions; 221.021; 221.022; 221.025; 221.041; 221.051; 221.061; 221.071; 221.081; 221.111; 221.121, subdivisions 1, 3, and 4; 221.122, subdivision 1; 221.124, subdivision 2; 221.131, subdivisions 2 and 3; 221.132; 221.141, subdivision 1; 221.151, subdivisions 1 and 2; 221.161, subdivisions 1 and 4; 221.172, subdivision 3; 221.185, subdivisions 1, 2, 4, 5a, and 9; 221.251, subdivision 1; 221.281; and 221.291, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1994, sections 221.011, subdivisions 10, 12, 24, 25, 28, 35, 36, 38, 39, 40, 41, 44, 45, and 46; 221.072; 221.101; 221.121, subdivisions 5, 6, 6c, 6d, 6e, 6f, and 6g; 221.131, subdivisions 6 and 7; 221.141, subdivision 6; 221.151, subdivision 3; 221.152; 221.153; 221.172, subdivisions 4, 5, 6, 7, and 8; and 221.296.

Referred to the Committee on Transportation and Public Transit.

**Mses. Pappas, Olson and Robertson introduced--**

**S.F. No. 1294:** A bill for an act relating to education; modifying determination of revenue for high school graduation incentives program and private alternative programs; amending Minnesota Statutes 1994, sections 126.22, subdivision 8; and 126.23.

Referred to the Committee on Education.

**Mr. Solon, Ms. Wiener, Messrs. Janezich, Stumpf and Larson introduced--**

**S.F. No. 1295:** A bill for an act relating to education; providing for faculty transfers between bargaining units for community colleges and technical colleges; amending Laws 1991, chapter 356, article 9, section 9, as amended.

Referred to the Committee on Education.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1296:** A bill for an act relating to education; providing for a fund transfer for independent school district No. 139, Rush City.

Referred to the Committee on Education.

**Messrs. Samuelson and Merriam introduced--**

**S.F. No. 1297:** A bill for an act relating to human services; demonstration projects for long-term care services; requiring waiver requests.

Referred to the Committee on Health Care.

**Mr. Scheevel and Ms. Lesewski introduced--**

**S.F. No. 1298:** A bill for an act relating to workers' compensation; changing a rate calculation; amending Minnesota Statutes 1994, section 79.211, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Pappas, Mr. Metzen and Ms. Berglin introduced--**

**S.F. No. 1299:** A bill for an act relating to bilingual communication services; requiring the Spanish-speaking affairs council and the council on Asian-Pacific Minnesotans to report on

coordination with the department of administration; requiring all public agencies that deal directly with non-English-speaking people to provide information and services in the language of the non-English-speaking people; amending Minnesota Statutes 1994, sections 3.9223, subdivision 7; 3.9226, subdivision 7; and 15.441.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Pappas introduced--**

**S.F. No. 1300:** A bill for an act relating to the metropolitan airports commission; providing for the detachment of intermediate airport land from cities or school districts; amending Minnesota Statutes 1994, section 473.625.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Pappas introduced--**

**S.F. No. 1301:** A bill for an act relating to state government; adding duties relating to citizen participation to the office of volunteer services; appropriating money; amending Minnesota Statutes 1994, sections 16B.88, subdivisions 1, 2, 3, 4, and 5; 465.796, subdivision 2; and 465.797, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Laidig introduced--**

**S.F. No. 1302:** A bill for an act relating to state government; consolidating and coordinating state environmental and natural resource programs; reorganizing and restructuring state agencies and departments; creating the sustainable environmental policy board; creating the department of environmental protection; adding powers and duties to the department of natural resources; transferring all the powers and duties of the environmental quality board, the pollution control agency, the board of water and soil resources, the office of environmental assistance, the harmful substances compensation board, the petroleum tank release compensation board, and the Minnesota public facilities authority, and abolishing these agencies; transferring certain powers and duties of the departments of commerce and trade and economic development; requiring further studies and reports; amending Minnesota Statutes 1994, sections 15.01; 15A.081, subdivision 1; 84.01, subdivisions 1 and 3; 84.027, by adding a subdivision; 103B.3355; 103D.101, subdivision 2; 115B.25, subdivision 2; 115B.28, subdivisions 1 and 4; 115B.35, subdivisions 1, 4, 5, and 6; 115C.07, subdivision 3; 115C.10, subdivision 1; 116.01; 116.02, subdivision 5; 116.03, subdivisions 1 and 2; 116C.01; 116C.02; 116C.03, subdivisions 1, 2, and 3a; 116C.04, subdivision 2; 116C.24, subdivisions 2, 2a, and 3; 116C.25; 116C.34; 144.871, subdivision 5; 326.71, subdivision 5; 446A.02, subdivision 3; 446A.04, subdivisions 1 and 5; 446A.07, subdivisions 4, 5, and 6; 446A.071, subdivisions 3, 4, and 5; 446A.10, by adding a subdivision; 446A.12, subdivision 1; 473.811, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; repealing Minnesota Statutes 1994, sections 103B.101, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 10; 103B.205, subdivision 2; 103B.305, subdivision 2; 103B.3363, subdivision 2; 103C.101, subdivision 12; 103D.011, subdivision 5; 115A.03, subdivisions 8a and 22a; 115A.055; 115B.27; 115C.07, subdivisions 1 and 2; 115D.03, subdivision 4; 116.02, subdivisions 1, 2, 3, and 4; 116.03, subdivision 6; 116.04; 446A.02, subdivision 2; and 446A.03.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Riveness introduced--**

**S.F. No. 1303:** A bill for an act relating to the city of Richfield; authorizing the formation of nonprofit corporations for the purpose of owning low and moderate income housing developments.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Runbeck, Olson, Mrs. Pariseau and Mr. Kramer introduced--**

**S.F. No. 1304:** A bill for an act relating to workers' compensation; permitting certain collective bargaining agreements; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Olson, Robertson and Mr. Scheevel introduced--**

**S.F. No. 1305:** A bill for an act relating to education; funding appropriations deficiencies for the 1994-1995 biennium; appropriating money.

Referred to the Committee on Education.

**Messrs. Merriam, Stumpf, Pogemiller, Mses. Olson and Robertson introduced--**

**S.F. No. 1306:** A bill for an act relating to education; allowing for intra district enrollment options; allowing for transportation; providing for the allocation of school district revenue to the education sites in the districts; providing for site decision teams; determining allocation of authority and responsibility; changing AFDC deadlines; amending Minnesota Statutes 1994, sections 123.12, subdivision 1; 123.33, subdivision 1, and by adding a subdivision; 123.951; and 124.175; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

**Mr. Dille introduced--**

**S.F. No. 1307:** A bill for an act relating to the city of Hutchinson; authorizing the city to impose certain sales, liquor, and food taxes.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Spear, Ms. Piper, Mr. Metzen and Ms. Berglin introduced--**

**S.F. No. 1308:** A bill for an act relating to controlled substances; medical care; allowing physicians to prescribe marijuana and Tetrahydrocannabinols for the treatment of any medical conditions; amending Minnesota Statutes 1994, sections 152.02, subdivisions 2 and 3; and 152.21, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1994, sections 152.21, subdivisions 1, 2, 3, 4, 5, and 7.

Referred to the Committee on Health Care.

**Mr. Neville, Mses. Flynn, Berglin and Kiscaden introduced--**

**S.F. No. 1309:** A bill for an act relating to civil actions; prohibiting certain unlawful practices against seniors or disabled or vulnerable persons; suspending the statute of limitations on actions brought by vulnerable adults; amending Minnesota Statutes 1994, section 541.15; proposing coding for new law in Minnesota Statutes, chapter 513.

Referred to the Committee on Judiciary.

**Mr. Frederickson introduced--**

**S.F. No. 1310:** A bill for an act relating to state government; providing for the development of a long-range expenditure plan for state expenditures; creating a budget reserve account; restricting use of budget reserve and cash flow account balances; amending Minnesota Statutes 1994, sections 16A.152, subdivisions 1, 2, 3, 4, and by adding a subdivision; 121.904, subdivision 4a; and 124.195, subdivisions 7 and 10; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1994, sections 121.904, subdivisions 4c and 4d.

Referred to the Committee on Finance.

**Messrs. Spear, Neuville and Marty introduced--**

**S.F. No. 1311:** A bill for an act relating to crimes; expanding the criteria for vehicle license plate impoundment to include driving without a valid license and failure to provide or show proof of vehicle insurance; amending Minnesota Statutes 1994, section 168.042, subdivisions 1 and 2.

Referred to the Committee on Crime Prevention.

**Ms. Johnston, Mrs. Pariseau, Ms. Hanson and Mr. Betzold introduced--**

**S.F. No. 1312:** A bill for an act relating to the metropolitan council; modifying the areas from which council members are appointed; amending Minnesota Statutes 1994, section 473.123, subdivisions 2a and 3; repealing Minnesota Statutes 1994, section 473.123, subdivisions 3a and 3c.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnston introduced--**

**S.F. No. 1313:** A bill for an act relating to capital improvements; appropriating money for the acquisition and protection of Eagle Creek in Scott county; authorizing the sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Mondale, Stevens, Ms. Johnson, J.B.; Messrs. Merriam and Lessard introduced--**

**S.F. No. 1314:** A bill for an act relating to the environment; modifying provisions relating to the voluntary investigation and cleanup program; creating a pilot program to encourage voluntary compliance with environmental requirements; limiting penalties for facilities that perform audits, report violations, and correct the violations in a timely manner; establishing a recognition program for facilities that voluntarily meet environmental requirements; amending Minnesota Statutes 1994, sections 115B.175, subdivisions 2, 3, and by adding a subdivision; and 115B.178, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 1315:** A bill for an act relating to state departments; establishing the bureau of criminal apprehension as an independent agency of the executive branch; transferring the criminal justice information system unit to the bureau; transferring the responsibilities of the liquor control division to the department of commerce; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 15A.081, subdivision 1; 16B.14; 16B.46; 16B.54, subdivision 2; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 340A.201; 352B.01, subdivision 2; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Kiscaden, Messrs. Morse, Oliver and Riveness introduced--**

**S.F. No. 1316:** A bill for an act relating to human services; provisions for long-term care community services; coverage for personal care services; amending Minnesota Statutes 1994, sections 256B.0625, subdivision 19a; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0628, subdivision 2; 256B.0911, subdivision 2; 256B.0913, subdivisions 4, 5, 8, 12, and 14; 256B.0915, subdivisions 3, 5, and by adding a subdivision; and 256B.093, subdivisions 1, 2, and 3; 256I.03, subdivision 5, and by adding a subdivision; 256I.04; 256I.05, subdivisions 1, 1a, and 5; and

256I.06, subdivisions 2 and 6; Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2.

Referred to the Committee on Health Care.

**Ms. Kiscaden, Messrs. Janezich and Oliver introduced--**

**S.F. No. 1317:** A bill for an act relating to human services; changing procedures for intermediate care facilities; establishing a study of cost-effective services; changing provisions for recovery of overpayments made to vendors; changing provisions for nursing facilities; changing vendor rates for day training and habilitation services; medical assistance; amending Minnesota Statutes 1994, sections 144.0723, subdivisions 1, 2, 3, 4, and 6; 252.292, subdivision 4; 252.46, subdivisions 1, 3, 6, 17, and by adding a subdivision; 256B.0641, subdivision 1; 256B.431, subdivisions 2j, 15, 22, 24, and by adding subdivisions; 256B.432, subdivisions 1, 2, 3, 5, and 6; 256B.501, subdivisions 1, 3, 3c, 3g, 8, and by adding subdivisions; repealing Minnesota Statutes 1994, sections 144.0723, subdivision 5; 252.47; and 256B.501, subdivisions 3d, 3e, and 3f.

Referred to the Committee on Health Care.

**Messrs. Langseth, Stumpf, Chmielewski, Mses. Krentz and Johnson, J.B. introduced--**

**S.F. No. 1318:** A bill for an act relating to transportation; requiring study on impact of telecommuting on transportation and resulting effects on other areas affecting Minnesota citizens; appropriating money.

Referred to the Committee on Transportation and Public Transit.

**MEMBERS EXCUSED**

Ms. Ranum, Messrs. Day and Stumpf were excused from the Session of today. Mr. Novak was excused from the Session of today at 1:10 p.m. Ms. Krentz and Mr. Sams were excused from the Session of today from 10:00 to 10:30 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 22, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## TWENTY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, March 22, 1995

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. Patrick L. Hall.

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

Anderson	Frederickson	Krentz	Morse	Riveness
Beckman	Hanson	Kroening	Murphy	Robertson
Belanger	Hottinger	Laidig	Neuville	Runbeck
Berg	Janezich	Langseth	Novak	Sams
Berglin	Johnson, D.E.	Larson	Oliver	Samuelson
Bertram	Johnson, D.J.	Lesewski	Olson	Scheevel
Betzold	Johnson, J.B.	Lessard	Ourada	Solon
Chandler	Johnston	Limmer	Pappas	Spear
Chmielewski	Kelly	Marty	Pariseau	Stevens
Cohen	Kiscaden	Merriam	Piper	Stumpf
Dille	Kleis	Metzen	Pogemiller	Terwilliger
Finn	Knutson	Moe, R.D.	Price	Vickerman
Flynn	Kramer	Mondale	Reichgott Junge	Wiener

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 18, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### COMMISSIONER, DEPARTMENT OF HUMAN RIGHTS

David L. Beaulieu, 250 E. 6th St., St. Paul, Ramsey County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Judiciary.)

March 20, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

**MINNESOTA ENVIRONMENTAL QUALITY BOARD**

Carolyn Engebretson, HC 10, Box 93, Rochert, Becker County, effective January 17, 1995, for a term expiring on the first Monday in January, 1999.

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

Warmest regards,  
Arne H. Carlson, Governor

March 21, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	37	10	11:00 a.m. March 17	March 17
	554	11	10:57 a.m. March 17	March 17

Sincerely,  
Joan Anderson Growe  
Secretary of State

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 50, 181 and 182.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1995

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. 335:** A bill for an act relating to the organization and operation of state government; providing supplemental appropriations for certain purposes.

Senate File No. 335 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1995

Mr. Frederickson moved that the Senate do not concur in the amendments by the House to S.F. No. 335, 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. 344 and 807.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 20, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 344:** A bill for an act relating to real property; providing for the form and record of certain assignments; revising the common interest ownership act; changing the application of the curative and validating law for mortgage foreclosures; amending Minnesota Statutes 1994, sections 507.411; 508.51; 508A.51; 515B.1-102; 515B.1-103; 515B.1-116; 515B.2-104; 515B.2-105; 515B.2-109; 515B.2-110; 515B.3-112; 515B.3-115; 582.25; and 582.27.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 303, now on General Orders.

**H.F. No. 807:** A bill for an act relating to courts; civil commitment; changing the required qualifications of examiners; amending Minnesota Statutes 1994, section 253B.02, subdivision 7.

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 on S.F. No. 1037 and the reports pertaining to appointments. The motion prevailed.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 953:** A bill for an act relating to the city of Duluth; modifying the area in which a special service district may be created; amending Laws 1993, chapter 375, article 5, section 40, subdivision 3.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 858:** A bill for an act relating to the city of Duluth; making certain statutory provisions concerning public utilities applicable to the city of Duluth; authorizing a demonstration project to develop methods to prevent the infiltration and inflow of storm water into the city's sanitary sewer system.

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

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 650:** A bill for an act relating to crime prevention; requiring certain information to be gathered from crime victims and presented at bail hearings; requiring notification to certain victims of bail hearings; requiring notification to local law enforcement agencies of the pretrial release of certain defendants; directing that a plan be developed and a pilot project funded for a child abuse telephone helpline; requiring certain persons who interview children to have specific training; appropriating money; amending Minnesota Statutes 1994, section 629.715, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 257; and 629.

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

Page 2, after line 4, insert:

"Sec. 2. [299A.61] [CRIMINAL ALERT NETWORK.]

The commissioner of public safety, in cooperation with the commissioner of administration, shall develop and maintain an integrated criminal alert network to facilitate the communication of crime prevention information by electronic means among state agencies, law enforcement officials, and the private sector. The network shall disseminate data regarding the commission of crimes, including information on missing and endangered children and attempt to reduce theft and other crime by the use of electronic transmission of information.

Sec. 3. [609.5051] [CRIMINAL ALERT NETWORK; DISSEMINATION OF FALSE OR MISLEADING INFORMATION PROHIBITED.]

Whoever uses the criminal alert network under section 299A.61 to disseminate information regarding the commission of a crime knowing that it is false or misleading, is guilty of a misdemeanor."

Page 2, line 36, delete "same" and insert "victim's family"

Page 3, line 1, delete "or next of kin"

Page 4, line 27, after "commissioner" insert "of human services"

Page 4, line 35, delete "CHILD ABUSE HELPLINE" and insert "SPECIALIZED INTERVIEWER TRAINING"

Page 5, line 3, delete "SPECIALIZED INTERVIEWER TRAINING" and insert "CHILD ABUSE HELPLINE"

Page 5, line 5, delete "5" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "training" insert "; codifying the establishment of a criminal alert network; prohibiting the dissemination of false or misleading information on the criminal alert network; providing penalties"

Page 1, line 14, before "and" insert "299A; 609;"

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

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 1018:** A bill for an act relating to courts; guardians ad litem; specifying the

responsibilities of a guardian ad litem in juvenile and family court; requiring a report by the state court administrator; amending Minnesota Statutes 1994, sections 260.155, subdivision 4; and 518.165, 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 1994, section 260.155, subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging a child's need for protection or services under section 260.015, subdivision 2a, clauses (1) to (10). In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) A guardian ad litem shall carry out the following responsibilities:

(1) conduct an independent investigation to determine the facts relevant to the situation of the child and the family, which must include, unless specifically excluded by the court, reviewing relevant documents; meeting with and observing the child in the home setting and considering the child's wishes, as appropriate; and interviewing parents, caregivers, and others with knowledge relevant to the case;

(2) advocate for the child's best interests by participating in appropriate aspects of the case and advocating for appropriate community services when necessary;

(3) maintain the confidentiality of information related to a case, with the exception of sharing information as permitted by law to promote cooperative solutions that are in the best interests of the child;

(4) monitor the child's best interests throughout the judicial proceeding; and

(5) present written reports on the child's best interests that include conclusions and recommendations and the facts upon which they are based.

(c) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(e) (d) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

(d) (e) The following factors shall be considered when appointing a guardian ad litem in a case involving an Indian or minority child:

(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible;

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage.

Sec. 2. Minnesota Statutes 1994, section 518.165, is amended by adding a subdivision to read:

Subd. 2a. [RESPONSIBILITIES OF GUARDIAN AD LITEM.] A guardian ad litem shall carry out the following responsibilities:

(1) conduct an independent investigation to determine the facts relevant to the situation of the child and the family, which must include, unless specifically excluded by the court, reviewing relevant documents; meeting with and observing the child in the home setting and considering the

child's wishes, as appropriate; and interviewing parents, caregivers, and others with knowledge relevant to the case;

(2) advocate for the child's best interests by participating in appropriate aspects of the case and advocating for appropriate community services when necessary;

(3) maintain the confidentiality of information related to a case, with the exception of sharing information as permitted by law to promote cooperative solutions that are in the best interests of the child;

(4) monitor the child's best interests throughout the judicial proceeding; and

(5) present written reports on the child's best interests that include conclusions and recommendations and the facts upon which they are based.

### Sec. 3. [REPORT.]

The state court administrator shall report to the chairs of the judiciary committees in the house of representatives and the senate by February 15, 1996, on the implementation of the 1995 report of the legislative auditor on guardians ad litem. The report shall address revision of the guidelines and adoption of rules to deal with:

(1) guardian ad litem selection, training, evaluation, and removal;

(2) distinguishing the roles of guardians ad litem and custody investigators;

(3) developing procedures for guardians ad litem to work with parents who have an order for protection;

(4) requiring judges to write more detailed appointment orders defining their expectations of the guardian ad litem role;

(5) developing a procedure for bringing complaints against a guardian ad litem; and

(6) specifying selection criteria, responsibilities, and necessary training for a guardian ad litem program coordinator.

The report shall also describe how the supreme court will educate parents, judges, attorneys, and other professionals about the purpose and role of guardians ad litem.

### Sec. 4. [COUNTY RESOURCES.]

The courts shall administer the requirements of sections 1 and 2 consistent with the availability of resources within each county to provide for guardian ad litem services."

Delete the title and insert:

"A bill for an act relating to courts; guardians ad litem; specifying the responsibilities of a guardian ad litem in juvenile and family court; requiring a report by the state court administrator; amending Minnesota Statutes 1994, sections 260.155, subdivision 4; and 518.165, by adding a subdivision."

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. 977:** A bill for an act relating to gambling; changing the pull-tab and tipboard tax; modifying the definition of lawful purpose in respect of compulsive gambling and real estate tax expenditures; increasing the number of bingo occasions an organization may hold in a week and clarifying the determination of bingo prizes; changing the term lawful gambling to nonprofit gambling; amending Minnesota Statutes 1994, sections 297E.02, subdivision 4; 297E.031, subdivisions 1 and 2; 349.12, subdivision 25; 349.166, subdivision 2; 349.17, subdivision 1; 349.191, subdivision 1a; and 349.211, subdivision 1; repealing Minnesota Statutes 1994, section 297E.17.

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

Page 5, line 29, delete "\$15,000" and insert "\$35,000"

Page 10, line 8, delete "the type of bingo game conducted or"

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

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

**H.F. No. 654** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		654	534		

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. 859** 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.
859	833				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 859 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 859 and insert the language after the enacting clause of S.F. No. 833, the first engrossment; further, delete the title of H.F. No. 859 and insert the title of S.F. No. 833, the first engrossment.

And when so amended H.F. No. 859 will be identical to S.F. No. 833, and further recommends that H.F. No. 859 be given its second reading and substituted for S.F. No. 833, and that the Senate File be indefinitely postponed.

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

**Mr. Berg from the Committee on Gaming Regulation, to which were referred the following appointments as reported in the Journal for January 9, 1995:**

#### GAMBLING CONTROL BOARD

Allan E. Fonfara  
Peggy Moon

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. Berg from the Committee on Gaming Regulation**, to which was referred the following appointment as reported in the Journal for March 9, 1995:

GAMBLING CONTROL BOARD

Patricia M. Fischer

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. Berg from the Committee on Gaming Regulation**, to which was referred the following appointment as reported in the Journal for January 17, 1995:

GAMBLING CONTROL BOARD

Howard Register

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 Care, to which was referred**

**S.F. No. 992:** A bill for an act relating to health; reinstating certain advisory councils and a task force.

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

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 1994, section 326.41, is amended to read:

326.41 [ADVISORY COUNCIL.]

The state commissioner of health shall appoint ~~seven~~ nine persons to the advisory council on plumbing code and examinations, ~~one~~ two of whom shall be a practical master plumber, ~~one~~ a practical journeyman plumber, and ~~one~~ a representative of the commissioner plumbers, one who represents greater Minnesota and one who represents the metropolitan area, and ~~two~~ one journeyman plumbers, one who represents greater Minnesota and one who represents the metropolitan area. The council shall expire and the terms, compensation and removal of members of the council shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~1995~~ 2003.

Sec. 2. [PLUMBING WORK GROUP.]

The commissioner of health shall establish a work group to study and report to the commissioner by January 1, 1996, recommendations for proposed statutory revisions to Minnesota Statutes, chapter 326, that will ensure public health protection through regulation of plumbing and water conditioning installations. The work group shall consist of representatives of plumbers, water conditioners, local and state units of government, and affected statewide trades and organizations and shall expire on January 1, 1996.

Page 1, line 5, delete "Section 1" and insert "Sec. 3"

Page 1, line 9, delete "aid" and insert "and"

Page 1, line 13, delete "2" and insert "4"

Page 1, line 14, delete "Section 1 is" and insert "Sections 1 to 3 are"

Amend the title as follows:



Page 1, line 3, before the period, insert "; amending Minnesota Statutes 1994, section 326.41"

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

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 577:** A bill for an act relating to health; modifying provisions relating to nursing home administrators; amending Minnesota Statutes 1994, section 144A.04, 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 1994, section 144A.04, is amended by adding a subdivision to read:

Subd. 5a. [SHARED ADMINISTRATORS.] Notwithstanding subdivision 5, two nonprofit nursing homes may share the services of a licensed administrator if the two homes have a total of 60 beds or less and are located within 20 miles of each other in St. Louis county. The administrator must divide the full-time work week between the two facilities in proportion to the number of beds in each facility."

Amend the title as follows:

Page 1, line 4, delete "subdivision 5" and insert "by adding a subdivision"

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

**Ms. Berglin from the Committee on Health Care, to which was re-referred**

**S.F. No. 713:** A bill for an act relating to Olmsted county; authorizing the county to create a nonprofit corporation to own and operate a hospital and medical center; providing the county board with related powers and duties.

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

Page 2, line 25, after the period, insert "This act does not abrogate or change any rights enjoyed by employees of the county under the terms of a collective bargaining agreement in effect on the date of the transfer to the nonprofit corporation."

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**H.F. No. 282:** A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 368:** A bill for an act relating to agriculture; clarifying the employment status of certain farm crisis assistance personnel; amending Minnesota Statutes 1994, section 17.03, subdivision 9.

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 778:** A bill for an act relating to crime prevention; changing reimbursement for soft body armor; providing for adjustment to the public safety officer's death benefit; amending Minnesota Statutes 1994, sections 299A.38, subdivision 2; and 299A.44.

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

**Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred**

**S.F. No. 438:** A bill for an act relating to education; providing for disclosure of past buyout arrangements by superintendents to be; amending Minnesota Statutes 1994, section 123.34, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

- "Section 1. Minnesota Statutes 1994, section 123.34, is amended by adding a subdivision to read:

Subd. 9a. [DISCLOSE PAST BUYOUTS OR CONTRACT IS VOID.] (a) It is the public policy of the state of Minnesota that a previous buyout agreement in the circumstance described in paragraph (b) must be publicly disclosed before a person may enter into a superintendent's contract with a school board. The previous buyout agreement must be publicly disclosed in writing by the would-be superintendent to the hiring school board even if the would-be superintendent is a party to an agreement not to disclose some or all of the previous buyout agreement. The school board must provide candidates for superintendent with a copy of this act and require them to make the required disclosure in writing or write that there is nothing to disclose. If all the circumstances in paragraph (b) are present, the amounts, terms, and stated purpose for the payments or rights referred to in paragraph (b) must be disclosed by the would-be superintendent.

(b) The circumstances that require disclosure by a person under paragraph (a) are:

(1) the person was previously employed by a school district in Minnesota, or elsewhere, as a superintendent of schools, for a fixed term or indefinitely, subject to termination or discharge only for cause after a hearing;

(2) the person stopped performing some or all the services of a superintendent, before the term, if any, was up, and in any event, without being terminated or discharged for cause after a hearing, and did not resume regular and continuous performance of the stopped services;

(3) the person received a sum of money or something of value that is in the nature of a fringe benefit or the right to a sum of money from or on behalf of the school district for some purpose other than performing the services of a superintendent; and

(4) the person would not have received the money, or the right to the money, for that purpose, if the person had finished the term, if any, or been terminated or discharged for cause after hearing.

(c) Disclosure by a person is not required under paragraph (a) of information about the receipt of, or rights to, something of value from a school district that is in the nature of a fringe benefit that is available to a group of employees that is larger than the superintendent alone, under a school board policy that includes a formula for payments to all eligible members of the group.

(d) Once a person has either made a disclosure or indicated in writing that there is nothing to disclose under paragraph (a), the person is not required to make a further disclosure to that school board under paragraph (a) unless the person is employed as a superintendent of another school district in the interim.

(e) The superintendent's contract of a person who fails to make a timely written disclosure under paragraph (a) is void.

(f) The communication of the stated purpose for the payments is subject to section 181.933, subdivision 2.

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

Section 1 is effective July 1, 1995, and applies to superintendents' contracts proposed to take effect after June 30, 1995, with a person not employed as the superintendent in the hiring district on June 30, 1995."

And when so amended the bill be re-referred to the Committee on Judiciary without recommendation. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1176:** A bill for an act relating to utilities; providing that Sleepy Eye need not provide notice to the commissioner of trade and economic development before discontinuing steam heating operations.

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 Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1037:** A bill for an act relating to workers' compensation; repealing the sunset of the targeted industry fund for loggers.

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. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 963:** A bill for an act relating to international relations and economic development; establishing Minnesota international council; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Page 1, delete lines 16 to 19 and insert "executive branch members and three citizen members appointed by the governor, three members of the house of representatives appointed by the speaker, and three senate members appointed by the majority leader."

Page 1, line 21, after "executive" insert "branch"

Page 2, line 21, delete "shall be funded from"

Page 2, line 22, delete "existing appropriations," and delete the second comma

Page 2, delete lines 29 to 34

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. 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. 304:** A bill for an act relating to the state lottery; prohibiting advertising in connection with the lottery; amending Minnesota Statutes 1994, sections 349A.02, subdivisions 2 and 3; 349A.03, subdivision 2; 349A.06, subdivision 5; and 349A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 349A; repealing Minnesota Statutes 1994, sections 349A.02, subdivision 5; and 349A.09.

Reports the same back with the recommendation that the report from the Committee on Gaming Regulation, shown in the Journal for March 6, 1995, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources". Amendments adopted. Report adopted.

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

**S.F. No. 384:** A bill for an act relating to transportation; apportioning five percent of the highway user tax distribution fund; amending Minnesota Statutes 1994, section 161.081, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Transportation and Public Transit, shown in the Journal for March 20, 1995, 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. 417:** A bill for an act relating to human services; development of a long-term care payment and services delivery system; appropriating money.

Reports the same back with the recommendation that the report from the Committee on Health Care, shown in the Journal for February 23, 1995, be not adopted and that the bill be returned to the Committee on Health Care. 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. 62 and 399 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 62 to the Committee on Finance.

S.F. No. 399 to the Committee on Crime Prevention.

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. 520:** A bill for an act relating to courts; requiring the state court administrator to prepare a guide to informal probate; appropriating money.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 9, 1995, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 1086:** A bill for an act relating to elections; campaign finance; prohibiting lobbying by a principal campaign committee or political party committee that issues refund receipt forms; amending Minnesota Statutes 1994, sections 10A.322, subdivisions 1, 2, 4, and by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

Page 1, line 13, after "not" insert "use money for which a receipt form was issued to"

Page 5, after line 15, insert:

"Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to contributions after that date."

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 299:** A bill for an act relating to employment; changing references to visually handicapped people; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1994, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.10; 248.11; 268A.02, subdivision 2; 268A.03; and 268A.11, subdivisions 1 and 3; repealing Minnesota Statutes 1994, section 268A.12.

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

Page 5, lines 27 and 28, delete "The council shall not expire as provided by section 15.059, subdivision 5"

Page 7, lines 6 and 7, delete the new language

Page 11, line 7, before the period, insert "until July 1, 1996"

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

**Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 512:** A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; amending Minnesota Statutes 1994, sections 13.82, subdivision 10, and by adding subdivisions; 245A.04, subdivision 3; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 268.09, subdivision 1; 609.224, subdivision 2; 609.72, by adding a subdivision; and 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; and 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19.

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

Page 3, line 25, before "Where" insert "A circumstance"

Page 3, line 28, delete "then" and strike "that person need not make a"

Page 3, line 29, strike "report" and delete "otherwise required by this section,"

Page 4, line 8, strike "of" and insert "by"

Page 4, line 9, delete "maltreatment" and strike "for the purposes of subdivision"

Page 4, line 10, strike "3" and insert "abuse" and strike "it" and insert "the behavior"

Page 4, line 19, delete the new language and strike the old language

Page 4, line 20, strike "report of" and delete "financial" and insert "(e) Financial"

Page 5, line 14, after the stricken period, insert "A mandated reporter may disclose not public data, as defined in section 13.02, and medical records under section 144.335, to the extent necessary to comply with this subdivision."

Page 5, line 19, delete the comma

Page 5, line 21, delete "then"

Page 7, line 4, before "facility" insert "reported" and strike "so reported"

Page 10, lines 18 and 24, before the period, insert "and shall exchange data to the extent authorized in subdivision 12b, paragraph (g)"

Page 10, line 28, after the period, insert "The lead agency has access to not public data, as defined in section 13.02, and medical records under section 144.335, that are maintained by facilities to the extent necessary to conduct its investigation."

Page 12, line 12, before the comma, insert "under subdivision 12b, paragraph (b), clause (1)"

Page 13, line 2, after the period, insert "If the investigation memorandum is provided to a licensing board, the subject of the investigation memorandum shall be notified and receive a summary of the investigative findings."

Page 13, delete lines 33 to 36

Page 14, delete line 1

Page 14, line 21, delete "and"

Page 14, line 24, before the period, insert "; and (12) data practices laws and procedures, including provisions for sharing data"

Page 16, line 20, after the period, insert "The county social service agency has access to not public data, as defined in section 13.02, and medical records under section 144.335, that are maintained by facilities to the extent necessary to conduct its investigation."

Page 17, line 29, after the period, insert "Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02."

Page 17, line 32, delete "received and"

Page 17, line 33, after "individuals" insert "or protected nonpublic data"

Page 17, line 35, delete the first "after"

Page 18, line 3, delete "a lead agency" and insert "the commissioner of health or the commissioner of human services"

Page 18, line 4, before the period, insert "data on individuals or protected nonpublic data as defined in section 13.02"

Page 18, line 6, delete "and (2)" and insert "to (3)"

Page 18, line 9, delete "name of" and insert "the name of the"

Page 18, line 13, before "identity" insert "the"

Page 18, line 22, delete everything after the first comma

Page 18, delete lines 23 and 24 and insert "a statement of whether an individual, individuals, or a facility was"

Page 18, line 25, before the period, insert ", if known"

Page 18, line 28, delete "name" and insert "names"

Page 19, after line 3, insert:

"(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation."

Page 19, lines 18, 20, and 22, before "reports" insert "data from"

Page 19, line 27, delete "commissioner" and insert "commissioners"

Page 19, line 28, delete "the commissioner of"

Page 19, lines 34 and 35, delete "Notwithstanding laws to the contrary,"

Page 19, line 36, delete "information, provided" and insert "not public data, as defined in section 13.02, if"

Page 20, line 1, delete "exchanged information is" and insert "agency or authority requesting the data determines that the data are"

Page 20, line 10, delete "If a lead"

Page 20, delete lines 11 and 12 and insert "A lead agency may notify other affected parties and their authorized representative if the agency has reason to believe maltreatment has occurred and"

Page 20, line 14, delete "to" and before the period, insert "in the affected facility"

Page 20, line 24, before the comma, insert "and personal care attendant services providers"

Page 20, line 31, after "agency" insert "and personal care attendant services providers"

Page 20, line 33, before the period, insert "or receiving services from them" and strike "Facilities designated in"

Page 20, strike lines 34 and 35

Page 21, line 15, delete the comma

Page 23, delete lines 7 to 11 and insert:

"(a) An act against a vulnerable adult that constitutes a violation of, an attempt to violate, or aiding and abetting a violation of:"

Page 23, after line 19, insert:

"A violation includes any action that meets the elements of the crime, regardless of whether there is a criminal proceeding or conviction."

Page 24, line 13, delete "chapter" and insert "144A.44, chapter 145B," and after "145C" insert a comma

Page 24, line 19, after the period, insert "This paragraph does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration."

Page 24, line 33, after the colon, insert paragraph coding

Page 24, line 35, after "or" insert paragraph coding

Page 25, line 2, before "Nothing" insert paragraph coding

Page 26, line 16, delete "relationship" and insert "obligation"

Page 27, line 34, delete "relationship" and insert "obligation"

Page 28, line 6, delete "who is" and insert "while"

Page 29, line 1, delete "chapter" and insert "144A.44, chapter 145B," and after "145C" insert a comma

Page 29, line 7, before the semicolon, insert "; this clause does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration"

Page 31, line 5, delete "himself or herself" and insert "the individual"

Page 31, line 10, delete "EVIDENTIARY STANDARDS AND"

Page 33, line 2, delete "relationship" and insert "obligation"

Page 33, line 33, delete the second "or"

Page 33, delete lines 34 to 36

Page 34, delete lines 1 to 17 and insert:

"(2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (4);

(3) receives services from a home care provider required to be licensed under section 144A.46; or from a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627; or

(4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:

(i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and

(ii) because of the dysfunction or infirmity and the need for assistance, the individual has an impaired ability to protect the individual from maltreatment."

Page 34, line 36, delete "chapter" and insert "144A.44, chapter 145B," and after "145C" insert a comma

Page 35, line 6, before the semicolon, insert "; this clause does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration"

Page 36, line 31, delete "chapter" and insert "144A.44, chapter 145B," and after "145C" insert a comma

Page 37, line 1, before the semicolon, insert "; this clause does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration"

Page 38, line 2, delete "relationship" and insert "obligation"

Page 39, line 26, delete from ", unless" through page 39, line 28, to "(c)"

Page 41, line 12, delete "and" and insert "to"

Page 49, line 33, after "services" insert ", or the commissioner of health for matters within the commissioner's jurisdiction under subdivision 3b,"

Page 50, line 19, after "services" insert ", or the commissioner of health in appeals within the commissioner's jurisdiction under subdivision 3b,"

Page 54, line 32, strike "626.557"

Page 54, line 33, before "and" insert "626.5572"

Page 55, after line 35, insert:

"Sec. 16. [APPLICATION.]



The provision of section 7 that eliminates certain challenges to the accuracy and completeness of data under Minnesota Statutes, section 13.04, does not apply if the individual initiated a challenge under Minnesota Statutes, section 13.04, before the effective date of section 7.

## ARTICLE 4

## CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1994, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) As used in this subdivision:

(1) "licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" means social security numbers, identity of and letters of reference, insurance information, reports from the bureau of criminal apprehension, health examination reports, and social/home studies.

(b) Except as provided in paragraph (c), the following data on current and former licensees are public: name, address, telephone number of licensees, licensed capacity, type of client preferred, variances granted, type of dwelling, name and relationship of other family members, previous license history, class of license, and the existence and status of complaints. When disciplinary action has been taken against a licensee or the complaint is resolved, the following data are public: the substance of the complaint, the findings of the investigation of the complaint, the record of informal resolution of a licensing violation, orders of hearing, findings of fact, conclusions of law, and specifications of the final disciplinary action contained in the record of disciplinary action.

The following data on persons subject to disqualification under section 245A.04 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245A.04, subdivision 3b, and the reasons for setting aside the disqualification; and the reasons for granting any variance under section 245A.04, subdivision 9.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning the disciplinary action.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, are subject to the destruction provisions of section 626.556, subdivision 11.

Sec. 2. Minnesota Statutes 1994, section 13.88, is amended to read:

## 13.88 [COMMUNITY DISPUTE RESOLUTION CENTER DATA.]

The guidelines shall provide that all files relating to a case in a community dispute resolution program are to be classified as private data on individuals, pursuant to section 13.02, subdivision 12, with the following exceptions:

(1) When a party to the case has been formally charged with a criminal offense, the data are to be classified as public data on individuals, pursuant to section 13.02, subdivision 15.

(2) Data relating to suspected neglect or physical or sexual abuse of children or maltreatment of vulnerable adults are to be subject to the reporting requirements of sections 626.556 and 626.557.

Sec. 3. Minnesota Statutes 1994, section 13.99, subdivision 113, is amended to read:

Subd. 113. [VULNERABLE ADULT REPORT RECORDS.] Data contained in vulnerable adult report records are classified under section 626.557, subdivision ~~12~~ 12b.

Sec. 4. Minnesota Statutes 1994, section 144.4172, subdivision 8, is amended to read:

Subd. 8. [HEALTH THREAT TO OTHERS.] "Health threat to others" means that a carrier demonstrates an inability or unwillingness to act in such a manner as to not place others at risk of exposure to infection that causes serious illness, serious disability, or death. It includes one or more of the following:

(1) With respect to an indirectly transmitted communicable disease:

(a) behavior by a carrier which has been demonstrated epidemiologically to transmit or which evidences a careless disregard for the transmission of the disease to others; or

(b) a substantial likelihood that a carrier will transmit a communicable disease to others as is evidenced by a carrier's past behavior, or by statements of a carrier that are credible indicators of a carrier's intention.

(2) With respect to a directly transmitted communicable disease:

(a) repeated behavior by a carrier which has been demonstrated epidemiologically to transmit or which evidences a careless disregard for the transmission of the disease to others;

(b) a substantial likelihood that a carrier will repeatedly transmit a communicable disease to others as is evidenced by a carrier's past behavior, or by statements of a carrier that are credible indicators of a carrier's intention;

(c) affirmative misrepresentation by a carrier of the carrier's status prior to engaging in any behavior which has been demonstrated epidemiologically to transmit the disease; or

(d) the activities referenced in clause (1) if the person whom the carrier places at risk is: (i) a minor, (ii) of diminished capacity by reason of mood altering chemicals, including alcohol, (iii) has been diagnosed as having significantly subaverage intellectual functioning, (iv) has an organic disorder of the brain or a psychiatric disorder of thought, mood, perception, orientation, or memory which substantially impairs judgment, behavior, reasoning, or understanding; (v) adjudicated as an incompetent; or (vi) a vulnerable adult as defined in section ~~626.557~~ 626.5572.

(3) Violation by a carrier of any part of a court order issued pursuant to this chapter.

Sec. 5. Minnesota Statutes 1994, section 144.651, subdivision 14, is amended to read:

Subd. 14. [FREEDOM FROM ABUSE MALTREATMENT.] Patients and residents shall be free from ~~mental and physical abuse~~ maltreatment as defined in the Vulnerable Adults Protection Act. "~~Abuse~~" ~~means any act which constitutes assault, sexual exploitation, or criminal sexual~~ "Maltreatment" ~~means conduct as described in section 626.557, subdivision 2d~~ 626.5572, subdivision 15, or the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress. Every patient and resident shall also be free from nontherapeutic chemical and physical restraints, except in fully documented emergencies, or as authorized in writing after examination by a patient's or resident's

physician for a specified and limited period of time, and only when necessary to protect the resident from self-injury or injury to others.

Sec. 6. Minnesota Statutes 1994, section 144.651, subdivision 21, is amended to read:

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, ~~clause 2~~ paragraph (b), this right shall also be limited accordingly.

Sec. 7. Minnesota Statutes 1994, section 144A.103, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, "abuse" and "neglect" have the meanings given in section ~~626.557, subdivision 2, paragraphs (d) and (e)~~ 626.5572, subdivisions 2 and 17.

Sec. 8. Minnesota Statutes 1994, section 144A.612, is amended to read:

144A.612 [APPEALS FROM FINDINGS OF ABUSE, NEGLECT, OR MISAPPROPRIATION OF PROPERTY.]

(a) Until federal regulations are adopted under sections 1819(g)(1)(C) and 1919(g)(1)(C) of the Social Security Act that govern appeals from the state's findings of abuse, neglect, or misappropriation of property by nursing assistants employed by or working in a nursing home or boarding care home, the commissioner of health shall provide hearings under sections 14.57 to 14.62 and the rules adopted by the office of administrative hearings governing contested cases.

(b) The commissioner of health shall notify the nursing assistant of findings by sending written notice, by certified mail, to the last known address available from the facility or employer. The notice must contain a statement of the nature of the allegation and the time and date of the occurrence; the individual's right to a hearing; and the commissioner's intent to report the findings to the nurse aide registry, pending the individual's appeal.

(c) To contest the finding, the nursing assistant must request a hearing in writing no later than 30 days after receiving written notice of the finding, unless federal regulations provide otherwise.

(d) The hearing must be held within 60 days from the date of receipt of the request for a hearing. The individual must be served written notice by certified mail of the time, place, and date of the hearing at least 15 days in advance. The hearing must be held in a place and time that is convenient for the individual to attend.

(e) The hearing must provide an opportunity for the individual to present evidence, either in person, in writing, or through witnesses, and to refute the allegations. The individual is entitled to have an attorney or other representative present at the hearing. The commissioner must issue a decision within 30 days after the hearing record is complete and the parties have had an opportunity to file exceptions under section 14.61. A copy of the decision shall be mailed to the individual.

(f) If a hearing is requested and held, and if the department's findings of abuse, neglect, or misappropriation of property are upheld by a preponderance of the evidence, the commissioner's decision and findings will be sent to the registry established under section 144A.61, subdivision 1. If a hearing is not requested or if the notice to the nursing assistant is returned to the department, the commissioner has no jurisdiction to hear an appeal at a later date, and the department's findings shall be sent to the registry at the end of the 30-day period with a notation that a hearing was not requested or held. The registry must include any brief statement by the individual disputing the findings.

(g) If it is determined that the individual did not neglect, abuse, or misappropriate resident property, all records and investigative reports shall be classified as private data under section 13.39.

(h) The identity of the nursing assistant and the findings of abuse, neglect, or misappropriation of property are public when sent to the registry, notwithstanding the provisions of section 626.557, subdivision 42 12b. The identity of the reporter, the vulnerable adult, and persons interviewed are governed by section 626.557, subdivision 42 12b.

Sec. 9. Minnesota Statutes 1994, section 144B.13, is amended to read:

144B.13 [~~FREEDOM FROM ABUSE AND NEGLECT~~ MALTREATMENT.]

Residents shall be free from ~~abuse and neglect~~ maltreatment as defined in section ~~626.557, subdivision 2~~ 626.5572, subdivision 15. The commissioner shall by rule develop procedures for the reporting of alleged incidents of ~~abuse or neglect~~ maltreatment in residential care homes. The office of health facility complaints shall investigate reports of alleged ~~abuse or neglect~~ maltreatment according to sections 144A.51 to 144A.54.

Sec. 10. Minnesota Statutes 1994, section 148B.68, subdivision 1, is amended to read:

Subdivision 1. [~~PROHIBITED CONDUCT.~~] The commissioner may impose disciplinary action as described in section 148B.69 against any unlicensed mental health practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(a) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to the provision of mental health services. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(b) Conviction of crimes against persons. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; ~~609.23; 609.231~~ 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; ~~and 609.595 ; and 609.72, subdivision 3.~~

(c) Failure to comply with the self-reporting requirements of section 148B.63, subdivision 6.

(d) Engaging in sexual contact with a client or former client as defined in section 148A.01, or engaging in contact that may be reasonably interpreted by a client as sexual, or engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client.

(e) Advertising that is false, fraudulent, deceptive, or misleading.

(f) Conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(g) Adjudication as mentally incompetent, or as a person who is dangerous to self, or adjudication pursuant to chapter 253B, as chemically dependent, mentally ill, mentally retarded, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

(h) Inability to provide mental health services with reasonable safety to clients.

(i) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(j) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(k) Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.

(l) Failure to comply with a client's request made under section 144.335, or to furnish a client record or report required by law.

(m) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.

(n) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(o) Failure to make reports as required by section 148B.63, or cooperate with an investigation of the office.

(p) Obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(q) Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.

(r) Failure to provide the client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(s) Violating any order issued by the commissioner.

(t) Failure to comply with sections 148B.60 to 148B.71, and the rules adopted under those sections.

(u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

Sec. 11. Minnesota Statutes 1994, section 214.10, subdivision 2a, is amended to read:

Subd. 2a. [PROCEEDINGS.] A board shall initiate proceedings to suspend or revoke a license or shall refuse to renew a license of a person licensed by the board who is convicted in a court of competent jurisdiction of violating sections ~~609.23, 609.231, 609.224, subdivision 2, paragraph (c), 609.2325, 609.233, 609.2335, 609.234, 609.465, 609.466, 609.52, or 626.557~~ 609.72, subdivision 3.

Sec. 12. Minnesota Statutes 1994, section 245A.04, subdivision 3b, is amended to read:

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

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

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

(b) The commissioner may set aside the disqualification if the commissioner finds that the information the commissioner relied upon is incorrect or the individual does not pose a risk of harm to any person served by the applicant or license holder. The commissioner shall review the consequences of the event or events that could lead to disqualification, whether there is more than one disqualifying event, the vulnerability of the victim at the time of the event, the time elapsed without a repeat of the same or similar event, and documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event. In reviewing a disqualification, the commissioner shall give preeminent weight to the safety of each person to be served by the license holder or applicant over the interests of the license holder or applicant.

(c) Unless the information the commissioner relied on in disqualifying an individual is incorrect, the commissioner may not set aside the disqualification of an individual in connection with a license to provide family day care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home if:

(1) less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has been convicted of a violation of any offense listed in section 609.20 (manslaughter in the first degree), 609.205 (manslaughter in the second degree), 609.21 (criminal vehicular homicide), 609.215 (aiding suicide or aiding attempted suicide), 609.221 to 609.2231 (felony violations of assault in the first, second, third, or fourth degree), 609.713 (terroristic threats), 609.235 (use of drugs to injure or to facilitate crime), 609.24 (simple robbery), 609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.561 or 609.562 (arson in the first or second degree), 609.71 (riot), 609.582 (burglary in the first or second degree), 609.66 (reckless use of a gun or dangerous weapon or intentionally pointing a gun at or towards a human being), 609.665 (setting a spring gun), 609.67 (unlawfully owning, possessing, or operating a machine gun), 152.021 or 152.022 (controlled substance crime in the first or second degree), 152.023, subdivision 1, clause (3) or (4), or subdivision 2, clause (4) (controlled substance crime in the third degree), 152.024, subdivision 1, clause (2), (3), or (4) (controlled substance crime in the fourth degree), 609.224, subdivision 2, paragraph (c) (fifth degree assault by a caregiver against a vulnerable adult), 609.228 (great bodily harm caused by distribution of drugs), ~~609.23 (mistreatment of persons confined), 609.231 (mistreatment of residents or patients)~~ 609.2325 (criminal abuse of a vulnerable adult), 609.233 (criminal neglect of a vulnerable adult), 609.2335 (financial exploitation of a vulnerable adult), 609.265 (abduction), 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree), 609.267 to 609.2672 (assault of an unborn child in the first, second, or third degree), 609.268 (injury or death of an unborn child in the commission of a crime), 617.293 (disseminating or displaying harmful material to minors), 609.378 (neglect or endangerment of a child), 609.377 (a gross misdemeanor offense of malicious punishment of a child), 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state, the elements of which are substantially similar to the elements of any of the foregoing offenses;

(2) regardless of how much time has passed since the discharge of the sentence imposed for the offense, the individual was convicted of a violation of any offense listed in sections 609.185 to 609.195 (murder in the first, second, or third degree), 609.2661 to 609.2663 (murder of an unborn child in the first, second, or third degree), 609.377 (a felony offense of malicious punishment of a child), 609.322 (soliciting, inducement, or promotion of prostitution), 609.323 (receiving profit derived from prostitution), 609.342 to 609.345 (criminal sexual conduct in the first, second, third, or fourth degree), 609.352 (solicitation of children to engage in sexual conduct), 617.246 (use of minors in a sexual performance), 617.247 (possession of pictorial representations of a minor), 609.365 (incest), or an offense in any other state, the elements of which are substantially similar to any of the foregoing offenses;

(3) within the seven years preceding the study, the individual committed an act that constitutes maltreatment of a child under section 626.556, subdivision 10e, and that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence; or

(4) within the seven years preceding the study, the individual was determined under section 626.557 to be the perpetrator of a substantiated incident of abuse of a vulnerable adult that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence.

In the case of any ground for disqualification under clauses (1) to (4), if the act was committed by an individual other than the applicant or license holder residing in the applicant's or license holder's home, the applicant or license holder may seek reconsideration when the individual who committed the act no longer resides in the home.

The disqualification periods provided under clauses (1), (3), and (4) are the minimum applicable disqualification periods. The commissioner may determine that an individual should continue to be disqualified from licensure because the license holder or applicant poses a risk of harm to a person served by that individual after the minimum disqualification period has passed.

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

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

Sec. 13. Minnesota Statutes 1994, section 253B.02, subdivision 4a, is amended to read:

Subd. 4a. [CRIME AGAINST THE PERSON.] "Crime against the person" means a violation of or attempt to violate any of the following provisions: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; ~~609.23; 609.231~~ 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.265; 609.27, subdivision 1, clause (1) or (2); 609.28 if violence or threats of violence were used; 609.322, subdivision 1, clause (2); 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; ~~and 609.595;~~ and 609.72, subdivision 3.

Sec. 14. Minnesota Statutes 1994, section 256E.03, subdivision 2, is amended to read:

Subd. 2. (a) "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities prescribed in section 256E.08, subdivision 1, to the following groups of persons:

(1) families with children under age 18, who are experiencing child dependency, neglect or abuse, and also pregnant adolescents, adolescent parents under the age of 18, and their children;

(2) persons who are under the guardianship of the commissioner of human services as dependent and neglected wards;

(3) adults who are in need of protection and vulnerable as defined in section ~~626.557~~ 626.5572;

(4) persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

(5) emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;

(6) persons with mental retardation as defined in section 252A.02, subdivision 2, or with related conditions as defined in section 252.27, subdivision 1a, who are unable to provide for their own needs or to independently engage in ordinary community activities;

(7) drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs;

(8) parents whose income is at or below 70 percent of the state median income and who are in need of child care services in order to secure or retain employment or to obtain the training or education necessary to secure employment; and

(9) other groups of persons who, in the judgment of the county board, are in need of social services.

(b) Except as provided in section 256E.08, subdivision 5, community social services do not

include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145A.09 to 145A.13.

Sec. 15. Minnesota Statutes 1994, section 256E.081, subdivision 4, is amended to read:

Subd. 4. [DENIAL, REDUCTION, OR TERMINATION OF SERVICES.] (a) Before a county denies, reduces, or terminates services to an individual due to fiscal limitations, the county must meet the requirements in subdivisions 2 and 3, and document in the person's individual service plan:

(1) the person's service needs;

(2) the alternatives considered for meeting the person's service needs; and

(3) the actions that will be taken to prevent abuse or neglect as defined in sections section 626.556, subdivision 2, paragraphs (a), (c), (d), and (k); and ~~626.557, subdivision 2, paragraphs (d) and (e)~~ maltreatment as defined in section 626.5572, subdivision 15.

(b) The county must notify the individual and the individual's guardian in writing of the reason for the denial, reduction, or termination of services and of the individual's right to an appeal under section 256.045.

(c) The county must inform the individual and the individual's guardian in writing that the county will, upon request, meet to discuss alternatives and amend the individual service plan before services are terminated or reduced.

Sec. 16. Minnesota Statutes 1994, section 325F.692, subdivision 2, is amended to read:

Subd. 2. [UNAUTHORIZED INFORMATION SERVICE CHARGES; LIABILITY.] A telephone service subscriber is not responsible for information service charges for calls made by minors or other vulnerable adults as defined in section ~~626.557, subdivision 2, paragraph (b)~~ 626.5572, subdivision 2, unless expressly authorized by the subscriber or spouse.

Sec. 17. Minnesota Statutes 1994, section 525.703, subdivision 3, is amended to read:

Subd. 3. [GUARDIAN OR CONSERVATOR.] (a) When the court determines that a guardian or conservator of the person or the estate has rendered necessary services or has incurred necessary expenses for the benefit of the ward or conservatee, the court may order reimbursement or reasonable compensation to be paid from the estate of the ward or conservatee or from the county having jurisdiction over the guardianship or conservatorship if the ward or conservatee is indigent. The court may not deny an award of fees solely because the ward or conservatee is a recipient of medical assistance. In determining reasonable compensation for a guardian or conservator of an indigent person, the court shall consider a fee schedule recommended by the board of county commissioners. The fee schedule may also include a maximum compensation based on the living arrangements of the ward or conservatee. If these services are provided by a public or private agency, the county may contract on a fee for service basis with that agency.

(b) The court shall order reimbursement or reasonable compensation if the guardian or conservator requests payment and the guardian or conservator was nominated by the court or by the county adult protection unit because no suitable relative or other person was available to provide guardianship or conservatorship services necessary to prevent ~~abuse or neglect~~ maltreatment of a vulnerable adult, as defined in section ~~626.557~~ 626.5572, subdivision 15. In determining reasonable compensation for a guardian or conservator of an indigent person, the court shall consider a fee schedule recommended by the board of county commissioners. The fee schedule may also include a maximum compensation based on the living arrangements of the ward or conservatee. If these services are provided by a public or private agency, the county may contract on a fee for service basis with that agency.

(c) When a county employee serves as a guardian or conservator as part of employment duties, the court shall order reasonable compensation if the guardian or conservator performs necessary services that are not compensated by the county. The court may order reimbursement to the county from the ward's or conservatee's estate for reasonable compensation paid by the county for



services rendered by a guardian or conservator who is a county employee but only if the county shows that after a diligent effort it was unable to arrange for an independent guardian or conservator.

Sec. 18. Minnesota Statutes 1994, section 609.268, subdivision 1, is amended to read:

Subdivision 1. [DEATH OF AN UNBORN CHILD.] Whoever, in the commission of a felony or in a violation of section 609.224, ~~609.23, or 609.231~~ 609.2325, or 609.233, causes the death of an unborn child is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine not more than \$30,000, or both. As used in this subdivision, "felony" does not include a violation of sections 609.185 to 609.21, 609.221 to 609.2231, or 609.2661 to 609.2665.

Sec. 19. Minnesota Statutes 1994, section 609.268, subdivision 2, is amended to read:

Subd. 2. [INJURY TO AN UNBORN CHILD.] Whoever, in the commission of a felony or in a violation of section ~~609.23 or 609.231~~ 609.2325 or 609.233, causes great or substantial bodily harm to an unborn child who is subsequently born alive, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. As used in this subdivision, "felony" does not include a violation of sections 609.21, 609.221 to 609.2231, or 609.267 to 609.2672.

Sec. 20. Minnesota Statutes 1994, section 609.7495, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Facility" means any of the following:

- (1) a hospital or other health institution licensed under sections 144.50 to 144.56;
- (2) a medical facility as defined in section 144.561;
- (3) an agency, clinic, or office operated under the direction of or under contract with the commissioner of health or a community health board, as defined in section 145A.02;
- (4) a facility providing counseling regarding options for medical services or recovery from an addiction;
- (5) a facility providing emergency shelter services for battered women, as defined in section 611A.31, subdivision 3, or a facility providing transitional housing for battered women and their children;
- (6) a residential care home or home as defined in section 144B.01, subdivision 5;
- (7) a facility as defined in section 626.556, subdivision 2, paragraph (f);
- (8) a facility as defined in section ~~626.557, subdivision 2, paragraph (a)~~ 626.5572, subdivision 6, where the services described in that paragraph are provided;
- (9) a place to or from which ambulance service, as defined in section 144.801, is provided or sought to be provided; and
- (10) a hospice program licensed under section 144A.48.

(b) "Aggrieved party" means a person whose access to or egress from a facility is obstructed in violation of subdivision 2, or the facility.

Sec. 21. Minnesota Statutes 1994, section 626.556, subdivision 12, is amended to read:

Subd. 12. [DUTIES OF FACILITY OPERATORS.] Any operator, employee, or volunteer worker at any facility who intentionally neglects, physically abuses, or sexually abuses any child in the care of that facility may be charged with a violation of section 609.255, 609.377, or 609.378. Any operator of a facility who knowingly permits conditions to exist which result in

neglect, physical abuse, or sexual abuse of a child in the care of that facility may be charged with a violation of section ~~609.23~~ or 609.378."

Amend the title as follows:

Page 1, line 5, after "sections" insert "13.46, subdivision 4;"

Page 1, line 6, after the first semicolon, insert "13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a;" and delete "subdivision 3" and insert "subdivisions 3 and 3b; 253B.02, subdivision 4a"

Page 1, line 8, after the first semicolon, insert "256E.03, subdivision 2; 256E.081, subdivision 4;" and after the second semicolon, insert "325F.692, subdivision 2; 525.703, subdivision 3;"

Page 1, line 9, after the first semicolon, insert "609.268, subdivisions 1 and 2;" and after the second semicolon, insert "609.7495, subdivision 1; 626.556, subdivision 12;"

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

### **Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 801:** A bill for an act relating to health; recodifying and modifying provisions relating to lead abatement law; appropriating money; amending Minnesota Statutes 1994, sections 16B.61, subdivision 3; 116.87, subdivision 2; 144.99, subdivision 1; 268.92, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, and by adding a subdivision; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 115C.082, subdivision 2; 144.871; 144.872; 144.873; 144.874; 144.876; 144.877; 144.8771; 144.878; 144.8781; 144.8782; and 144.879.

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

Page 4, line 17, delete "any" and insert "these"

Page 5, line 32, delete everything after "11." and insert "[LEAD-SAFE DIRECTIVES.] "Lead-safe directives"

Page 7, line 12, delete the period and insert a comma

Page 8, line 3, after "traffic" insert "which"

Page 8, line 4, delete "exceeding" and insert "exceeded"

Page 8, line 20, after the second "and" insert "reporting or"

Page 11, line 1, delete from ", upon" through page 11, line 2, to "health,"

Page 15, line 11, after "households" insert ", as defined by federal guidelines,"

Page 15, line 25, after the period, insert "No penalty shall be assessed against a property owner for discontinuing voluntary lead hazard reduction before completion of the plan, provided that the property owner discontinues the plan in a manner that leaves the property in a condition no more hazardous than its condition before the plan implementation."

Page 19, line 21, after the period, insert "Inspecting agencies must consider appeals that propose lower cost methods that make the residence lead-safe."

Page 20, line 33, after "agency" insert ", after conducting a lead inspection,"

Page 20, line 36, after the period, insert "If lead inspections and lead orders are conducted at times when weather or soil conditions do not permit the lead inspection or lead hazard reduction, external surfaces and soil lead shall be inspected, and lead orders complied with, if necessary, at the first opportunity that weather and soil conditions allow."

Page 21, line 7, before the period, insert "and methods" and after the period, insert "Whenever windows and doors or other components covered with deteriorated lead-based paint have sound substrate or are not rotting, those components should be repaired, sent out for stripping, or be planed down to remove deteriorated lead-based paint or covered with protective guards instead of being replaced, provided that such an activity is the least cost method."

Page 21, line 19, after "team" insert "free of charge"

Page 21, lines 22 and 23, delete "an assessment"

Page 21, line 28, delete from "there" through page 21, line 34, to "allow" and insert "the property is lead safe"

Page 22, line 15, delete "abatement"

Page 23, after line 4, insert:

"Subd. 8. [PROPERTY OWNER RESPONSIBILITY.] Property owners shall comply with lead orders issued under this section within 60 days or be subject to enforcement actions as provided under section 144.9509. For orders or portions of orders concerning external lead hazards, property owners shall comply within 60 days, or as soon thereafter as weather permits. If the property owner does not use a lead contractor for compliance with the lead orders, the property owner shall submit a plan for approval by the inspecting agency within 30 days after receiving the orders. The plan must include the details required in section 144.9505 as to how the property owner intends to comply with the lead orders and notice as to when lead hazard reduction activities will begin."

Page 23, line 5, delete "8" and insert "9"

Page 23, line 16, delete "9" and insert "10"

Page 23, delete lines 25 to 34 and insert:

"Subd. 11. [LOCAL ORDINANCES.] No unit of local government shall have an ordinance, regulation, or practice which requires property owners to comply with any lead hazard reduction order in a period of time shorter than the period established for compliance with lead orders under this section."

Page 26, line 8, after "agency" insert "or providing services at no cost to a property owner with funding under a state or federal grant"

Page 26, line 15, delete "assessment" and insert "inspection"

Page 30, line 22, delete "a" and insert "more than a summary"

Page 30, after line 29, insert:

"(i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit of local government of an innovative lead hazard reduction method which is consistent in approach with methods established under this section."

Page 33, after line 19, insert:

"(c) For purposes of this section, "commissioner" means the commissioner of economic security."

Page 33, line 29, after the period, insert "Grants may be awarded to nonprofit organizations to provide technical assistance and training to ensure quality and consistency within the statewide program."

Page 34, line 16, after the period, insert "The commissioner may deviate from this percentage if a grantee can justify the need for a larger administrative allowance."

Page 34, line 34, after "services" insert "in response to elevated blood lead levels as defined in section 144.9501, subdivision 8, where lead orders were not issued, and"

Page 35, line 29, strike "and"

Page 35, line 33, before the period, insert "; and

(10) prior experience in providing swab team services"

Page 37, line 11, reinstate the stricken "15" and delete "ten"

Page 38, line 23, after "workers" insert "or trained swab team members"

Page 38, line 29, delete "swab" and insert "on the job"

Pages 41 and 42, delete section 12

Renumber the sections in sequence

Amend the title as follows:

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

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

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

**S.F. No. 483:** A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, 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 1994, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

(a) After the effective date of the rules adopted under section 103B.3355 or 103G.2242, whichever is later, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan ~~approved by the board~~ adopted under section 103G.2242, subdivision 1, ~~paragraph (e)~~ 1a, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242.

(b) Except as provided in paragraph (l), replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and

(5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

(f) Except as provided in paragraph (g), for a wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland located on agricultural land or in counties or watersheds in which 80 percent or more of the presettlement wetland acreage exists, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in counties or watersheds where 80 percent or more of the presettlement wetlands are intact, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) A local government unit may make a sequencing determination and, after consideration, deviate from the provisions of paragraph (b), without a written alternatives analysis from the applicant, for projects involving the draining or filling of less than:

(1) 2,000 square feet of wetlands in the building setback of shoreland areas in all counties;

(2) 10,000 square feet of wetlands in counties with 80 percent or less of their presettlement wetlands remaining; and

(3) 20,000 square feet of wetlands in counties with more than 80 percent of their presettlement wetlands remaining.

(m) For projects involving draining or filling of wetlands outside of the building setback of shoreland areas, a person may satisfy replacement requirements under this section by paying an

amount equal to the fair market value of the upland created by the draining or filling activity, as determined by a licensed appraiser. The payment must be made to the board or to the local government unit if it has established a wetland bank that is approved by the board. The board or local government unit shall use any money received under this paragraph for making withdrawals from the wetland bank administered by the board or local government unit for the purpose of replacing lost wetland values. Payments received by the board under this paragraph must be deposited in the state treasury and credited to the general fund and are appropriated to the board for the purposes of this paragraph.

Sec. 2. Minnesota Statutes 1994, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

(a) Subject to the conditions in paragraph ~~(b)~~ (c), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as type 3, 4, or 5 wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);

(6) activities authorized under, and conducted in accordance with, an applicable individual or general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clause (14), limited to when a new road crosses a wetland, and all of clause (26);

(7) activities in a type 1 wetland on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands;

(8) activities in a type 2 wetland that is two acres in size or less located on agricultural land;

(9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;

(10) activities in a wetland created solely as a result of:

(i) beaver dam construction;

(ii) blockage of culverts through roadways maintained by a public or private entity;

(iii) actions ~~by public entities~~ that were taken for a purpose other than creating the wetland; or

(iv) any combination of (i) to (iii);

(11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;

(13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;

(14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;

(15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;

(16) draining or filling up to one-half acre of wetlands for the repair, rehabilitation, or replacement of a previously authorized, currently serviceable existing public road, provided that minor deviations in the public road's configuration or filled area, including those due to changes in materials, construction techniques, or current construction codes or safety standards, that are necessary to make repairs, rehabilitation, or replacement are allowed if the wetland draining or filling resulting from the repair, rehabilitation, or replacement is minimized;

(17) ~~emergency repair and normal~~ maintenance and repair of existing public works, ~~provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland or private infrastructure, and updating of public or private infrastructure as necessary to comply with requirements under state or federal law;~~

(18) normal maintenance and minor repair of structures ~~causing no~~, including private crossings, ~~provided the activity does not result in additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland;~~

(19) duck blinds;

(20) aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food,

Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body; and

(25) activities projects that result in the draining or filling of less than:

(i) 400 square feet of wetlands in counties or watersheds with less than 50 percent of their presettlement wetlands remaining;

(ii) 400 square feet of wetlands in shoreland areas, as defined in section 103F.205, subdivision 4, in all counties;

(iii) 1,000 square feet of wetlands in nonshoreland areas of counties or watersheds with 50 to 80 percent of their presettlement wetlands remaining; or

(iv) 10,000 square feet of wetlands in nonshoreland areas of counties or watersheds with more than 80 percent of their presettlement wetlands remaining; and

(26) deposition of spoil resulting from excavation within a wetland for wildlife habitat purposes, if:

(i) the area of deposition does not exceed five percent of the wetland area; and

(ii) the project does not have an adverse impact on any species designated as threatened or endangered under state or federal law.

(b) For the purpose of paragraph (a), clause (16), "currently serviceable" means usable as is or with some maintenance, but not so degraded as to essentially require reconstruction. Paragraph (a), clause (16), authorizes the repair, rehabilitation, or replacement of public roads destroyed by storms, floods, fire, or other discrete events, provided the repair, rehabilitation, or replacement is commenced or under contract to commence within two years of the occurrence of the destruction or damage.

(c) In applying the exemption in paragraph (a), clause (25), the local government unit shall determine the scope of the project and the wetlands to be replaced. In making this determination, the local government unit may request assistance from the technical evaluation panel established under section 103G.2242, subdivision 2.

(d) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

Sec. 3. Minnesota Statutes 1994, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) By July 1, 1993, the board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; may address the state establishment and administration of a wetland banking program for public and private projects, which may include provisions allowing monetary



payment to the wetland banking program for alteration of wetlands on agricultural land; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(c) ~~The board may approve~~ As an alternative to the rules adopted under this subdivision, a local government unit may develop and implement a comprehensive wetland protection and management plan ~~developed by a local government unit, provided that the plan:~~

~~(1) incorporates sections 103A.201, subdivision 2, and 103G.222;~~

~~(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311; and~~

~~(3) is adopted as part of the local government's official controls in accordance with subdivision 1a.~~

(d) If the local government unit fails to apply the rules, or fails to implement a local program comprehensive wetland protection and management plan under ~~paragraph (e)~~ subdivision 1a, the government unit is subject to penalty as determined by the board.

Sec. 4. Minnesota Statutes 1994, section 103G.2242, is amended by adding a subdivision to read:

Subd. 1a. [COMPREHENSIVE WETLAND PROTECTION AND MANAGEMENT PLANS.] (a) The board may approve as an alternative to the rules adopted under this section a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

(1) incorporates sections 103A.201, subdivision 2, and 103G.222;

(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311; and

(3) is adopted as part of the local government's official controls.

(b) A comprehensive wetland protection and management plan may:

(1) according to a procedure approved by the board, classify wetlands based on an assessment of:

(i) wetland functions, including floodwater retention, nutrient assimilation, sediment entrapment, groundwater recharge, low flow augmentation, aesthetics and recreation, commercial uses, wildlife and fisheries habitat, and education; and

(ii) the resulting public values;

(2) vary application of the sequencing standards of section 103G.222, paragraph (b), based on the classification; and

(3) in counties or watersheds having more than 80 percent of their presettlement wetland acreage, vary the replacement standards of section 103G.222, paragraphs (f) and (g), for specific wetland impacts provided there is no net loss of wetland function and public values and biological diversity.

(c) Upon approval of a comprehensive wetland protection and management plan by the board, the local government unit shall make replacement decisions based on the approved plan.

Sec. 5. Minnesota Statutes 1994, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. [EVALUATION.] Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and a technical professional with expertise in water resources management appointed by the local government unit. The panel shall use the ~~"Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989)~~ "U.S. Army Corps of Engineers Wetland Delineation Manual" (January 1987). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan.

Sec. 6. Minnesota Statutes 1994, section 103G.2242, subdivision 6, is amended to read:

Subd. 6. [NOTICE OF APPLICATION.] (a) Except as provided in paragraph (b), within ten days of receiving an application for approval of a replacement plan under this section, a ~~copy~~ summary of the application must be submitted ~~to the board~~ for publication in the Environmental Quality Board Monitor and separate copies of the complete application mailed to the members of the technical evaluation panel, individual members of the public who request a copy, ~~the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed.~~ At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected natural resources.

(b) Within ten days of receiving an application for approval of a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the application must be ~~submitted for publication in the Environmental Quality Board Monitor and separate copies~~ mailed to the members of the technical evaluation panel, individual members of the public who request a copy, and the managers of the watershed district, if applicable. ~~At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected~~ commissioner of natural resources.

(c) For the purpose of this subdivision, "application" includes a revised application for replacement plan approval and an application for a revision to an approved replacement plan if:

(1) the wetland area to be drained or filled under the revised replacement plan is at least ten percent larger than the area to be drained or filled under the original replacement plan; or

(2) the wetland area to be drained or filled under the revised replacement is located more than 500 feet from the area to be drained or filled under the original replacement plan.

Sec. 7. Minnesota Statutes 1994, section 103G.2242, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF DECISION.] (a) ~~Except as provided in paragraph (b),~~ At least ~~30~~ ten days prior to the effective date of the approval or denial of a replacement plan under this section, a ~~copy~~ summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the ~~board~~ members of the technical evaluation panel, individual members of the public who request a copy, ~~the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed~~ natural resources. Notice in the Environmental Quality Board Monitor is not required for projects involving the draining or filling of less than 10,000 square feet of wetlands.

(b) ~~Within ten days of the decision approving or denying a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, individual members of the public who request a copy, the members of the technical evaluation panel, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.~~

Sec. 8. Minnesota Statutes 1994, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] Appeal of the a replacement plan, exemption, or no-loss decision may be obtained by mailing a notice of appeal petition to the board within 30 15 days after the postmarked date of the mailing specified in subdivision 7. The local government unit may require the petitioner to post a bond in an amount not to exceed \$500. If appeal is not sought within 30 15 days, the decision becomes final. Appeal may be made by the wetland owner, by any of those to whom notice is required to be mailed under subdivision 7, or by 100 residents of the county in which a majority of the wetland is located. Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that the appeal is meritless, trivial, or brought solely for the purposes of delay; that the petitioner has not exhausted all local administrative remedies; or that the petitioner has not posted a bond if required by the local government unit. In determining whether to grant the appeal, the board shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal. All appeals must be heard by the committee for dispute resolution of the board, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. The A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Sec. 9. Minnesota Statutes 1994, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. [REPLACEMENT CREDITS.] (a) Except as provided in paragraphs (b) and (c) or in a comprehensive wetland protection and management plan adopted under section 103G.2242, subdivision 1a, no public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

This subdivision (b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) A wetland covered by section 103G.2241, paragraph (a), clause (9), may be used for replacement statewide.

(d) Notwithstanding section 103G.222, paragraph (i), the following areas are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) an area of permanent vegetative cover reestablished on a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price supports or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) a buffer area of permanent vegetative cover established on upland adjacent to a wetland, if the upland buffer area was established at the time of wetland replacement; and

(3) a water quality treatment pond constructed to pretreat stormwater runoff prior to discharge to a wetland, if the water quality treatment pond was constructed at the time of wetland replacement.

Replacement credit under clause (1) may not exceed 50 percent of the total area of reestablished vegetative cover. Replacement credits under clauses (2) and (3) may be used only for replacement above a one-to-one ratio.

Sec. 10. Minnesota Statutes 1994, section 103G.237, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] (a) The board shall award compensation in an amount equal to the greater of:

(1) 50 percent of the value of the wetland, calculated by multiplying the acreage of the wetland by the greater of:

~~(1)~~ (i) the average equalized estimated market value of agricultural property in the township as established by the commissioner of revenue at the time application for compensation is made; or

~~(2)~~ (ii) the assessed value per acre of the parcel containing the wetland, based on the assessed value of the parcel as stated on the most recent tax statement; or

(2) \$200 per acre of wetland subject to the replacement plan, increased or decreased by the percentage change of the assessed valuation of land in the township where the wetland is located from the 1995 valuation.

(b) A person who receives compensation under paragraph (a) shall convey to the board a permanent conservation easement as described in section 103F.515, subdivision 4. An easement conveyed under this paragraph is subject to correction and enforcement under section 103F.515, subdivisions 8 and 9.

Sec. 11. Minnesota Statutes 1994, section 103G.237, is amended by adding a subdivision to read:

Subd. 5. [COMPENSATION CLAIMS AGAINST LOCAL GOVERNMENT UNITS.] (a) At the request of a local government unit against which a compensation action is brought based at least in part on the local government unit's application of section 103G.222, 103G.2241, 103G.2242, 103G.237, or 103G.2372, or rules adopted by the board to implement these sections, the state, through the attorney general, shall intervene in the action on behalf of the local government unit and shall thereafter be considered a defendant in the action. A local government unit making a request under this paragraph shall provide the attorney general with a copy of the complaint as soon as possible after being served. If requested by the attorney general, the court shall grant additional time to file an answer equal to the time between service of the complaint on the local government unit and receipt of the complaint by the attorney general.

(b) The state is liable for costs, damages, fees, and compensation awarded in the action based on the local government's adoption or implementation of requirements that are required by state law.

(c) For the purposes of this subdivision, "compensation action" means an action in which the plaintiff seeks compensation for a taking of private property under the state or federal constitution or a similar action under a state or federal statute.

Sec. 12. Minnesota Statutes 1994, section 103G.2372, subdivision 1, is amended to read:

Subdivision 1. [~~COMMISSIONER OF NATURAL RESOURCES ENFORCEMENT.~~] (a) The commissioner of natural resources, conservation officers, and peace officers shall enforce laws preserving and protecting wetlands. Sheriffs shall enforce ordinances implementing comprehensive wetland protection and management plans adopted under section 103G.2242, subdivision 1a. The commissioner of natural resources, a conservation officer, or a peace officer, or for an ordinance violation the sheriff, may issue a cease and desist order to stop any illegal activity adversely affecting draining or filling of a wetland. In the order, or by separate order, the commissioner, conservation officer, or peace officer may require restoration or replacement of the wetland, as determined by the local soil and water conservation district or as otherwise provided by a comprehensive wetland protection and management plan. The soil and water conservation district shall make its determination within 30 days after the cease and desist order or separate restoration order is issued.

(b) An order issued under this subdivision may be enforced under section 103G.141, subdivision 2.

Sec. 13. [USE OF BLOCK GRANTS FOR WETLAND PLANS.]

Natural resource block grants made under Laws 1993, chapter 172, section 6, may be used for development and implementation of comprehensive wetland protection and management plans under Minnesota Statutes, section 103G.2242, subdivision 1a.

Sec. 14. [STUDY OF WETLAND BANKING ALTERNATIVES; REPORT.]

The wetland heritage committee, under the auspices of the state comprehensive wetlands planning project, investigates alternative procedures and policies for improving the current wetland banking system in the state. The study must address ecological, hydrological, and economic aspects of wetland banking. The study and any recommendations must be reported to the appropriate policy committees of the legislature by January 1, 1997.

Sec. 15. [REPEALER.]

Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1; repealing Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3."

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

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

**Senate Concurrent Resolution No. 5:** A Senate concurrent resolution expressing support for the recommendations of the Rainy Lake/Namakan Reservoir Water Level International Steering Committee.

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

Page 1, lines 6 and 9, delete "Reservoir" and insert "Reservoir"

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

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 5 be laid on the table. The motion prevailed.

## SECOND READING OF SENATE BILLS

S.F. Nos. 953, 1018, 577, 713, 368, 1176, 520, 1086 and 299 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 654, 859 and 282 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Beckman moved that the name of Mr. Laidig be added as a co-author to S.F. No. 197. The motion prevailed.

Mr. Laidig moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1221. The motion prevailed.

Mr. Limmer moved that the names of Ms. Lesewski and Mr. Kramer be added as co-authors to S.F. No. 1255. The motion prevailed.

Mr. Lessard moved that the name of Mr. Finn be added as a co-author to S.F. No. 1260. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Finn be added as a co-author to S.F. No. 1288. The motion prevailed.

Mr. Bertram moved that the name of Mr. Finn be added as a co-author to S.F. No. 1292. The motion prevailed.

Mr. Cohen moved that the name of Mr. Stevens be added as a co-author to S.F. No. 217. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1037. The motion prevailed.

Mr. Moe, R.D. moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 1290. The motion prevailed.

Ms. Kiscaden moved that the name of Mr. Cohen be added as a co-author to S.F. No. 1317. The motion prevailed.

Ms. Runbeck moved that S.F. No. 256 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

Mr. Kelly moved that S.F. No. 984 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Transportation and Public Transit. The motion prevailed.

Ms. Reichgott Junge moved that S.F. No. 1041 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Family Services. The motion prevailed.

**Ms. Lesewski introduced--**

**Senate Resolution No. 41:** A Senate resolution congratulating the Canby High School Lancers for winning the 1995 State High School Class A Wrestling Championship.

Referred to the Committee on Rules and Administration.

**Messrs. Johnson, D.J. and Solon introduced--**

**Senate Resolution No. 42:** A Senate resolution congratulating the Duluth East High School boys hockey team on winning the 1995 State High School Class AA Boys Hockey Tournament.

Referred to the Committee on Rules and Administration.

Mr. Cohen moved that S.F. No. 1017 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Transportation and Public Transit. The motion prevailed.

Ms. Reichgott Junge moved that S.F. No. 1220 be withdrawn from the Committee on Health Care and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Kelly moved that S.F. No. 984 be withdrawn from the Committee on Transportation and Public Transit and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

**Mr. Cohen introduced--**

**S.F. No. 1319:** A bill for an act relating to taxation; property tax; extending the availability of valuation exclusions for certain improvements made to property in 1992; amending Laws 1993, chapter 375, article 5, section 44.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Cohen introduced--**

**S.F. No. 1320:** A bill for an act relating to public administration; modifying provisions concerning the lease or other disposition of property acquired with bond funds; amending Minnesota Statutes 1994, section 16A.695, subdivisions 1, 2, 3, and by adding a subdivision.

Referred to the Committee on Finance.

**Messrs. Janezich and Mondale introduced--**

**S.F. No. 1321:** A bill for an act relating to game and fish; removing certain requirements relating to fish taken in Canada; amending Minnesota Statutes 1994, section 97A.531, subdivision 1; repealing Minnesota Statutes 1994, section 97A.531, subdivisions 2, 3, 4, 5, and 6.

Referred to the Committee on Environment and Natural Resources.

**Ms. Johnston, Messrs. Larson, Kramer and Ourada introduced--**

**S.F. No. 1322:** A bill for an act relating to workers' compensation; modifying provisions relating to permanent partial disability; amending Minnesota Statutes 1994, sections 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 2, 6, and by adding a subdivision; 176.105, subdivision 4; 176.179; 176.221, subdivision 6a; and 268.08, subdivision 3; repealing Minnesota Statutes 1994, sections 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Chandler introduced--**

**S.F. No. 1323:** A bill for an act relating to tax increment financing; authorizing the city of North St. Paul to extend the duration limit of a tax increment financing district.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Day introduced--**

**S.F. No. 1324:** A bill for an act relating to education; authorizing a fund transfer for independent school district No. 531, Byron.

Referred to the Committee on Education.

**Ms. Reichgott Junge, Messrs. Betzold and Novak introduced--**

**S.F. No. 1325:** A bill for an act relating to tax increment financing; authorizing pilot projects for the creation of housing replacement projects in the cities of Crystal and Fridley.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Kramer, Mses. Robertson, Runbeck, Johnston and Mr. Ourada introduced--**

**S.F. No. 1326:** A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, article V, sections 2 and 4, and article XIII, by adding a section; placing limits on the terms of office of legislators and executive officers.

Referred to the Committee on Ethics and Campaign Reform.

**Mr. Pogemiller introduced--**

**S.F. No. 1327:** A bill for an act relating to elections; creating an open primary with party designation for partisan offices; limiting party designations to endorsed candidates; allowing minor parties the exclusive use of their names; limiting the general election for partisan offices to the top three candidates nominated at the primary; amending Minnesota Statutes 1994, sections 10A.01, subdivision 13; 10A.31, subdivisions 3 and 3a; 200.02, subdivision 7, and by adding a subdivision; 202A.11, subdivision 2; 202A.12, subdivision 1; 204B.03; 204B.04, subdivision 2; 204B.06, subdivisions 1 and 2; 204B.07, subdivisions 1 and 4; 204B.09, subdivision 1; 204B.10, subdivision 4; 204B.13, subdivision 1; 204C.21, subdivision 3; 204C.32, subdivision 1; 204D.03, subdivision 1; 204D.05, subdivision 1; 204D.07, subdivision 3; 204D.08, subdivisions 3 and 4; 204D.10, subdivision 1; 204D.12; 204D.13, subdivision 2; 204D.20, subdivisions 1 and 2; 204D.23, subdivisions 1, 2, and 3; 204D.28, subdivision 9; 206.74, subdivision 2; and 206.84, subdivision 3; repealing Minnesota Statutes 1994, sections 204D.08, subdivision 5; 204D.10, subdivision 2; 204D.13, subdivision 3; 204D.20, subdivision 3; and 206.56, subdivision 11.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Reichgott Junge and Mr. Metzen introduced--**

**S.F. No. 1328:** A bill for an act relating to state agencies; establishing the office of citizen advocate in the department of administration; directing the office to represent the interests of citizens with complaints against executive branch agencies; coordinating the services of ombudspersons; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Murphy, Riveness, Ms. Krentz, Mr. Langseth and Ms. Wiener introduced--**

**S.F. No. 1329:** 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; making technical changes; amending Minnesota Statutes 1994, sections 15A.081, subdivision 1; 174.02, subdivisions 4, 5, and by adding subdivisions; 174.06, by adding a subdivision; 174.10; 218.041, subdivision 6; and 219.074, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1994, sections 174A.01; 174A.02; 174A.03; 174A.04; 174A.05; 174A.06; 218.011, subdivision 7; and 218.041, subdivision 7; and Minnesota Rules, part 8850.6900.

Referred to the Committee on Transportation and Public Transit.

**Ms. Runbeck introduced--**

**S.F. No. 1330:** A bill for an act relating to employment; modifying definitions and procedures; changing requirements relating to fines; permitting inmate and parolee complaints concerning occupational safety and health; modifying safety program requirements; providing the penalty of gross misdemeanor for the assault of an occupational safety and health investigator; amending Minnesota Statutes 1994, sections 182.651, subdivisions 7 and 9; 182.653, subdivision 8; 182.66, subdivision 1; 182.666, subdivision 7; and 609.2231, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 182.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Flynn, Messrs. Sams, Bertram, Mses. Pappas and Berglin introduced--**

**S.F. No. 1331:** A bill for an act relating to taxation; eliminating the LGA/HACA offset from certain tax increment financing districts; providing for state grants to certain tax increment financing districts; appropriating money; amending Minnesota Statutes 1994, section 116J.556; repealing Minnesota Statutes 1994, sections 273.1399; and 469.175, subdivision 7a.

Referred to the Committee on Taxes and Tax Laws.



**Mr. Cohen introduced--**

**S.F. No. 1332:** A bill for an act relating to cities; increasing home rule city charter commission expenses for first class cities; providing that home rule charter amendment ballots shall be drafted by the charter commission; clarifying the number of votes necessary to amend a home rule charter; amending Minnesota Statutes 1994, sections 410.06; and 410.12, subdivision 4.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Cohen introduced--**

**S.F. No. 1333:** A bill for an act relating to retirement; authorizing articles of incorporation and bylaws amendments to provide postretirement adjustments for the St. Paul teachers retirement fund association.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Cohen introduced--**

**S.F. No. 1334:** A bill for an act relating to economic development; appropriating money for the community resources program.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Beckman introduced--**

**S.F. No. 1335:** A bill for an act relating to education; providing for a fund transfer for independent school district No. 458, Truman.

Referred to the Committee on Education.

**Messrs. Vickerman, Samuelson, Beckman, Ms. Kiscaden and Mr. Chmielewski introduced--**

**S.F. No. 1336:** A bill for an act relating to health; modifying provisions relating to drug dispensing; amending Minnesota Statutes 1994, section 152.11, subdivision 1.

Referred to the Committee on Health Care.

**Messrs. Hottinger, Limmer, Solon and Laidig introduced--**

**S.F. No. 1337:** A bill for an act relating to commerce; regulating sales by transient merchants; prohibiting the sale of certain items by certain merchants; prescribing penalties; amending Minnesota Statutes 1994, sections 329.099; and 329.14; proposing coding for new law in Minnesota Statutes, chapter 329.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Runbeck, Robertson, Messrs. Betzold, Hottinger and Oliver introduced--**

**S.F. No. 1338:** A bill for an act relating to government; eliminating certain maintenance of effort requirements for counties; amending Minnesota Statutes 1994, sections 134.195, subdivision 8; 134.201, subdivision 6; 134.34, subdivision 1; 254B.02, subdivision 3; and 256H.09, subdivision 3; repealing Minnesota Statutes 1994, sections 134.34, subdivision 4; 245.48; and 256H.12, subdivision 3.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Murphy introduced--**

**S.F. No. 1339:** A bill for an act relating to education; repealing the reduction in voter-approved operating referendum revenue; repealing Minnesota Statutes 1994, section 124A.03, subdivision 3b.

Referred to the Committee on Education.

**Ms. Pappas, Mr. Janezich, Mses. Reichgott Junge and Runbeck introduced--**

**S.F. No. 1340:** A bill for an act relating to education; providing full state funding for special education services; authorizing certain fund transfers; eliminating a required fund transfer; repealing the contract settlement deadline; modifying the lease purchase levy; offsetting certain property tax aids; amending Minnesota Statutes 1994, sections 121.912, subdivisions 1 and 1b; 124.155, subdivision 1; 124.226, subdivision 1; 124.243, subdivisions 3, 8, and by adding a subdivision; 124.244, subdivision 2, and by adding a subdivision; 124.273, subdivision 1b; 124.32, subdivisions 1b and 1d; 124.322, subdivisions 1a and 2; 124.323, subdivision 1; 124.574, subdivision 2b; 124.91, subdivision 3; 124A.03, subdivision 2; 124A.22, subdivisions 4, 4a, 4b, 8a, and 9; 124A.23, subdivisions 1 and 4; 124A.24; 275.065, subdivision 3; and 276.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1994, sections 124.32; 124.321; and 124A.22, subdivision 2a.

Referred to the Committee on Education.

**Mses. Runbeck, Kiscaden and Mr. Oliver introduced--**

**S.F. No. 1341:** A bill for an act relating to health; expanding the intervention services provided through the Institute for Child and Adolescent Sexual Health; requiring reports; appropriating money.

Referred to the Committee on Crime Prevention.

**Messrs. Bertram and Stevens introduced--**

**S.F. No. 1342:** A bill for an act relating to agriculture; requiring commissioner of transportation to study the use of soybean oil in diesel engines.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Merriam introduced--**

**S.F. No. 1343:** A bill for an act relating to occupations and professions; providing for biennial license renewal for individual certified and licensed public accountants; amending Minnesota Statutes 1994, sections 326.20, subdivision 1; and 326.22, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Merriam introduced--**

**S.F. No. 1344:** A bill for an act relating to occupations; providing that the board of accountancy must stagger its license renewal schedule; amending Minnesota Statutes 1994, sections 326.20, subdivisions 1, 2, and by adding a subdivision; and 326.22, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Lesewski and Mr. Dille introduced--**

**S.F. No. 1345:** A bill for an act relating to taxation; aggregate removal; providing for imposition of the tax in Rock county; amending Minnesota Statutes 1994, section 298.75, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Chmielewski and Murphy introduced--**

**S.F. No. 1346:** A bill for an act relating to education; appropriating money for the acquisition of materials and equipment and for services at Fond du Lac Community College.

Referred to the Committee on Education.

**Messrs. Chmielewski and Murphy introduced--**

**S.F. No. 1347:** A bill for an act relating to education; appropriating money for planning a residential facility at Fond du Lac Community College; authorizing the issuance of state bonds.

Referred to the Committee on Education.

**Mr. Betzold introduced--**

**S.F. No. 1348:** A bill for an act relating to housing; appropriating money for multiunit blighted rental property removal.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Murphy and Chmielewski introduced--**

**S.F. No. 1349:** A bill for an act relating to housing; authorizing planning for a residential facility for Indian students at Fond du Lac Community College; appropriating money.

Referred to the Committee on Education.

**Messrs. Sams, Vickerman, Stevens, Bertram and Ms. Hanson introduced--**

**S.F. No. 1350:** A bill for an act relating to agriculture; appropriating money for continuation of certain legal actions against the United States Department of Agriculture.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Sams, Vickerman, Stevens, Ms. Hanson and Mr. Morse introduced--**

**S.F. No. 1351:** A bill for an act relating to agriculture; permanently extending sales tax exemption for used farm machinery; requiring a study of farm costs; amending Minnesota Statutes 1994, section 297A.25, subdivision 59.

Referred to the Committee on Agriculture and Rural Development.

**Ms. Hanson introduced--**

**S.F. No. 1352:** A bill for an act relating to agriculture; modifying powers and duties of agricultural research and promotion councils; amending Minnesota Statutes 1994, sections 17.57, by adding a subdivision; and 17.63.

Referred to the Committee on Agriculture and Rural Development.

**Ms. Piper and Mr. Vickerman introduced--**

**S.F. No. 1353:** A bill for an act relating to retirement; Austin fire department relief association; clarifying ambiguities in the survivor coverage of certain spouses of certain retired members; amending Laws 1994, chapter 490, section 2.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Solon, Chmielewski and Johnson, D.J. introduced--**

**S.F. No. 1354:** A bill for an act relating to the environment; providing partial reimbursement to potentially responsible persons who incur environmental cleanup costs related to the operation of certain oil re-refineries; amending Minnesota Statutes 1994, sections 115C.08, subdivision 2, and by adding a subdivision; and 115C.13; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

**Mses. Anderson, Berglin, Messrs. Spear and Marty introduced--**

**S.F. No. 1355:** A bill for an act relating to firearms; requiring persons who own or possess a pistol or semiautomatic military-style assault weapon to obtain a license from the commissioner of public safety; establishing standards for the issuance of licenses; requiring transferors of pistols and semiautomatic military-style assault weapons to register the transfer and the serial number of the weapon with the commissioner of public safety; imposing penalties; requiring sheriffs and chiefs of police to report certain gunshot wounds to the commissioner of health; amending Minnesota Statutes 1994, sections 624.714, subdivisions 1, 4, 5, 6, and by adding a subdivision; 624.7151; and 626.53; repealing Minnesota Statutes 1994, sections 609.66, subdivision 1f; 624.7131; 624.7132; 624.714, subdivision 3; and 624.7141; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Crime Prevention.

**Messrs. Stumpf and Stevens introduced--**

**S.F. No. 1356:** A bill for an act relating to state government; creating and empowering a natural resources board to direct and supervise the commissioner and department of natural resources; amending Minnesota Statutes 1994, section 84.01.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Stumpf; Moe, R.D.; Berg; Dille and Stevens introduced--**

**S.F. No. 1357:** A bill for an act relating to natural resources; clarifying enforcement powers of conservation officers; establishing procedures for confiscation and sale of property; amending Minnesota Statutes 1994, sections 97A.205; 97A.215, subdivision 1; and 97A.221, subdivision 1, and by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

**MEMBERS EXCUSED**

Ms. Ranum and Mr. Day were excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, March 23, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## TWENTY-NINTH DAY

St. Paul, Minnesota, Thursday, March 23, 1995

The Senate met at 8:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Patrick L. Hall.

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

Anderson	Hanson	Laidig	Novak	Sams
Beckman	Hottinger	Langseth	Oliver	Samuelson
Belanger	Janezich	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Ourada	Solon
Berglin	Johnson, D.J.	Lessard	Pappas	Spear
Bertram	Johnson, J.B.	Limmer	Pariseau	Stevens
Betzold	Johnston	Marty	Piper	Stumpf
Chandler	Kelly	Merriam	Pogemiller	Terwilliger
Chmielewski	Kiscaden	Metzen	Price	Vickerman
Cohen	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	
Frederickson	Kroening	Neuville	Runbeck	

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 2, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

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

#### MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Tom Martinson, 4536 Oxford Ave. S., Edina, Hennepin County, effective March 7, 1995, for a term expiring on the first Monday in January, 1999.

Kathryn Balstad Brewer, 321 Silver Lake Rd., New Brighton, Ramsey County, effective March 7, 1995, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Education.)

Warmest regards,  
Arne H. Carlson, Governor

March 20, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

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. 64 and 323.

Warmest regards,  
Arne H. Carlson, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 318.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 1995

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 5:

**H.F. No. 5:** A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds; coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, subdivision 11, and by adding subdivisions; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 10a, 16, and by adding a subdivision; 256.737, subdivisions 1a and 2; 256.74, by adding a subdivision; 256.81; 256.87, subdivisions 1, 1a, and 5; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.09, subdivision 2a, and by adding subdivisions; and 518.575; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; 256D; and 268; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.065; 256D.091; 256D.101; 256D.111; and 256D.113.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Anderson, R.; Van Engen; Vickerman; Lourey and Jennings have been appointed as such committee on the part of the House.

House File No. 5 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 22, 1995

Mr. Samuelson moved that the Senate accede to the request of the House for a Conference

Committee on H.F. No. 5, 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. 812, 974, 975, 365, 479 and 833.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 812:** A bill for an act relating to natural resources; broadening the uses permitted for emergency materials and equipment; amending Minnesota Statutes 1994, section 88.065.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 974:** A bill for an act relating to health; modifying certain fee payment time schedules; amending Minnesota Statutes 1994, section 144.98, subdivision 3.

Referred to the Committee on Health Care.

**H.F. No. 975:** A bill for an act relating to health; modifying the definition of home care service; modifying home care service information requirements; amending Minnesota Statutes 1994, sections 144A.43, subdivision 3; and 144A.47.

Referred to the Committee on Health Care.

**H.F. No. 365:** A bill for an act relating to insurance; no-fault auto; regulating priorities of coverage for taxis; amending Minnesota Statutes 1994, section 65B.47, subdivision 1a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 457.

**H.F. No. 479:** A bill for an act relating to parks and recreation; additions to and deletions from state parks; establishing a new state park and deleting two state waysides; amending Minnesota Statutes 1994, section 84.054, by adding a subdivision; repealing Minnesota Statutes 1994, section 85.013, subdivisions 13 and 20.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 548, now on General Orders.

**H.F. No. 833:** A bill for an act relating to local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; 473.864, subdivision 2; and 473.867, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 841, 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. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 657:** A bill for an act relating to public administration; clarifying the authority and procedures of the board of government innovation and cooperation; establishing application procedures for cooperation planning grants; appropriating money; amending Minnesota Statutes 1994, sections 465.798; 465.799; 465.801; 465.81, subdivision 1; 465.82, subdivision 2; 465.84; 465.85; and 465.87.

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

Page 6, line 29, after the first "with" insert "any process within"

Page 6, line 30, after "414" insert "that results in the elimination of at least one local government unit"

Page 6, line 31, after the period, insert "If two units of government cooperate in the orderly annexation of the entire area of a third unit of government that has a population of at least 8,000, the two units of government are each eligible for the amount of aid specified in subdivision 2."

Page 8, line 8, after "which" insert "a combination in any form is expected to be ordered by the municipal board as evidenced in resolutions adopted by July 1 by the affected local government units declaring their intent to combine, or during which"

Page 8, line 11, after the period, insert "Payments to a local government unit that qualifies for aid pursuant to subdivision 1a must be made on the dates provided for payments of local government aids under section 477A.013, beginning in the calendar year during which a combination in any form is expected to be ordered by the Minnesota municipal board as evidenced in a resolution adopted by July 1 by the affected local government units declaring their intent to combine. The resolutions must certify that the combination agreement addressing all issues relative to the combination is substantially complete."

Page 8, after line 27, insert:

"Sec. 9. [465.88] [CONSOLIDATION STUDY GRANTS.]

A local unit of government with a population no greater than 2,500 involved in a consolidation proceeding initiated by the municipal board on its own motion under section 414.041, subdivision 1, may apply to the board for a grant under this section. The grant may not exceed \$20,000. A grant under this section must be used to cover costs associated with the consolidation proceeding."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 465"

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

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

**H.F. No. 344** 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.  
344

S.F. No.  
303

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 344 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 344 and insert the language after the enacting clause of S.F. No. 303, the first engrossment; further, delete the title of H.F. No. 344 and insert the title of S.F. No. 303, the first engrossment.



And when so amended H.F. No. 344 will be identical to S.F. No. 303, and further recommends that H.F. No. 344 be given its second reading and substituted for S.F. No. 303, 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. 544** 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.
544	520				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 544 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 544 and insert the language after the enacting clause of S.F. No. 520, the first engrossment; further, delete the title of H.F. No. 544 and insert the title of S.F. No. 520, the first engrossment.

And when so amended H.F. No. 544 will be identical to S.F. No. 520, and further recommends that H.F. No. 544 be given its second reading and substituted for S.F. No. 520, and that the Senate File be indefinitely postponed.

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

## SECOND READING OF HOUSE BILLS

H.F. Nos. 344 and 544 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Bertram moved that his name be stricken as a co-author to S.F. No. 1035. The motion prevailed.

Ms. Robertson moved that the name of Mr. Novak be added as a co-author to S.F. No. 1093. The motion prevailed.

Mr. Johnson, D.J. moved that his name be stricken as a co-author to S.F. No. 1214. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1239. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1240. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Stevens be added as a co-author to S.F. No. 1254. The motion prevailed.

Mr. Beckman moved that the name of Mr. Finn be added as a co-author to S.F. No. 1281. The motion prevailed.

Ms. Olson moved that the name of Mr. Kramer be added as a co-author to S.F. No. 1305. The motion prevailed.

Mr. Neuville moved that the name of Mr. Finn be added as a co-author to S.F. No. 1309. The motion prevailed.

Mr. Frederickson moved that the names of Messrs. Terwilliger and Johnson, D.E. be added as co-authors to S.F. No. 1310. The motion prevailed.

Ms. Reichgott Junge moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 1328. The motion prevailed.

Mr. Betzold moved that S.F. No. 989 be withdrawn from the Committee on Health Care and returned to its author. The motion prevailed.

Ms. Robertson moved that S.F. No. 1093 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Education. 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.

#### **Messrs. Stevens and Ourada introduced--**

**S.F. No. 1358:** A bill for an act relating to Sand Dunes state forest; directing establishment of a shooting area; appropriating money.

Referred to the Committee on Environment and Natural Resources.

#### **Mses. Ranum and Pappas introduced--**

**S.F. No. 1359:** A bill for an act relating to education; increasing funding for certain kindergarten students; requiring certain prekindergarten activities; creating a levy; appropriating money; amending Minnesota Statutes 1994, section 124.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

#### **Mr. Laidig introduced--**

**S.F. No. 1360:** A bill for an act relating to lawful gambling; providing that a city's trade area for purpose of limiting expenditures of net profits may consist of all or part of the city's school district; allowing cities and counties to adopt reporting requirements; allowing cities and counties to adopt residence requirements as a condition of approval of premises permits; amending Minnesota Statutes 1994, section 349.213.

Referred to the Committee on Gaming Regulation.

#### **Mses. Berglin, Piper and Johnson, J.B. introduced--**

**S.F. No. 1361:** A bill for an act relating to children; appropriating money for an Indian child welfare defense corporation.

Referred to the Committee on Family Services.

#### **Mr. Lessard introduced--**

**S.F. No. 1362:** A bill for an act relating to natural resources; providing for coordination of

efforts of public and private sectors in the sustainable management, use, development, and protection of Minnesota's forest resources; establishing a forest resources council and regional forest resource committees; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 89A.

Referred to the Committee on Environment and Natural Resources.

**Mr. Lessard introduced--**

**S.F. No. 1363:** A bill for an act relating to natural resources; appropriating money for studies relating to harvesting of peat; requiring reports.

Referred to the Committee on Environment and Natural Resources.

**Mr. Langseth introduced--**

**S.F. No. 1364:** A bill for an act relating to the department of human rights; specifying the scope of an inquiry by the commissioner; changing the classification of certain data in an open file; amending Minnesota Statutes 1994, sections 363.06, subdivision 4; and 363.061, subdivision 2; repealing Minnesota Statutes 1994, section 363.06, subdivision 2.

Referred to the Committee on Judiciary.

**Messrs. Solon, Janezich, Samuelson, Kroening and Metzen introduced--**

**S.F. No. 1365:** A bill for an act relating to public safety; regulating fireworks; modifying the definitions of the term fireworks; permitting sale of certain fireworks; amending Minnesota Statutes 1994, section 624.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Crime Prevention.

**Ms. Olson, Messrs. Merriam, Lessard, Finn and Frederickson introduced--**

**S.F. No. 1366:** A bill for an act relating to natural resources; authorizing Hennepin county to construct a seawall on Lake Minnetonka without a permit.

Referred to the Committee on Environment and Natural Resources.

**Mr. Chmielewski introduced--**

**S.F. No. 1367:** A bill for an act relating to human services; appropriating money for a family service center in Carlton county.

Referred to the Committee on Family Services.

**Messrs. Metzen and Solon introduced--**

**S.F. No. 1368:** A bill for an act relating to civil actions; imputing liability in dram shop actions; amending Minnesota Statutes 1994, section 340A.801, subdivision 3.

Referred to the Committee on Judiciary.

**Messrs. Murphy and Finn introduced--**

**S.F. No. 1369:** A bill for an act relating to watercraft; designating waterskiing as the official state sport; establishing standards for surface water use; amending Minnesota Statutes 1994, section 86B.121; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 1370:** A bill for an act relating to education; modifying eligibility for debt service equalization; amending Minnesota Statutes 1994, section 124.95, subdivision 2.

Referred to the Committee on Education.

**Mr. Cohen introduced--**

**S.F. No. 1371:** A bill for an act relating to civil actions; regulating actions involving fault; informing the jury of the effect of its answers to comparative fault questions and allowing comment by counsel in certain circumstances; amending Minnesota Statutes 1994, section 604.01, subdivision 1.

Referred to the Committee on Judiciary.

**Mr. Langseth introduced--**

**S.F. No. 1372:** A bill for an act relating to education; appropriating money for asbestos sampling and revising management plans for schools in the West Central Cooperative Service Unit.

Referred to the Committee on Education.

**Mr. Price introduced--**

**S.F. No. 1373:** A bill for an act relating to the environment; allowing the pollution control agency to continue to do environmental assessments at automobile salvage yards; providing incentives for recycling mercury from automobiles; appropriating money; amending Minnesota Statutes 1994, sections 116.66, subdivisions 2, 4, and by adding a subdivision; and 116.92, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

**Mr. Marty introduced--**

**S.F. No. 1374:** A bill for an act relating to government; modifying a budget report date for cities; eliminating certain budget publication requirements; amending Minnesota Statutes 1994, sections 6.745, subdivision 1; and 471.6965.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Price and Ms. Pappas introduced--**

**S.F. No. 1375:** A bill for an act relating to education; creating funding for school districts that offer year-round education; authorizing bonds; proposing coding for new law in Minnesota Statutes, chapters 120 and 124.

Referred to the Committee on Education.

**Ms. Reichgott Junge and Mr. Johnson, D.J. introduced--**

**S.F. No. 1376:** A bill for an act relating to taxation; authorizing the board of government innovation and cooperation to conduct a pilot project for establishment of aid distribution councils; appropriating money; amending Minnesota Statutes 1994, section 465.795, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Neuville, Mses. Olson, Johnston and Mr. Larson introduced--**

**S.F. No. 1377:** A bill for an act relating to education; establishing a program to expand the economic freedom of lower-income students to select their schools of attendance; appropriating money; amending Minnesota Statutes 1994, section 124A.032; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

**Messrs. Neuville, Knutson and Ms. Olson introduced--**

**S.F. No. 1378:** A bill for an act relating to education; establishing a block grant program for American Indian education; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1994, sections 124.48; 124.481; 124.86, subdivision 4; and 125.62.

Referred to the Committee on Education.

**Mr. Lessard introduced--**

**S.F. No. 1379:** A bill for an act relating to recreational vehicles; implementing titling system for snowmobiles; imposing fees and penalties; amending Minnesota Statutes 1994, sections 84.81; 84.82, subdivision 1a; 84.821, by adding a subdivision; 84.83, subdivision 2; 84.84; and 84.85; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

**Mr. Larson, Ms. Wiener, Messrs. Beckman, Neuville and Langseth introduced--**

**S.F. No. 1380:** A bill for an act relating to education; requiring post-secondary systems to develop and implement plans for career placement; requiring placement tracking and reports; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

**Messrs. Chandler, Riveness, Ms. Kiscaden and Mr. Samuelson introduced--**

**S.F. No. 1381:** A bill for an act relating to vocational rehabilitation; authorizing additional funding for employment support services for persons with mental illness; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Morse, Ms. Wiener, Messrs. Stumpf, Merriam and Terwilliger introduced--**

**S.F. No. 1382:** A bill for an act relating to employment; modifying certain collective bargaining agreement provisions; proposing coding for new law in Minnesota Statutes, chapter 179A.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Morse, Merriam, Laidig, Chandler and Frederickson introduced--**

**S.F. No. 1383:** A bill for an act relating to forests; modifying and expanding responsibilities of the department of natural resources with respect to management of forest resources; amending Minnesota Statutes 1994, sections 89.001, subdivisions 8, 9, 10, and by adding subdivisions; 89.01, subdivision 1; 89.011, subdivisions 1, 2, and 3; and 90.041, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 89.

Referred to the Committee on Environment and Natural Resources.

**Ms. Anderson, Messrs. Riveness, Cohen, Hottinger and Metzen introduced--**

**S.F. No. 1384:** A bill for an act relating to state government; abolishing the department of human rights and transferring its responsibilities to the attorney general; amending Minnesota Statutes 1994, sections 15.01; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 363.06, subdivision 4; 363.071, subdivisions 2 and 7; and 363.14, subdivision 3; repealing Minnesota Statutes 1994, sections 363.01, subdivisions 8 and 12; and 363.121.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Cohen introduced--**

**S.F. No. 1385:** A bill for an act relating to consumer protection; consumer warranties; requiring the transferability of certain warranties; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Pappas introduced--**

**S.F. No. 1386:** A bill for an act relating to education; enhancing efficiency, promoting flexibility, and eliminating reporting requirements of schools; amending Minnesota Statutes 1994, sections 120.101, subdivisions 5c and 8; 120.102, subdivision 1; 120.103, subdivisions 1, 2, 3, 4, and 5; 120.74, subdivision 1; 120.75, subdivision 1; 121.912, subdivision 1; 123.70, subdivision 8; 124.243, subdivision 8; 124.91, subdivision 3; 124A.03, subdivision 2; 124A.26, subdivision 1a; 126.031, subdivision 1; 126.237; and 169.452; repealing Minnesota Statutes 1994, sections 120.102, subdivision 4; 121.207; 123.799; 124A.22, subdivision 2a; and 126.22, subdivision 5; and Laws 1994, chapter 647, article 3, section 25.

Referred to the Committee on Education.

**Ms. Johnston, Mr. Belanger and Ms. Hanson introduced--**

**S.F. No. 1387:** A bill for an act relating to taxation; allowing, for purposes of the sales tax on motor vehicles, a reduction in the purchase price of a motor vehicle for the value of a previous vehicle that was sold by the purchaser and for which the sales tax was paid; making a technical change; amending Minnesota Statutes 1994, section 297B.01, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Johnston, Flynn, Messrs. Morse and Belanger introduced--**

**S.F. No. 1388:** A bill for an act relating to taxation; property; increasing the income requirements for new applicants under the green acres program; providing for the classification of property which is used for both residential and agricultural purposes; amending Minnesota Statutes 1994, sections 273.111, subdivision 6; and 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Knutson, Stevens, Ms. Runbeck, Messrs. Hottinger and Metzen introduced--**

**S.F. No. 1389:** A bill for an act relating to administrative rules; repealing obsolete rules of the departments of agriculture, commerce, health, human services, public safety, public service, and revenue and the pollution control agency; removing internal references to repealed rules; amending Minnesota Rules, parts 1540.2140; 7001.0140, subpart 2; 7001.0180; 8130.3500, subpart 3; and 8130.6500, subpart 5; repealing Minnesota Rules, parts 1540.0010, subparts 12, 18, 21, 22, and 24; 1540.0060; 1540.0070; 1540.0080; 1540.0100; 1540.0110; 1540.0120; 1540.0130; 1540.0140; 1540.0150; 1540.0160; 1540.0170; 1540.0180; 1540.0190; 1540.0200; 1540.0210; 1540.0220; 1540.0230; 1540.0240; 1540.0260; 1540.0320; 1540.0330; 1540.0340; 1540.0350;

1540.0370; 1540.0380; 1540.0390; 1540.0400; 1540.0410; 1540.0420; 1540.0440; 1540.0450;  
 1540.0460; 1540.0490; 1540.0500; 1540.0510; 1540.0520; 1540.0770; 1540.0780; 1540.0800;  
 1540.0810; 1540.0830; 1540.0880; 1540.0890; 1540.0900; 1540.0910; 1540.0920; 1540.0930;  
 1540.0940; 1540.0950; 1540.0960; 1540.0970; 1540.0980; 1540.0990; 1540.1000; 1540.1005;  
 1540.1010; 1540.1020; 1540.1030; 1540.1040; 1540.1050; 1540.1060; 1540.1070; 1540.1080;  
 1540.1090; 1540.1100; 1540.1110; 1540.1120; 1540.1130; 1540.1140; 1540.1150; 1540.1160;  
 1540.1170; 1540.1180; 1540.1190; 1540.1200; 1540.1210; 1540.1220; 1540.1230; 1540.1240;  
 1540.1250; 1540.1255; 1540.1260; 1540.1280; 1540.1290; 1540.1300; 1540.1310; 1540.1320;  
 1540.1330; 1540.1340; 1540.1350; 1540.1360; 1540.1380; 1540.1400; 1540.1410; 1540.1420;  
 1540.1430; 1540.1440; 1540.1450; 1540.1460; 1540.1470; 1540.1490; 1540.1500; 1540.1510;  
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 1540.1910; 1540.1920; 1540.1930; 1540.1940; 1540.1950; 1540.1960; 1540.1970; 1540.1980;  
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 subpart 1; 2650.0100; 2650.0200; 2650.0300; 2650.0400; 2650.0500; 2650.0600; 2650.1100;  
 2650.1200; 2650.1300; 2650.1400; 2650.1500; 2650.1600; 2650.1700; 2650.1800; 2650.1900;  
 2650.2000; 2650.2100; 2650.3100; 2650.3200; 2650.3300; 2650.3400; 2650.3500; 2650.3600;  
 2650.3700; 2650.3800; 2650.3900; 2650.4000; 2650.4100; 2655.1000; 2660.0070; 2770.7400;  
 4610.2210; 7002.0410; 7002.0420; 7002.0430; 7002.0440; 7002.0450; 7002.0460; 7002.0470;  
 7002.0480; 7002.0490; 7047.0010; 7047.0020; 7047.0030; 7047.0040; 7047.0050; 7047.0060;  
 7047.0070; 7100.0300; 7100.0310; 7100.0320; 7100.0330; 7100.0335; 7100.0340; 7100.0350;  
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 7510.6800; 7510.6900; 7510.6910; 7600.0100; 7600.0200; 7600.0300; 7600.0400; 7600.0500;  
 7600.0600; 7600.0700; 7600.0800; 7600.0900; 7600.1000; 7600.1100; 7600.1200; 7600.1300;  
 7600.1400; 7600.1500; 7600.1600; 7600.1700; 7600.1800; 7600.1900; 7600.2000; 7600.2100;  
 7600.2200; 7600.2300; 7600.2400; 7600.2500; 7600.2600; 7600.2700; 7600.2800; 7600.2900;  
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 7600.6200; 7600.6300; 7600.6400; 7600.6500; 7600.6600; 7600.6700; 7600.6800; 7600.6900;  
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 7600.8500; 7600.8600; 7600.8700; 7600.8800; 7600.8900; 7600.9000; 7600.9100; 7600.9200;  
 7600.9300; 7600.9400; 7600.9500; 7600.9600; 7600.9700; 7600.9800; 7600.9900; 7625.0100;  
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 8121.0500, subpart 2; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956;  
 8130.9958; 8130.9968; 8130.9972; 8130.9980; 8130.9992; 9540.0100; 9540.0200; 9540.0300;  
 9540.0400; 9540.0500; 9540.1000; 9540.1100; 9540.1200; 9540.1300; 9540.1400; 9540.1500;  
 9540.2000; 9540.2100; 9540.2200; 9540.2300; 9540.2400; 9540.2500; 9540.2600; and  
 9540.2700.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Ourada and Hottinger introduced--**

**S.F. No. 1390:** A bill for an act relating to commerce; specifying kinds of wood for certain exterior construction applications; amending Minnesota Statutes 1994, section 16B.61, subdivision 3.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Terwilliger and Ms. Reichgott Junge introduced--**

**S.F. No. 1391:** A bill for an act relating to criminal justice; requiring public data held by the bureau of criminal apprehension to be made available to law enforcement agencies on the Internet; requiring the bureau of criminal apprehension to plan for law enforcement Internet access to data that is not public; providing grants to law enforcement agencies to establish connections to the Internet; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Crime Prevention.

**Ms. Pappas introduced--**

**S.F. No. 1392:** A bill for an act relating to taxation; restructuring certain aids paid to cities and counties; creating a property tax reform commission; amending Minnesota Statutes 1994, sections 273.1398, subdivision 2; 477A.011, by adding subdivisions; 477A.012, by adding a subdivision; 477A.0121, subdivision 4; 477A.013, by adding subdivisions; and 477A.03, subdivision 1; repealing Minnesota Statutes 1994, sections 477A.013, subdivisions 8 and 9; and 477A.03, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Pogemiller introduced--**

**S.F. No. 1393:** A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt and use of the proceeds; providing procedures for use of obligations to satisfy unfunded pension liabilities; authorizing use of capital improvement bonds for indoor ice arenas; exempting issuance of certain debt from election requirements; authorizing home rule charter cities to issue tax anticipation certificates; authorizing operation of certain recreational facilities; providing for the computation of tax increment from certain hazardous substance subdistricts; authorizing continuing disclosure agreements; providing for funding of self-insurance by political subdivisions; providing for the issuance of temporary obligations and modifying issuance procedures; amending Minnesota Statutes 1994, sections 353A.09, subdivision 5; 373.40, subdivision 1; 423A.02, subdivision 1; 447.46; 462C.05, subdivision 1; 469.041; 469.060, subdivision 1; 469.102, subdivision 1; 469.174, subdivision 4, and by adding subdivisions; 469.175, subdivision 1; 469.177, subdivisions 1, 1a, and 2; 471.16, subdivision 1; 471.191, subdivisions 1 and 2; 471.56, by adding a subdivision; 471.98, subdivision 3; 471.981, subdivisions 2, 4a, 4b, and 4c; 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1, and by adding a subdivision; 475.60, by adding a subdivision; 475.61, by adding a subdivision; 475.63; and 475.79; proposing coding for new law in Minnesota Statutes, chapters 373; and 410.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Terwilliger and Morse introduced--**

**S.F. No. 1394:** A bill for an act relating to retirement; teacher retirement plans; adjusting benefit coverage to account for certain extracurricular activity management compensation amounts; requiring rulemaking by the state board of education; amending Minnesota Statutes 1994, sections 354.05, by adding subdivisions; 354.07, by adding a subdivision; 354.44, subdivision 6; 354.46, subdivision 1; 354A.011, by adding subdivisions; 354A.021, by adding a subdivision; and 354A.31, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 121; 125; 354; and 354A.

Referred to the Committee on Governmental Operations and Veterans.



**Messrs. Terwilliger, Merriam, Riveness, Frederickson and Johnson, D.E. introduced--**

**S.F. No. 1395:** A bill for an act relating to state obligations; authorizing listing of state obligations; amending Minnesota Statutes 1994, section 16A.672, by adding a subdivision.

Referred to the Committee on Finance.

**Mr. Knutson, Mrs. Pariseau and Mr. Betzold introduced--**

**S.F. No. 1396:** A bill for an act relating to local government; requiring counties, cities, and towns to codify and print ordinances, resolutions, and rules; requiring the local governmental unit to furnish copies to the county law library; amending Minnesota Statutes 1994, sections 375.52; and 415.021.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Krentz, Wiener, Reichgott Junge and Pappas introduced--**

**S.F. No. 1397:** A bill for an act relating to education; establishing an annual statewide achievement report; establishing average student achievement standards; adjusting school district net tax capacities; reducing school district referendum allowances; providing for school district discretionary revenue; establishing income-based referendum authority; establishing market value referendum levies; modifying provisions for training and experience revenue; modifying learning and development revenue use; modifying staff development and parental involvement revenue; establishing a state education tax base and levy; modifying core instructional aid; defining support services; modifying local revenue; establishing vocational and applied learning programs; establishing an educational performance improvement grant program; providing for a school referendum income tax; providing for reductions in certain aids to local governments; establishing a youth employer grant program; requiring reports; appropriating money; amending Minnesota Statutes 1994, sections 121.11, subdivision 7c, and by adding a subdivision; 124.2131, subdivision 1; 124A.02, subdivision 3a; 124A.03, subdivisions 2, 3b, and by adding subdivisions; 124A.032; 124A.04, subdivision 2; 124A.225, subdivision 4; 124A.29, subdivision 1; 124A.697; 124A.698; 124A.70, subdivisions 2 and 5; 124A.711, subdivisions 1 and 2; 124A.72; 275.08, subdivision 1b; 290A.04, subdivision 2h; 473F.02, subdivision 5; 477A.013, subdivision 1; and 477A.0132, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124A; 124C; 126B; 290; and 473F; repealing Minnesota Statutes 1994, sections 124A.70, subdivision 5; and 124A.71; Laws 1993, chapter 224, article 15, section 3, as amended.

Referred to the Committee on Education.

**Messrs. Morse, Murphy, Bertram and Sams introduced--**

**S.F. No. 1398:** A bill for an act relating to nonpoint source pollution; modifying the agriculture best management practices loan program and the clean water partnership loan program; amending Minnesota Statutes 1994, sections 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; and 103F.725, subdivision 1a.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Morse, Sams, Mses. Runbeck; Johnson, J.B. and Mr. Novak introduced--**

**S.F. No. 1399:** A bill for an act relating to workers' compensation; providing for a pilot project to provide occupational health and safety assistance to small businesses; providing for an evaluation of injury and illness prevention for small businesses; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Krentz, Pappas, Mr. Janezich and Ms. Reichgott Junge introduced--**

**S.F. No. 1400:** A bill for an act relating to education; providing for interagency services for children with disabilities; providing for a report on certain rules of the state board of education and the commissioner of human services; establishing a training program; appropriating money; amending Minnesota Statutes 1994, sections 120.17, by adding a subdivision; 121.8355, subdivision 2; and 124.323, subdivision 2.

Referred to the Committee on Education.

**Mr. Marty introduced--**

**S.F. No. 1401:** A bill for an act relating to the state lottery; prohibiting the lottery from promulgating advertising intended to induce participation in the lottery; prohibiting advertising the lottery as a form of entertainment; reducing the percentage of gross revenues that the lottery may spend on advertising; amending Minnesota Statutes 1994, sections 349A.09, subdivision 2; and 349A.10, subdivision 3.

Referred to the Committee on Gaming Regulation.

**Ms. Anderson, Messrs. Riveness, Terwilliger and Metzen introduced--**

**S.F. No. 1402:** A bill for an act relating to state government; asking state employees to submit suggestions to improve the efficiency and effectiveness of state government.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Chandler, Ms. Pappas and Mr. Kroening introduced--**

**S.F. No. 1403:** A bill for an act relating to taxation; requiring a statement regarding state subsidies to businesses on the notice of proposed property taxes; amending Minnesota Statutes 1994, section 275.065, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Solon, Ms. Anderson and Mr. Price introduced--**

**S.F. No. 1404:** A bill for an act relating to insurance; regulating reinsurance intermediaries; providing for the investment of funds held by reinsurance intermediaries; amending Minnesota Statutes 1994, sections 60A.715; and 60A.73, subdivision 4.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Frederickson, Ms. Anderson and Mr. Dille introduced--**

**S.F. No. 1405:** A bill for an act relating to water law; making miscellaneous technical corrections to water law; delegation of permit authority; minimal impact permits; removal of hazardous dams; amending Minnesota Statutes 1994, sections 103F.215, subdivision 1; 103F.221, subdivision 1; 103G.005, subdivision 14; 103G.105; 103G.111, subdivision 1; 103G.121, subdivision 1; 103G.135; 103G.245, subdivisions 3 and 5; 103G.271, subdivision 2; 103G.275, subdivision 1; 103G.295, subdivision 4; 103G.301, subdivision 2; 103G.315, subdivisions 12 and 15; 103G.511, subdivision 12; 103G.515, by adding a subdivision; and 103G.611, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Terwilliger; Riveness; Johnson, D.E.; Spear and Merriam introduced--**

**S.F. No. 1406:** A bill for an act relating to employment; establishing and modifying certain salary limits; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 15A.083, subdivisions 5, 6a, and 7; and 43A.17, subdivisions 1, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, subdivision 5.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Hottinger introduced--**

**S.F. No. 1407:** A bill for an act relating to cooperatives; permitting certain optional voting systems for cooperatives that have other cooperatives as members; amending Minnesota Statutes 1994, sections 308A.131, subdivision 1; 308A.635, subdivision 1; and 308A.641.

Referred to the Committee on Judiciary.

**Mses. Runbeck, Hanson, Messrs. Langseth and Belanger introduced--**

**S.F. No. 1408:** A bill for an act relating to drivers' licenses; directing commissioner of public safety to adopt rules governing standards and hearing procedures relating to issuance of limited driver's license; amending Minnesota Statutes 1994, section 171.30, subdivision 1, and by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Knutson and Dille introduced--**

**S.F. No. 1409:** A bill for an act relating to adoption; providing for release of birth information to adopted persons; amending Minnesota Statutes 1994, section 259.89, subdivisions 1, 4, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1994, section 259.89, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

**Ms. Anderson, Messrs. Hottinger and Solon introduced--**

**S.F. No. 1410:** A bill for an act relating to commerce; real estate; regulating brokers and salespersons; requiring certain radon testing disclosures in connection with the sale of residential real property; amending Minnesota Statutes 1994, section 82.19, by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Spear introduced--**

**S.F. No. 1411:** A bill for an act relating to taxation; sales and use; exempting certain charitable organizations from a local sales tax; amending Laws 1986, chapter 400, section 44.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Cohen introduced--**

**S.F. No. 1412:** A bill for an act relating to sexual assault; appropriating money to the commissioner of corrections for sexual assault program grants.

Referred to the Committee on Crime Prevention.

**Ms. Wiener introduced--**

**S.F. No. 1413:** A bill for an act relating to international trade and tourism; requiring the office of tourism in the department of trade and economic development to devote 20 percent of its budget to development of international tourism; amending Minnesota Statutes 1994, section 116J.615, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Stevens, Frederickson, Vickerman, Dille and Bertram introduced--**

**S.F. No. 1414:** A bill for an act relating to agriculture; changing provisions governing ethanol payments; appropriating money; amending Minnesota Statutes 1994, sections 41A.09, subdivision 6, and by adding subdivisions; and 296.02, by adding a subdivision; repealing Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; and 296.02, subdivision 7.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Dille, Janezich and Stevens introduced--**

**S.F. No. 1415:** A bill for an act relating to health; modifying requirements for X-ray machines used in the practice of veterinary medicine; amending Minnesota Statutes 1994, section 144.121, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Mr. Kroening, Ms. Pappas, Messrs. Chandler, Cohen and Ms. Flynn introduced--**

**S.F. No. 1416:** A bill for an act relating to taxation; corporate franchise tax; imposing a differential tax rate on banks; amending Minnesota Statutes 1994, sections 290.06, subdivision 1; and 290.62.

Referred to the Committee on Taxes and Tax Laws.

**MOTIONS AND RESOLUTIONS - CONTINUED****SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

**CONSENT CALENDAR**

**S.F. No. 1099:** A bill for an act relating to elections; permitting election judges to serve outside the county where they reside in certain cases; amending Minnesota Statutes 1994, section 204B.19, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Sams
Beckman	Hanson	Kroening	Neuville	Samuelson
Belanger	Hottinger	Laidig	Oliver	Scheevel
Berg	Johnson, D.E.	Langseth	Olson	Solon
Berglin	Johnson, D.J.	Larson	Ourada	Spear
Bertram	Johnson, J.B.	Lesewski	Pappas	Stevens
Betzold	Johnston	Lessard	Pariseau	Stumpf
Chandler	Kelly	Limmer	Piper	Terwilliger
Chmielewski	Kiscaden	Marty	Price	Vickerman
Cohen	Kleis	Merriam	Ranum	Wiener
Finn	Knutson	Moe, R.D.	Robertson	
Flynn	Kramer	Morse	Runbeck	

So the bill passed and its title was agreed to.

**H.F. No. 654:** A bill for an act relating to towns; clarifying authority of town board to alter or vacate town roads dedicated by plat; clarifying procedures; amending Minnesota Statutes 1994, sections 164.06, subdivision 1; and 164.07, 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:

Anderson	Hanson	Kroening	Neuville	Samuelson
Beckman	Hottinger	Laidig	Oliver	Scheevel
Belanger	Janezich	Langseth	Olson	Solon
Berg	Johnson, D.E.	Larson	Ourada	Spear
Berglin	Johnson, D.J.	Lesewski	Pappas	Stevens
Bertram	Johnson, J.B.	Lessard	Pariseau	Stumpf
Betzold	Johnston	Limmer	Piper	Terwilliger
Chandler	Kelly	Marty	Price	Vickerman
Chmielewski	Kiscaden	Merriam	Ranum	Wiener
Cohen	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Robertson	
Flynn	Kramer	Morse	Runbeck	
Frederickson	Krentz	Murphy	Sams	

So the bill passed and its title was agreed to.

**S.F. No. 856:** A bill for an act relating to Dakota county; assigning to the county administrator the duties of the clerk of the county board; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Murphy	Sams
Beckman	Hanson	Kroening	Neuville	Samuelson
Belanger	Hottinger	Laidig	Oliver	Scheevel
Berg	Janezich	Langseth	Olson	Solon
Berglin	Johnson, D.E.	Larson	Ourada	Spear
Bertram	Johnson, D.J.	Lesewski	Pappas	Stevens
Betzold	Johnson, J.B.	Lessard	Pariseau	Stumpf
Chandler	Johnston	Limmer	Piper	Terwilliger
Chmielewski	Kelly	Marty	Price	Vickerman
Cohen	Kiscaden	Merriam	Ranum	Wiener
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Robertson	
Flynn	Kramer	Morse	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 953:** A bill for an act relating to the city of Duluth; modifying the area in which a special service district may be created; amending Laws 1993, chapter 375, article 5, section 40, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Knutson	Metzen	Reichgott Junge
Beckman	Frederickson	Kramer	Moe, R.D.	Robertson
Belanger	Hanson	Krentz	Morse	Sams
Berg	Hottinger	Kroening	Murphy	Samuelson
Berglin	Janezich	Laidig	Neuville	Scheevel
Bertram	Johnson, D.E.	Langseth	Oliver	Solon
Betzold	Johnson, D.J.	Larson	Olson	Spear
Chandler	Johnson, J.B.	Lesewski	Ourada	Stevens
Chmielewski	Johnston	Lessard	Pariseau	Stumpf
Cohen	Kelly	Limmer	Piper	Terwilliger
Dille	Kiscaden	Marty	Price	Vickerman
Finn	Kleis	Merriam	Ranum	Wiener

So the bill passed and its title was agreed to.

**S.F. No. 1176:** A bill for an act relating to utilities; providing that Sleepy Eye need not provide notice to the commissioner of trade and economic development before discontinuing steam heating operations.

Was read the third time 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:

Anderson	Flynn	Knutson	Metzen	Reichgott Junge
Beckman	Frederickson	Kramer	Moe, R.D.	Robertson
Belanger	Hanson	Krentz	Morse	Runbeck
Berg	Hottinger	Kroening	Murphy	Sams
Berglin	Janezich	Laidig	Neuville	Samuelson
Bertram	Johnson, D.E.	Langseth	Oliver	Scheevel
Betzold	Johnson, D.J.	Larson	Olson	Solon
Chandler	Johnson, J.B.	Lesewski	Ourada	Spear
Chmielewski	Johnston	Lessard	Pariseau	Stevens
Cohen	Kelly	Limmer	Piper	Stumpf
Dille	Kiscaden	Marty	Price	Vickerman
Finn	Kleis	Merriam	Ranum	Wiener

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 302 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 302:** A bill for an act relating to employment; increasing the minimum wage; amending Minnesota Statutes 1994, section 177.24, subdivision 1.

Mr. Kelly moved to amend S.F. No. 302 as follows:

Page 2, lines 1, 3, 7, and 9, delete "on or"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 302 as follows:

Page 1, lines 23 to 25, delete the new language and insert ", and at least \$6 an hour beginning October 1, 1995"

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

Page 2, lines 5 to 9, delete the new language and insert ", and at least \$5.75 an hour beginning October 1, 1995"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 45, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Pappas	Samuelson
Berglin	Hanson	Marty	Piper	Spear
Betzold	Johnson, J.B.	Merriam	Pogemiller	
Cohen	Kelly	Novak	Ranum	

Those who voted in the negative were:

Beckman	Johnson, D.E.	Langseth	Neuville	Runbeck
Belanger	Johnson, D.J.	Larson	Oliver	Sams
Bertram	Johnston	Lesewski	Olson	Scheevel
Chandler	Kiscaden	Lessard	Ourada	Solon
Chmielewski	Kleis	Limmer	Pariseau	Stevens
Dille	Knutson	Metzen	Price	Stumpf
Finn	Kramer	Moe, R.D.	Reichgott Junge	Terwilliger
Frederickson	Krentz	Morse	Riveness	Vickerman
Hottinger	Laidig	Murphy	Robertson	Wiener

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

Mr. Sams moved that S.F. No. 302 be laid on the table.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Beckman	Johnson, D.E.	Langseth	Oliver	Scheevel
Belanger	Johnston	Larson	Olson	Stevens
Berg	Kiscaden	Lesewski	Ourada	Stumpf
Bertram	Kleis	Lessard	Pariseau	Terwilliger
Dille	Knutson	Limmer	Robertson	Vickerman
Frederickson	Kramer	Morse	Runbeck	
Hottinger	Laidig	Neuville	Sams	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Pappas	Samuelson
Berglin	Hanson	Marty	Piper	Solon
Betzold	Janezich	Merriam	Pogemiller	Spear
Chandler	Johnson, D.J.	Metzen	Price	Wiener
Chmielewski	Johnson, J.B.	Moe, R.D.	Ranum	
Cohen	Kelly	Murphy	Reichgott Junge	
Finn	Krentz	Novak	Riveness	

The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of 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. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 1097:** A bill for an act relating to transportation; authorizing cities, counties, and transit commissions and authorities outside the metropolitan area to provide certain paratransit outside their service areas; requiring such service to be under contract; amending Minnesota Statutes 1994, section 174.24, by adding a subdivision.

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 371:** A bill for an act relating to transportation; abolishing certain restrictions relating to highway construction; amending Minnesota Statutes 1994, sections 161.1231, subdivision 1; and 473.391; repealing Minnesota Statutes 1994, sections 161.123; and 161.124.

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was re-referred**

**S.F. No. 902:** A bill for an act relating to taxation; providing for property taxation for certain wind energy conversion systems; permitting the recovery through rates of certain payments; amending Minnesota Statutes 1994, sections 216B.16, by adding a subdivision; 272.02, subdivision 1; and 273.37, by adding a subdivision.

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

Page 1, delete lines 12 to 15 and insert "shall permit a public utility that is purchasing electricity produced by a wind energy conversion system installed after June 1, 1995, and before January 1, 1997, to recover in its rates payments made by the public utility to the system owner or developer for property taxes paid on the system."

Page 8, line 9, delete "and any supporting or"

Page 8, line 10, delete "protective structures"

Page 8, line 12, after "energy" insert "and any supporting or protective structures"

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. Novak from the Committee on Jobs, Energy and Community Development, to which was re-referred**

**S.F. No. 637:** A bill for an act relating to taxation; providing for the taxation of wind energy conversion systems; amending Minnesota Statutes 1994, sections 272.02, subdivision 1; and 273.37, by adding a subdivision.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 216B.16, is amended by adding a subdivision to read:

Subd. 6d. [WIND ENERGY; PROPERTY TAX.] The commission shall permit a public utility that is purchasing electricity produced by a wind energy conversion system installed after June 1, 1991, and before January 1, 1995, to recover in its rates payments made by the public utility to the system owner or developer for property taxes paid on the system."

Page 10, line 18, delete "1 and 2" and insert "2 and 3"

Renumber the sections in sequence



Amend the title as follows:

Page 1, line 3, after the semicolon, insert "permitting the recovery through rates of certain payments;"

Page 1, line 4, after "sections" insert "216B.16, by adding a subdivision;"

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 739:** A bill for an act relating to agriculture; changing certain procedures for compensating crop owners for damage by elk; amending Minnesota Statute 1994, section 3.7371, subdivision 3.

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 839:** A bill for an act relating to agriculture; changing certain pesticide dealer requirements; changing expiration of pesticide applicator certifications; requiring consideration of passive bioremediation in certain cases; amending Minnesota Statutes 1994, sections 18B.31; 18B.36, subdivision 2; and 18D.105, subdivision 3a.

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

Page 3, line 25, delete "August" and insert "March"

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 738:** A bill for an act relating to agriculture; providing for uniformity with certain federal food standards; amending Minnesota Statutes 1994, section 31.101, subdivision 9, and by adding subdivisions.

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

Page 1, delete line 23

Page 2, line 5, delete everything after the period

Page 2, delete line 6

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1134:** A bill for an act relating to financial institutions; regulating notices, electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, data classification, the powers and duties of institutions, detached facilities, and interstate banking; making technical changes; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision;

46.041, subdivisions 1, 2, and 4; 46.044, subdivision 1; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.28, subdivision 1; 47.52; 47.54, subdivisions 1 and 2; 47.56; 47.58, subdivision 2; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivision 26; 51A.19, subdivision 9; 51A.50; 51A.58; 52.01; 52.04, subdivision 2a; 52.05, subdivision 2; 52.21; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivision 1, and by adding a subdivision; 56.11; 56.12; 56.125, subdivision 2; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 62B.04, subdivision 1; 300.20, subdivision 1; 325F.91, subdivision 2; and 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; and 51A; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; 51A.385; and 325F.91, 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

### FINANCIAL INSTITUTIONS TECHNICAL CORRECTIONS

Section 1. [45.014] [SEAL OF DEPARTMENT OF COMMERCE.]

The commissioner of commerce shall devise a seal for official use as the seal of the department of commerce. The seal must be capable of being legibly reproduced under photographic methods. A description of the seal, and a copy of it, must be filed in the office of the secretary of state.

Sec. 2. Minnesota Statutes 1994, section 46.04, subdivision 1, is amended to read:

Subdivision 1. The commissioner of commerce, referred to in chapters 46 to 59 59A, and sections 332.12 to 332.29, as the commissioner, is vested with all the powers, authority, and privileges which, prior to the enactment of Laws 1909, chapter 201, were conferred by law upon the public examiner, and shall take over all duties in relation to state banks, savings banks, trust companies, savings associations, and other financial institutions within the state which, prior to the enactment of chapter 201, were imposed upon the public examiner. The commissioner of commerce shall exercise a constant supervision, either personally or through the examiners herein provided for, over the books and affairs of all state banks, savings banks, trust companies, savings associations, credit unions, industrial loan and thrift companies, and other financial institutions doing business within this state; and shall, through examiners, examine each financial institution at least once every 18 calendar months. In satisfying this examination requirement, the commissioner may accept reports of examination prepared by a federal agency having comparable supervisory powers and examination procedures. With the exception of industrial loan and thrift companies which do not have deposit liabilities and licensed regulated lenders, it shall be the principal purpose of these examinations to inspect and verify the assets and liabilities of each and so far investigate the character and value of the assets of each institution as to determine with reasonable certainty that the values are correctly carried on its books. Assets and liabilities shall be verified in accordance with methods of procedure which the commissioner may determine to be adequate to carry out the intentions of this section. It shall be the further purpose of these examinations to assess the adequacy of capital protection and the capacity of the institution to meet usual and reasonably anticipated deposit withdrawals and other cash commitments without resorting to excessive borrowing or sale of assets at a significant loss, and to investigate each institution's compliance with applicable laws and rules. Based on the examination findings, the commissioner shall make a determination as to whether the institution is being operated in a safe and sound manner. None of the above provisions limits the commissioner in making additional examinations as deemed necessary or advisable. The commissioner shall investigate the methods of operation and conduct of these institutions and their systems of accounting, to ascertain whether these methods and systems are in accordance with law and sound banking principles. The commissioner may make requirements as to records as deemed necessary to facilitate the carrying out of the commissioner's duties and to properly protect the public interest. The commissioner may examine,

or cause to be examined by these examiners, on oath, any officer, director, trustee, owner, agent, clerk, customer, or depositor of any financial institution touching the affairs and business thereof, and may issue, or cause to be issued by the examiners, subpoenas, and administer, or cause to be administered by the examiners, oaths. In case of any refusal to obey any subpoena issued under the commissioner's direction, the refusal may at once be reported to the district court of the district in which the bank or other financial institution is located, and this court shall enforce obedience to these subpoenas in the manner provided by law for enforcing obedience to subpoenas of the court. In all matters relating to official duties, the commissioner of commerce has the power possessed by courts of law to issue subpoenas and cause them to be served and enforced, and all officers, directors, trustees, and employees of state banks, savings banks, trust companies, savings associations, and other financial institutions within the state, and all persons having dealings with or knowledge of the affairs or methods of these institutions, shall afford reasonable facilities for these examinations, make returns and reports to the commissioner of commerce as the commissioner may require; attend and answer, under oath, the commissioner's lawful inquiries; produce and exhibit any books, accounts, documents, and property as the commissioner may desire to inspect, and in all things aid the commissioner in the performance of duties.

Sec. 3. Minnesota Statutes 1994, 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 or makes the independent determination that a hearing is warranted on the basis of the conditions in subdivision 3, 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 a qualified newspaper likely to give notice in the municipality 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 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. 4. Minnesota Statutes 1994, section 46.046, subdivision 1, is amended to read:

Subdivision 1. [WORDS, TERMS, AND PHRASES.] Unless the language or context clearly indicates that a different meaning is intended, the word defined in subdivision 2, for the purposes of sections 46.041 to 46.044, shall be given the meaning subjoined to it; and the word defined in subdivision 3, for the purposes of chapters 46 to ~~77~~ 83, shall be given the meaning subjoined to it.

Sec. 5. Minnesota Statutes 1994, section 47.11, is amended to read:

#### 47.11 [SELECTION OF NAME.]

Before execution of the certificate of incorporation of any such corporation or conduct of business under an assumed name, its proposed name or proposed assumed name shall be submitted to the commissioner of commerce, who shall compare it with those of corporations operating in the state, and if it is likely to be mistaken for any of them, or to confuse the public as to the character of its business, or is otherwise objectionable, additional names shall be submitted until a satisfactory one is selected, whereupon the commissioner shall issue a certificate of approval thereof.

Sec. 6. Minnesota Statutes 1994, section 47.28, subdivision 1, is amended to read:

Subdivision 1. Any savings bank organized and existing under and by virtue of the law of this state may amend its articles of incorporation so as to convert itself into a savings, ~~building and loan~~ association, by complying with the following requirements and procedure:

The savings bank by a two-thirds vote of the entire board of trustees, at any regular or special meeting of said board duly called for that purpose, shall (a) pass a resolution declaring their

intention to convert the savings bank into a savings, ~~building and loan~~ association, and (b) cause an application in writing to be executed, by such persons as the trustees may direct, in the form prescribed by the department of commerce, requesting a certificate of authorization (charter) as a savings, ~~building and loan~~ association to transact business at the place and in the name stated in the application. The amendments proposed to the articles of incorporation and bylaws shall be included as part of the application.

The application shall be submitted to, considered and acted upon by the department of commerce in the same manner and by the same standards as applications are submitted, considered and acted upon under ~~section 51.08~~ chapter 51A.

Sec. 7. Minnesota Statutes 1994, section 47.58, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION.] Pursuant to rules which the commissioner of commerce ~~or commissioner of insurance~~ may find to be necessary and proper, if any, and subject to federal laws and regulations, lenders may make investments in reverse mortgage loans and purchases of obligations representing reverse mortgage loans, provided the aggregate total of committed principal of the investment in reverse mortgage loans by any bank, savings bank, or savings and loan association, does not exceed five percent of that lender's total deposits and savings accounts. This limitation shall be determined at each June 30 and December 31 for the following six-month period. Any decline in the total of deposits and savings accounts subsequent to a determination may be disregarded. Security for loans made under this section shall be a first lien on residential property (a) which the borrower occupies as principal residence and which qualifies for homestead classification pursuant to section 273.13, and (b) to which the borrower alone has title.

Sec. 8. Minnesota Statutes 1994, section 47.62, subdivision 3, is amended to read:

Subd. 3. Application for authorization shall be made in the manner prescribed by rule. The commissioner shall grant authorization for the establishment of an electronic financial terminal if the commissioner finds that:

- (a) There is reason to believe that the terminal will be properly and safely managed;
- (b) The applicant is financially sound;
- (c) The proposed charges for making the services of the terminal available to financial institutions are fair, equitable, and nondiscriminatory;
- (d) The applicant has furnished all of the information required by rule;
- (e) The terminal applicant will not gain an unfair competitive advantage because the terminal is not operationally available to other financial institutions or their data processors within a reasonable period of time; ~~and,~~
- ~~(f) The location and placement of the electronic financial terminal is not designed to give or promote an unfair competitive advantage to any financial institution.~~

If the commissioner has not denied the application within 45 days of its submission, the authorization shall be deemed to be granted.

Sec. 9. Minnesota Statutes 1994, section 48.475, subdivision 3, is amended to read:

Subd. 3. [GENERAL REQUIREMENTS.] If the bank at which a trust service office is to be established has exercised trust powers, then the trust company or bank which is establishing the trust service office shall enter into an agreement respecting those fiduciary powers to which the trust company or bank shall succeed and shall file the agreement with the commissioner. The trust company or bank which is establishing a trust service office under subdivision 1 shall publish a notice of the filing in the form prescribed by the commissioner in a newspaper published in the municipality in which the trust service office is to be located, and if there is no such newspaper, ~~then at the county seat of the county in which the trust service office is to be located. The notice shall be published once in a qualified newspaper in the municipality in which the proposed trust service office is to be located, and if there is no such newspaper, then in a qualified newspaper~~ likely to give notice in the municipality in which the proposed trust service office is to be located,

and proof of publication shall be filed with the commissioner immediately after publication of the notice of filing. After filing and publication, the trust company or bank establishing the trust service office shall, as of the date the office first opens for business, and without further authorization of any kind, succeed to and be substituted for the bank at which the trust service office is located as to all fiduciary powers, rights, duties, privileges, and liabilities of the bank in its capacity as fiduciary for all estates, trusts, conservatorships, guardianships, and other fiduciary relationships of which the bank is then serving as fiduciary, except as may be otherwise specified in the agreement between the bank and the trust company or bank which has established the trust service office. The trust company or bank which has established the trust service office shall also be deemed named as fiduciary in all writings, including, but not limited to, wills, trusts, court orders, and similar documents and instruments, naming the bank at which the trust service office is located signed before the date the trust service office first opens for business, unless expressly negated by the writing or otherwise specified in the agreement between the trust company or bank and the bank at which the trust service office is located. On the effective date of the substitution, the bank at which the trust service office has been established shall be released and absolved from all fiduciary duties and obligations under the writings and shall discontinue its exercise of trust powers on all matters not specifically retained by the agreement. This subdivision does not absolve the bank from liabilities arising out of any breach of fiduciary duty or obligation occurring prior to the date the trust service office first opens for business. This subdivision does not affect the authority, duties, or obligations of a bank with respect to relationships which may be established without trust powers, whether the relationships arise before or after the establishment of the trust service office.

Sec. 10. Minnesota Statutes 1994, section 48.61, is amended by adding a subdivision to read:

Subd. 9. [MERGER WITH SUBSIDIARIES; AUTHORITY.] (a) Notwithstanding any other law to the contrary, a bank may merge a subsidiary authorized and established according to this section into itself if it owns 100 percent of the outstanding voting stock.

(b) A merger of a subsidiary authorized by subdivision 1 must conform to the procedures in section 302A.621.

(c) Before filing the articles of merger with the secretary of state, the merger plan must be filed with and approved in writing by the commissioner who shall determine that:

(1) the provisions of section 302A.621 are followed; and

(2) the merger will not have an undue adverse effect on the safety and soundness of the bank.

Sec. 11. Minnesota Statutes 1994, section 48.65, is amended to read:

48.65 [TRUST COMPANIES TO COMPLY WITH CERTAIN LAWS.]

No trust company of this state shall conduct a banking business, as defined in section 47.02, without fully complying with the provisions of section ~~48.22~~ 48.221 relating to the reserve requirements of the state banks.

Sec. 12. Minnesota Statutes 1994, section 48.92, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] When used in sections 48.90 to ~~48.991~~ 48.99, the terms defined in this section have the meanings given them, unless their context requires a different meaning.

Sec. 13. Minnesota Statutes 1994, section 49.01, subdivision 3, is amended to read:

Subd. 3. [INVESTMENT COMPANY.] "Investment company" means any person, copartnership, association, or corporation referred to in sections 54.26 to ~~54.29~~ 54.297.

Sec. 14. Minnesota Statutes 1994, section 51A.58, is amended to read:

51A.58 [INTERSTATE BRANCHING.]

An association, whether or not the subsidiary of a savings and loan holding company, may, by acquisition, merger, purchase and assumption of some or all of the assets and liabilities, or

consolidation, establish or operate branch offices in any reciprocating state, and a savings and loan association chartered in any reciprocating state may establish or operate branch offices in this state by acquisition, merger, purchase, and assumption of some or all of the assets or liabilities or consolidation. A savings and loan holding company with its headquarters in this state may acquire by direct or indirect ownership or control the voting shares of a savings and loan holding company, savings and loan association, or savings bank located in any reciprocating state, and a savings and loan holding company with its headquarters in a reciprocating state, may acquire by direct or indirect ownership or control the voting shares of a savings and loan holding company, a savings and loan association, or savings bank located in this state, and may acquire and merge with a savings and loan holding company with its headquarters in this state. For the purposes of this section, "reciprocating state" is a state that authorizes the establishment of branch offices in that state by an association located in this state, and the acquisition of savings and loan associations and savings banks located in that state by a savings and loan holding company with its headquarters in this state, under conditions no more restrictive than those imposed by the laws of Minnesota as determined by the commissioner of commerce.

The commissioner of commerce shall adopt rules to provide that procedural requirements equivalent to those contained in sections 48.90 to ~~48.99~~ 48.99 apply to reciprocal interstate branching and acquisitions by savings and loan associations.

Sec. 15. Minnesota Statutes 1994, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of section 56.125 must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56, regardless of the amount of the loan. The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. 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.

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of ~~\$7,500~~ \$12,000 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

Sec. 16. Minnesota Statutes 1994, section 53.09, subdivision 1, is amended to read:

Subdivision 1. [FREQUENCY AND EXPENSE.] The commissioner shall make examinations for the purposes set forth in section 46.04, subdivision 1, at least once every 18 calendar months, of each authorized place of business of every industrial loan and thrift company with the right to issue thrift certificates for investment organized or operating under this chapter to satisfy the commissioner that the corporation is in a solvent condition and is complying with the requirements of this chapter and operating according to sound business principles. In order to enforce actions in this connection, the commissioner is hereby vested with the same authority as in the examination and regulation of state banks. The corporation so examined shall pay to the commissioner such fees as may be required under section 46.131. The commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Sec. 17. Minnesota Statutes 1994, 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~~ March 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.

(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. 18. Minnesota Statutes 1994, section 53.09, is amended by adding a subdivision to read:

Subd. 2a. [COMPLIANCE EXAMINATIONS.] For the purpose of discovering violations of this chapter or securing information lawfully required by the commissioner under this chapter, the commissioner may, at any time, either personally or by a person or persons duly designated, investigate the loans and business, and examine the books, accounts, records, and files used in the business, of every licensee and of every person engaged in the business whether or not the person acts or claims to act as principal or agent, or under the authority of this chapter. For the purposes of this subdivision, the commissioner and duly designated representatives have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons. The commissioner and all persons duly designated may require the attendance of and examine, under oath, all persons whose testimony the commissioner may require relative to the loans or business or to the subject matter of an examination, investigation, or hearing.

Each licensee shall pay to the commissioner the amount required under section 46.131, and the commissioner may maintain an action for the recovery of the costs in a court of competent jurisdiction.

Sec. 19. Minnesota Statutes 1994, section 56.11, is amended to read:

#### 56.11 [BOOKS OF ACCOUNT; ANNUAL REPORT.]

The licensee shall keep and use in the licensee's business such books, accounts, and records as will enable the commissioner to determine whether the licensee is complying with the provisions of this chapter and with the rules lawfully made by the commissioner hereunder. Every licensee shall preserve such books, accounts, and records, including cards used in the card system, if any, for at least two years after making the final entry on any loan recorded therein. Accounting systems maintained in whole or in part by mechanical or electronic data processing methods which provide information equivalent to that otherwise required are acceptable for this purpose.

Each licensee shall annually on or before the ~~fifteenth day of March, except in odd-numbered years and then on or before the seventh~~ first day of ~~February~~ March, file a report with the commissioner giving such relevant information as the commissioner reasonably may require concerning the business and operations during the preceding calendar year of each licensed place

of business, conducted by such licensee within the state. Such report shall be made under oath and shall be in the form prescribed by the commissioner, who shall make and publish annually an analysis and recapitulation of such reports.

Sec. 20. Minnesota Statutes 1994, 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~~ \$4,320 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 a prefabricated building; 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~~ \$240.

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. 21. Minnesota Statutes 1994, section 56.125, subdivision 2, is amended to read:

Subd. 2. [REAL ESTATE AS SECURITY.] A licensee may take a lien upon real estate as security for any open-end loan at or after such time as the outstanding balance first exceeds ~~\$2,700~~ \$4,320. A subsequent reduction in the balance below ~~\$2,700~~ \$4,320 has no effect on the lien. A licensee may retain the security interest until it terminates the open-end account. If there is no outstanding balance in the account and there is no commitment by the licensee to a line of credit in excess of ~~\$2,700~~ \$4,320, the licensee shall, within 20 days following written demand by the borrower, deliver to the borrower a release of the mortgage on any real property taken as security for the open-end loan agreement. A real estate mortgage authorized for a financial institution secures all advances and obligations thereunder from the date of recording.

Sec. 22. Minnesota Statutes 1994, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding ~~\$35,000~~ \$56,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$750; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$750; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest 1/100 of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(e) With respect to interest-bearing loans:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or

credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$4 ~~\$5.20~~.

A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred installments, even though a default or deferral charge on an earlier installment has not been paid in full. A default charge may be collected at the time it accrues or at any time thereafter.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

(8) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

Sec. 23. Minnesota Statutes 1994, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) lawful fees and taxes paid to any public officer to record, file, or release security;

(b) with respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250 \$400, whichever is greater:

(1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(2) fees, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees;

(c) the premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a);

(d) discount points and appraisal fees may not be included in the principal amount of a loan secured by an interest in real estate when the loan is a refinancing for the purpose of bringing the refinanced loan current and is made within 24 months of the original date of the refinanced loan. For purposes of this paragraph, a refinancing is not considered to be for the purpose of bringing the refinanced loan current if new funds advanced to the customer, not including closing costs or delinquent installments, exceed \$1,000.

Sec. 24. Minnesota Statutes 1994, 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, 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 domestic product, 1972 1987 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December 1980 1991 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 this act, 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 this act, 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 1994, section 56.131, subdivision 6, is amended to read:

Subd. 6. [DISCOUNT POINTS.] A loan made under this section that is secured by real estate and that is in a principal amount of ~~\$7,500~~ \$12,000 or more and has a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this section. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this section when the prepayment is taken into account.

Sec. 26. Minnesota Statutes 1994, section 56.17, is amended to read:

56.17 [LIMITATION; ASSIGNMENT OF WAGES; SECURITY AGREEMENT.]

No assignment of, or order for payment of, any salary, wages, commissions, or other compensation for services earned or to be earned, given to secure any loan made by any licensee under this chapter, shall be valid unless the principal amount of the loan is ~~\$1,200 or less and is paid to the borrower simultaneously with its execution;~~ nor shall any assignment or order, or any security agreement or other lien on household furniture then in the possession and use of the borrower, be valid unless it is in writing, signed in person by the borrower, ~~nor if the borrower is married, unless it is signed in person by both husband and wife; provided, that written assent of a spouse shall not be required when husband and wife have been living separate and apart for a period of at least five months prior to the making of the assignment, order, security agreement, or lien.~~

Under any assignment or order for the payment of future salary, wages, commissions, or other compensation for services, given as security for a loan made by any licensee under this chapter, a sum not to exceed ten percent of the borrower's salary, wages, commissions, or other compensation for services shall be collectible from the employer of the borrower by the licensee at the time for each payment to the borrower of salary, wages, commissions, or other compensation for services, from the time that a copy of the assignment, verified by the oath of the licensee or the licensee's agent, together with a similarly verified statement of the amount unpaid upon the loan and a printed copy of this section is served upon the employer; provided, that this section shall not be construed as giving the assignee any greater rights than those under section 181.05.

This section shall control, with respect to licensees, notwithstanding anything in section 47.59, subdivision 12, clause (c), to the contrary.

## Sec. 27. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the term "building and loan association" or "savings, building and loan association" or similar term to "savings association" or similar term in Minnesota Statutes and Minnesota Rules.

## Sec. 28. [REPEALER.]

Minnesota Statutes 1994, sections 46.03; 48.611; and 48.97, subdivisions 2, 3, and 4, are repealed.

## Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 16, 18 to 21, and 23 to 26 are effective the day after final enactment.

## ARTICLE 2

## REGULATORY IMPROVEMENT

Section 1. Minnesota Statutes 1994, section 46.04, is amended by adding a subdivision to read:

Subd. 3. [FINANCIAL INSTITUTIONS AND LICENSEE RECORDS.] For purposes of examination and regulation of those entities referred to in subdivisions 1 and 2, records may be maintained on optical image storage systems acceptable to the commissioner. Electronically maintained and stored records must meet the following minimum standards:

(1) a document or record may be transferred to and stored on a nonerasable imaging system and retained only in that format if all documents and records preserved on nonerasable optical imaging systems meet nationally recognized standards for permanent records and are available for retrieval for as long as applicable law requires;

(2) a backup copy of the record is created and stored at a site other than the site where the original is kept. The backup copy must be preserved either: (i) on a nonerasable optical imaging system; or (ii) by another reproduction method approved by the commissioner; and

(3) all contracts for third-party maintenance and storage of those records must include assurance of access by the commissioner consistent with the purposes of this section.

Sec. 2. Minnesota Statutes 1994, section 46.041, subdivision 1, is amended to read:

Subdivision 1. [FILING; FEE; PUBLIC INSPECTION.] The incorporators of a bank proposed to be organized under the laws of this state shall execute and acknowledge a written application in the form prescribed by the commissioner of commerce. The application must be signed by two or more of the incorporators and request a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. The applicant shall file the application with the department with a \$1,000 filing fee and a \$500 investigation fee. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The application file must be public, with the exception of financial data on individuals which is private under the Minnesota government data practices act and data defined as trade secret information under section 13.37, subdivision 1, paragraph (b), which must be given nonpublic classification upon written request by the applicant.

Sec. 3. Minnesota Statutes 1994, section 47.10, subdivision 3, is amended to read:

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or ~~building and loan savings~~ 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 savings~~ association without prior written approval by the commissioner. This includes subsequent amendments and associated leasehold improvements. A lessee's expenditures to maintain the leasehold premises consistent with ordinary business conditions and within the preapproved lease agreement does not constitute an amendment requiring prior written approval.

Sec. 4. Minnesota Statutes 1994, section 47.20, subdivision 5, is amended to read:

Subd. 5. [PREPAYMENT PENALTY.] (a) Unless the mortgagor waives its right to prepay the mortgage without penalty, in a uniform written disclosure waiver approved by the commissioner and signed by the mortgagor, 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. The prepayment penalty shall be the lesser of two percent of the unpaid principal balance or 60 days interest on the unpaid principal balance. A lender that offers a mortgage loan with a prepayment penalty shall also offer a mortgage loan without a prepayment penalty.

This section does not permit the imposition of a prepayment penalty in the event that the property securing the mortgage is sold or the mortgage is prepaid in part. No prepayment penalty may be enforced after 42 months from the date of the mortgage.

(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. 5. Minnesota Statutes 1994, section 47.20, subdivision 10, is amended to read:

Subd. 10. [WAIVER.] Notwithstanding any other law Except as provided in subdivision 5, the provisions of this section may not be waived by any oral or written agreement executed by any person.

Sec. 6. Minnesota Statutes 1994, section 47.52, is amended to read:

#### 47.52 [AUTHORIZATION.]

(a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than five detached facilities provided the facilities are located within the municipality in which the principal office of the applicant bank is located; or within 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or within 100 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within any municipality in which no bank is located at the time of application or if the detached facility is in a municipality having a population of more than 10,000, or if the detached facility is located in a municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer, or for municipalities located in the seven-county metropolitan area from the metropolitan council, and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility.

(b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This paragraph shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

(c) Any bank is allowed, in addition to other facilities, one drive-in or walk-up facility located between 150 to 1,500 feet of the main banking house or within 1,500 feet from a detached facility. The drive-in or walk-up facility permitted by this clause is subject to paragraph (b) and section 47.53.

(d) A bank is allowed, in addition to other facilities, part-time deposit-taking locations at elementary and secondary schools located within the municipality if they are established in connection with student education programs approved by the school administration and consistent with safe, sound banking practices.

Sec. 7. Minnesota Statutes 1994, section 47.56, is amended to read:

47.56 [TRANSFER OF LOCATION.]

The location of a detached facility ~~may be transferred to another location;~~ outside of a radius of three miles measured in a straight line is subject to the same procedures and approval as required hereunder for establishing a new detached facility, except that the relocation of a detached facility within a municipality of 10,000 or less population shall not require consent of other banks required in section 47.52.

Sec. 8. Minnesota Statutes 1994, section 47.61, subdivision 3, is amended to read:

Subd. 3. "Electronic financial terminal" means an electronic information processing device, other than a telephone or an electronic information processing device that is used internally by a financial institution to conduct the business activities of the institution, or an electronic point-of-sale terminal owned or operated by a merchant that is used to process payments for the retail purchase of goods and services by consumers through the use of debit cards, and which payment transactions are subject to the Electronic Fund Transfer Act, United States Code, title 12, section 1693, and Regulation E of the Federal Reserve Board, Code of Federal Regulations, title 12, part 205.2, and, notwithstanding this section, are subject to liability under section 47.69, subdivision 3, that is established to do either or both of the following:

- (a) capture the data necessary to initiate financial transactions; or
- (b) through its attendant support system, store or initiate the transmission of the information necessary to consummate a financial transaction.

Sec. 9. Minnesota Statutes 1994, section 47.62, subdivision 2, is amended to read:

Subd. 2. No electronic financial terminal shall be established by a person other than a state or federal savings and loan association, state or federal savings bank, state or federal credit union, or state bank or national banking association unless the commissioner has approved the establishment of the terminal.

Sec. 10. Minnesota Statutes 1994, section 47.62, is amended by adding a subdivision to read:

Subd. 5. A bank, savings bank, savings association, or credit union organized under the laws of this state may, after completing the notification procedure required by this subdivision, establish and maintain one or more electronic financial terminals. The filing must be on forms provided by the commissioner. No electronic financial terminal may be established according to sections 47.61 to 47.74 if disallowed by order of the commissioner within 15 days of the filing of a complete and acceptable notification of the intent to establish an electronic financial terminal.

Sec. 11. Minnesota Statutes 1994, section 47.62, is amended by adding a subdivision to read:

Subd. 6. An application or notification to relocate an existing financial terminal outside a radius of three miles measured in a straight line must be approved by, or a notification must be filed with, the commissioner of commerce as provided for in this section.

Sec. 12. Minnesota Statutes 1994, section 47.67, is amended to read:

47.67 [ADVERTISING.]

No advertisement by a person which relates to an electronic financial terminal may be

inaccurate or misleading with respect to such a terminal. Except with respect to direct mailings by financial institutions to their customers, the advertising of rate of interest paid on accounts in connection with electronic financial terminals is prohibited. Any advertisement, either on or off the site of an electronic financial terminal, promoting the use or identifying the location of an electronic financial terminal, which identifies any financial institution, group or combination of financial institutions, or third parties as owning or providing for the use of its services is prohibited. The following shall be expressly permitted:

(a) a simple directory listing placed at the site of an electronic financial terminal identifying the particular financial institutions using its services;

(b) the use of a generic name, either on or off the site of an electronic financial terminal, which does not promote or identify any particular financial institution, group or combination of financial institutions, or any third parties;

(c) media advertising or direct mailing of information by a financial institution or retailer identifying locations of electronic financial terminals and promoting their usage; and

(d) any advertising, whether on or off the site, relating to electronic financial terminals, or the services performed at the electronic financial terminals located on the premises of the main office, or any office or detached facility of any financial institution;

(e) a coupon or other promotional advertising that is printed upon the reverse side of the receipt or record of each transaction required under section 47.69, subdivision 6; and

(f) promotional advertising displayed on the electronic screen.

Sec. 13. Minnesota Statutes 1994, section 47.69, subdivision 3, is amended to read:

Subd. 3. Every financial institution using an electronic financial terminal shall maintain reasonable procedures to minimize losses from unauthorized withdrawals from its customers' accounts by use of an electronic financial terminal. After a customer makes a bona fide deposit or payment at an electronic financial terminal and has received a receipt, any loss due to theft or other reason shall not be borne by the customer; provided, loss due to the nonpayment or dishonor of a check, or other order for payment, deposited at an electronic financial terminal shall be governed by the applicable provisions of chapter 336. A financial institution shall be liable for all unauthorized withdrawals unless the unauthorized withdrawal was ~~(1) due to the negligent conduct or the intentional misconduct of the operator of an electronic financial terminal or that operator's agent in which case the operator of an electronic financial terminal or the agent shall be liable, or (2) due to the loss or theft of the customer machine readable card in which case the customer shall be liable, subject to a maximum liability of \$50, for those unauthorized withdrawals made prior to the time the financial institution is notified of the loss or theft. The limitation on liability contained in clause (2) is effective only if the issuer is notified of unauthorized charges contained in a bill within 60 days of receipt of the bill by the person in whose name the card is issued. For purposes of this subdivision, "unauthorized withdrawal" means a withdrawal by a person other than the customer who does not have actual, implied, or apparent authority for such withdrawal, and from which withdrawal the customer or a member of the customer's family or household receives no benefit.~~

Sec. 14. Minnesota Statutes 1994, section 47.69, subdivision 5, is amended to read:

Subd. 5. Any customer of a financial institution may bring a civil action against any person violating any subdivision of this section in the district court in the county of the alleged violator's residence or principal place of business or in the county wherein the alleged violation occurred. Upon adverse adjudication, the defendant shall be liable for actual damages, or \$500, whichever is greater, punitive damages when applicable, together with the court costs and reasonable attorneys' fees incurred by the plaintiff. The court may provide such equitable relief as it deems necessary or proper, including enjoining the defendant from further violations. If the unauthorized withdrawal was due to the negligent conduct or the intentional misconduct of an operator or person establishing and maintaining an electronic financial terminal other than a financial institution or agent of a financial institution, that operator or person establishing and maintaining an electronic financial terminal or its agent is liable and subject to a civil action under this subdivision by the



financial institution considered liable under subdivision 3 and having made reimbursement to the customer.

Sec. 15. Minnesota Statutes 1994, section 48.16, is amended to read:

48.16 [BANKS MAY NOT PLEDGE ASSETS; EXCEPTIONS.]

No bank or trust company shall pledge, hypothecate, assign, transfer, or create a lien upon or charge against any of its assets except as follows:

- (1) to the state;
- (2) to secure public deposits;
- (3) to secure funds of trustees in bankruptcy;
- (4) to secure money borrowed in good faith from other banks, trust companies, or a financial agency created by act of Congress, or the state in programs specifically authorizing state banks to participate as an eligible local lender;
- (5) to finance the acquisition of real estate to be carried as an asset as provided for in section 47.10;
- (6) to secure a liability that arises from a transfer of a direct obligation of, or obligations that are fully guaranteed as to principal and interest by, the United States government or an agency thereof that the bank or trust company is obligated to repurchase.

This section shall not be construed to permit the use of assets as security for public deposits other than the securities made eligible by law for that purpose.

Sec. 16. Minnesota Statutes 1994, section 48.24, subdivision 5, is amended to read:

Subd. 5. Loans or obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that they are secured or covered by guarantees, or by commitments or agreements to take over or to purchase the same, made by:

- (1) the commissioner of agriculture on the purchase of agricultural land;
- (2) any Federal Reserve bank;
- (3) the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States;
- (4) the Minnesota energy and economic development authority; or
- (5) the Minnesota export finance authority; or
- (6) a municipality or political subdivision within Minnesota to the extent that the guarantee or collateral is a valid and enforceable general obligation of that political body.

Sec. 17. Minnesota Statutes 1994, section 48.48, subdivision 1, is amended to read:

Subdivision 1. [SUBMISSION AND PUBLICATION.] At least four times in each year, and at any other time when so requested by the commissioner, every bank or trust company shall, within 30 days of the date of notice, make and transmit to the commissioner or to the commissioner's designee, in a form the commissioner prescribes, a report, ~~verified by its president or vice president and by its cashier or treasurer, and attested by at least two to in the official minutes of its directors, stating in detail, under appropriate heads, as required by the commissioner, its assets and liabilities at the close of business on the day specified in the request. The commissioner may accept a report made to a federal authority having supervision of banks or trust companies in fulfilling this requirement. This statement shall be published once at the expense of the bank or trust company in a qualified newspaper in the municipality or town in which the bank or trust company is located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality or town in which the bank or trust company is located. Proof of~~

~~publication shall be filed with the commissioner immediately after publication of the report, but no later than 60 days following the date of the notice. That portion of the report constituting the statement of assets, liabilities, and capital and statement of income and expenses must be made available to the public within 45 days of the notice at every location of the bank or trust company including detached facilities and trust service offices.~~

Sec. 18. Minnesota Statutes 1994, section 48.48, subdivision 2, is amended to read:

Subd. 2. [PENALTIES FOR LATE SUBMISSION.] For failure to send these reports to the commissioner or to the commissioner's designee in the time specified, a bank or trust company shall forfeit to the state the sum of \$25 for each day of delay and shall pay the accumulated sum to the commissioner upon a formal demand for payment by the commissioner. If it appears that a report was ~~mailed~~ transmitted by a bank or trust company on or before the end of the 30-day period, ~~or proof of publication mailed on or before the end of the 60-day period,~~ the commissioner shall waive any forfeit. In the event it does not appear that a report was timely ~~mailed~~ transmitted, the commissioner may nevertheless waive forfeit upon a showing by the bank or trust company to the satisfaction of the commissioner that failure to send the reports was the result of causes beyond the control of the bank or trust company.

Sec. 19. Minnesota Statutes 1994, section 48.49, is amended to read:

48.49 [BOOKS TO BE KEPT.]

Every such bank shall open and keep such books and accounts as the commissioner may prescribe, for the purpose of keeping accurate and convenient records of its transactions; ~~and every bank refusing or neglecting so to do shall forfeit \$10 for every day of such neglect or refusal.~~

Sec. 20. Minnesota Statutes 1994, section 48.61, subdivision 7, is amended to read:

Subd. 7. [SUBSIDIARIES.] (a) A state bank or trust company may organize, acquire, or invest in a subsidiary located in this state for the purposes of engaging in one or more of the following activities, subject to the prior written approval of the commissioner:

(1) any activity, not including receiving deposits, ~~lending money,~~ or paying checks that a state bank is authorized to engage in under state law or rule or under federal law or regulation unless the activity is prohibited by the laws of this state;

(2) any activity that a bank clerical service corporation is authorized to engage in under section 48.89; and

(3) any other activity authorized for a national bank, a bank holding company, or a subsidiary of a national bank or bank holding company under federal law or regulation of general applicability, and approved by the commissioner by rule.

(b) A bank or trust company subsidiary may engage in an activity under this section only upon application together with a filing fee of \$250 and with the prior written approval of the commissioner. In approving or denying a proposed activity, the commissioner shall consider the financial and management strength of the bank or trust company, the current written operating plan and policies of the proposed subsidiary corporation, the bank or trust company's community reinvestment record, and whether the proposed activity should be conducted through a subsidiary of the bank or trust company.

(c) The aggregate amount of funds invested in either an equity or loan capacity in all of the subsidiaries of the bank or trust company authorized under this subdivision shall not exceed 25 percent of the capital stock and paid in surplus of the bank or trust company.

(d) A subsidiary organized or acquired under this subdivision is subject to the examination and enforcement authority of the commissioner under chapters 45 and 46 to the same extent as a state bank or trust company.

(e) For the purposes of this section, "subsidiary" means a corporation of which more than 50 percent of the voting shares are owned or controlled by the bank or trust company.

## Sec. 21. [52.211] [STUDENT EDUCATION PROGRAMS.]

A credit union is allowed to establish part-time deposit-taking locations at elementary and secondary schools provided that the locations are established in connection with student education programs approved by the school administration and consistent with safe and sound financial institution practices. For purposes of this section, students do not need to be members of the credit union to participate, and the students' parents are not automatically made members by reason of their child's participation.

Sec. 22. Minnesota Statutes 1994, section 53.015, subdivision 4, is amended to read:

Subd. 4. [CAPITAL STOCK.] "Capital stock" means the par value of preferred or common stock multiplied by the respective number of shares of each type of stock. For purposes of section 53.05, clause (7), capital stock may include an amount of mandatory convertible debentures approved by the commissioner. The terms and conditions for redemption of the qualifying debentures must include the prior written approval of the commissioner as a condition for a redemption, but in no event an amount in excess of 50 percent of total preferred or common stock.

Sec. 23. Minnesota Statutes 1994, section 56.14, is amended to read:

## 56.14 [DUTIES OF LICENSEE.]

Every licensee shall:

(1) deliver to the borrower (or if there are two or more borrowers to one of them) at the time any loan is made a statement making the disclosures and furnishing the information required by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1667e, as amended from time to time, with respect to the contract of loan. A copy of the loan contract may be delivered in lieu of a statement if it discloses the required information;

(2) deliver or mail to the borrower without request, a written receipt within 30 days following payment for each payment by coin or currency made on account of any loan wherein charges are computed and paid on unpaid principal balances for the time actually outstanding, specifying the amount applied to charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of the loan; and wherein precomputed charges have been added to the principal of the loan specifying the amount of the payment applied to principal and charges combined, the amount applied to default or extension charges, if any, and stating the unpaid balance, if any, of the precomputed loan contract. A periodic statement showing a payment received by mail complies with this clause;

(3) permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply the payment first to all charges in full at the agreed rate up to the date of the payment;

(4) upon repayment of the loan in full, mark indelibly every obligation and security, other than a mortgage or security agreement which secures a new loan to the licensee, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage or security agreement which no longer secures a loan to the licensee, restore any pledge, and cancel and return any note, and any assignment given to the licensee which does not secure a new loan to the licensee within 20 days after the repayment. For purposes of this requirement, the document including actual evidence of an obligation or security may be maintained, stored, and retrieved in a form or format acceptable to the commissioner under section 46.04, subdivision 3;

(5) display prominently in each licensed place of business a full and accurate schedule, to be approved by the commissioner, of the charges to be made and the method of computing the same; furnish a copy of the contract of loan to any person obligated on it or who may become obligated on it at any time upon the request of that person;

(6) show in the loan contract or statement of loan the rate or rates of charge on which the charge in the contract is based, expressed in terms of rate or rates per annum. The rate expression shall be printed in at least 8-point type on the loan statement or copy of the loan contract given to the borrower;

(7) if a payment results in the prepayment of three or more installment payments on a precomputed loan, at the same time the receipt required by clause (2) is delivered or mailed, deliver or mail to the borrower a notice in at least 8-point type as part of the receipt or together with the receipt. The notice must contain the following statement:

"You have substantially prepaid the installment payments on your loan and may experience an interest savings over the remaining term only if you refinance the balance within the next 30 days."

Sec. 24. Minnesota Statutes 1994, 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, credit accident and health, and credit involuntary unemployment 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, health, and involuntary unemployment 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, credit accident and health insurance, or credit involuntary unemployment 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, except for loans by mail pursuant to section 56.12, 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, accident and health, and involuntary unemployment insurance coverage sold:

**CREDIT LIFE INSURANCE, CREDIT DISABILITY INSURANCE, AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE ARE 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 or involuntary unemployment and shall further disclose the number of days that an insured obligor must be disabled or involuntarily unemployed, 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 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 accident and health or, credit life insurance or credit unemployment benefits may be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly or in the case of credit unemployment benefits on a basis provided for in rules adopted by the commissioner. 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. 25. Minnesota Statutes 1994, section 59A.06, subdivision 2, is amended to read:

Subd. 2. Every licensee shall preserve its records of premium finance transactions for at least

three years after making the final entry in respect to any premium finance agreement. The records may be preserved in photographic form or in a form acceptable to the commissioner under section 46.04, subdivision 3.

Sec. 26. Minnesota Statutes 1994, 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 plus an amount equal to one monthly payment. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance shall not exceed the scheduled indebtedness plus one monthly payment 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 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.

(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.

(4) If the contract of indebtedness provides for a variable rate of finance charge or interest, the initial rate or the scheduled rates based on the initial index shall be used in determining the scheduled amount of indebtedness, and subsequent changes to the rate shall be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.

Sec. 27. Minnesota Statutes 1994, section 62B.08, subdivision 2, is amended to read:

Subd. 2. Each individual policy or group certificate shall provide that in the event of termination of the insurance prior to the scheduled maturity date of the indebtedness, any refund of an amount paid by the debtor for insurance shall be paid or credited promptly to the person entitled thereto; provided, however, ~~that the commissioner shall prescribe a minimum refund and no refund which would be less than such minimum need be made a premium refund or credit need not be made if the amount thereof is less than \$5.~~ The formula to be used in computing the refund shall be filed with and approved by the commissioner.

Sec. 28. Minnesota Statutes 1994, section 80C.01, subdivision 4, is amended to read:

Subd. 4. "Franchise" means (a) a contract or agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons:

(1) by which a franchisee is granted the right to engage in the business of offering or distributing goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics;

(2) in which the franchisor and franchisee have a community of interest in the marketing of goods or services at wholesale, retail, by lease, agreement, or otherwise; and

(3) for which the franchisee pays, directly or indirectly, a franchise fee; or

(b) a contract, lease, or other agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons, whereby the franchisee is granted the right to market motor vehicle fuel; or

(c) the sale or lease of any products, equipment, chattels, supplies, or services to the purchaser, other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person, for the purpose of enabling the purchaser to start a business and in which the seller:

(1) represents that the seller, lessor, or an affiliate thereof will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or similar devices, or currency operated amusement machines or devices, on premises neither owned or leased by the purchaser or seller; or

(2) represents that the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser using, in whole or in part, the supplies, services, or chattels sold to the purchaser; or

(3) guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller; or

(d) an oral or written contract or agreement, either expressed or implied, for a definite or indefinite period, between two or more persons, under which a manufacturer, selling security systems through dealers or distributors in this state, requires regular payments from the distributor or dealer as royalties or residuals for products purchased and paid for by the dealer or distributor.

(e) "Franchise" does not include any business which is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions.

(f) "Franchise" does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in paragraph (b).

(g) "Franchise" does not include a contract, lease or other agreement between a new motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the franchisee is granted the right to market automobiles, motorcycles, trucks, truck tractors, or self-propelled motor homes or campers if the foregoing are designed primarily for the transportation of persons or property on public highways.

(h) "Franchise" does not include a contract, lease, or other agreement or arrangement between two or more air carriers, or between one or more air carriers and one or more foreign air carriers. The terms "air carrier" and "foreign air carrier" shall have the meanings assigned to them by the federal Aviation Act, United States Code Appendix, title 49, sections 1301(3) and 1301(22), respectively.

Sec. 29. Minnesota Statutes 1994, section 300.20, subdivision 1, is amended to read:

Subdivision 1. [ELECTION.] The business of savings banks must be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, must file a written acceptance of the trust. The business of other corporations must be managed by a board of at least ~~three~~ five directors, unless a greater number is otherwise required by law, elected by ballot by the stockholders or members. A board of directors of a financial institution referred to in section 47.12 which has less than five members on August 1, 1995, is not subject to this requirement but may be increased to not more than five members by order of the commissioner of commerce.

Sec. 30. Minnesota Statutes 1994, section 327B.04, subdivision 1, is amended to read:

Subdivision 1. [LICENSE AND BOND REQUIRED.] No person shall act as a dealer in manufactured homes, new or used, without a license and a surety bond as provided in this section. No person shall manufacture manufactured homes without a license and a surety bond as provided in this section. The licensing and bonding requirements of this section do not apply to any bank, savings bank, savings ~~and loan~~ association, or credit union, chartered by either this state or the federal government, which acts as a dealer only by repossessing manufactured homes and then offering the homes for resale ~~through the brokering services of a licensed dealer or real estate broker or salesperson.~~

Sec. 31. Minnesota Statutes 1994, section 327B.09, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person shall engage in the business, either

exclusively or in addition to any other occupation of manufacturing, selling, offering to sell, soliciting or advertising the sale of manufactured homes, or act as a broker without being licensed as a manufacturer or a dealer as provided in section 327B.04. Any person who manufactures, sells, offers to sell, solicits or advertises the sale of manufactured homes, or acts as a broker in violation of this subdivision shall nevertheless be subject to the duties, prohibitions and penalties imposed by sections 327B.01 to 327B.12. This subdivision chapter does not prohibit either an individual from reselling, without a license, a manufactured home which is or has been the individual's residence or any bank, savings bank, savings association, or credit union, chartered by either this state or the federal government, from reselling, without a license, a repossessed manufactured home.

Sec. 32. Minnesota Statutes 1994, section 332.23, subdivision 1, is amended to read:

Subdivision 1. [ORIGINATION FEE, CREDIT BACKGROUND REPORT COST.] The licensee may charge an origination fee of not more than \$25 and collect the actual cost of a credit background report from a credit reporting agency not related to or affiliated with the licensee. The costs to the debtor of said origination fee and credit background report may be made from the originating amount paid by the debtor to the licensee. The cost of only one credit background report may be collected from the debtor in any 12-month period.

Sec. 33. Minnesota Statutes 1994, section 332.23, subdivision 2, is amended to read:

Subd. 2. [WITHDRAWAL OF FEE.] The licensee may withdraw and retain as partial payment of the licensee's total fee not more than 15 percent of any sum deposited with the licensee by the debtor for distribution. The remaining 85 percent must be disbursed to listed creditors pursuant to and in accordance with the contract between the debtor and the licensee within 35 days after receipt. Total payment to licensee for services rendered, excluding the origination fee and any credit background report, shall not exceed 15 percent of funds deposited with licensee by debtor for distribution.

Sec. 34. [EFFECTIVE DATE.]

Sections 1 to 3, 6 to 16, 18 to 22, and 24 to 33 are effective the day after final enactment. Sections 4 and 5 are effective for loans made, refinanced, renewed, extended, or modified on or after September 1, 1995. Section 17 is effective in regard to reports filed for close of business beginning June 30, 1995. Section 23 is effective June 1, 1995.

### ARTICLE 3

#### INTEREST RATE SIMPLIFICATION AND SMALL DOLLAR CREDIT AVAILABILITY

Section 1. [47.59] [FINANCIAL INSTITUTION CREDIT EXTENSION MAXIMUM RATES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions shall apply.

(a) "Actuarial method" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, and appendix J thereto.

(b) "Annual percentage rate" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, but using the definition of "finance charge" used in this section.

(c) "Borrower" means a debtor under a loan or a purchaser or debtor under a credit sale contract.

(d) "Business purpose" means a purpose other than personal, family, household, or agricultural purpose.

(e) "Cardholder" means a person to whom a credit card is issued or who has agreed with the financial institution to pay obligations arising from the issuance to or use of the card by another person.

(f) "Consumer loan" means a loan made by a financial institution in which:

- (1) the debtor is a person other than an organization;
- (2) the debt is incurred primarily for a personal, family, or household purpose; and
- (3) the debt is payable in installments or a finance charge is made.

(g) "Credit" means the right granted by a financial institution to a borrower to defer payment of a debt, to incur debt and defer its payment, or to purchase property or services and defer payment.

(h) "Credit card" means a card or device issued under an arrangement pursuant to which a financial institution gives to a cardholder the privilege of obtaining credit from the financial institution or other person in purchasing or leasing property or services, obtaining loans, or otherwise. A transaction is "pursuant to a credit card" only if credit is obtained according to the terms of the arrangement by transmitting mechanical or electronic methods, or in any other manner. A transaction is not "pursuant to a credit card" if the card or device is used solely in that transaction to:

(1) identify the cardholder or evidence the cardholder's creditworthiness and credit is not obtained according to the terms of the arrangement;

(2) obtain a guarantee of payment from the cardholder's deposit account, whether or not the payment results in a credit extension to the cardholder by the financial institution; or

(3) effect an immediate transfer of funds from the cardholder's deposit account by electronic or other means, whether or not the transfer results in a credit extension to the cardholder by the financial institution.

(i) "Credit sale contract" means a contract evidencing a credit sale. "Credit sale" means a sale of goods or services, or an interest in land, in which:

(1) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind; and

(2) the debt is payable in installments or a finance charge is made.

(j) "Finance charge" has the meaning set forth in this section.

(k) "Financial institution" means state and federally chartered banks, state and federally chartered banks and trusts, trust companies with banking powers, state and federally chartered savings banks, state and federally chartered savings associations, industrial loan and thrift companies, and regulated lenders.

(l) "Loan" means:

(1) the creation of debt by the financial institution's payment of money to the borrower or a third person for the account of the borrower;

(2) the creation of debt pursuant to a credit card in any manner, including a cash advance or the financial institution's honoring a draft or similar order for the payment of money drawn or accepted by the borrower, paying or agreeing to pay the borrower's obligation, or purchasing or otherwise acquiring the borrower's obligation from the obligee or the borrower's assignee;

(3) the creation of debt by a cash advance to a borrower pursuant to an overdraft line of credit arrangement;

(4) the creation of debt by a credit to an account with the financial institution upon which the borrower is entitled to draw immediately;

(5) the forbearance of debt arising from a loan; and

(6) the creation of debt pursuant to open-end credit.

"Loan" does not include the forbearance of debt arising from a sale or lease, a credit sale



contract, or an overdraft from a person's deposit account with a financial institution which is not pursuant to a written agreement to pay overdrafts with the right to defer repayment thereof.

(m) "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage relating to a loan or credit sale, and any separate fees or charges which actually are or will be paid to public officials for recording a notice described in section 580.032, subdivision 1; and

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by a financial institution in connection with a loan or credit sale, if the premium does not exceed the fees and charges described in clause (1), which would otherwise be payable.

(n) "Organization" means a corporation, government, or government subdivision or agency, trust, estate, partnership, joint venture, cooperative, limited liability company, limited liability partnership, or association.

(o) "Person" means a natural person or an organization.

(p) "Principal" means the total of:

(1) the amount paid to, received by or paid or repayable for the account of the borrower; and

(2) to the extent that payment is deferred:

(i) the amount actually paid or to be paid by the financial institution for additional charges permitted under this section; and

(ii) prepaid finance charges.

Subd. 2. [APPLICATION.] This section does not apply to loans and other direct advances of credit made by financial institutions as lender or creditor under sections 47.20, 47.21, 47.201, 47.204, 47.58, 47.60, 48.185, 48.195, 59A.01, 334.01, 334.011, 334.012, 334.06, and 334.061 to 334.19.

Subd. 3. [FINANCE CHARGE FOR LOANS.] (a) With respect to a loan, including a loan pursuant to open-end credit but excluding open-end credit pursuant to a credit card, a financial institution may contract for and receive a finance charge on the unpaid balance of the principal amount not to exceed the greater of:

(1) an annual percentage rate not exceeding 21.75 percent; or

(2) the total of:

(i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$750; and

(ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$750.

With respect to open-end credit pursuant to a credit card, the financial institution may contract for and receive a finance charge on the unpaid balance of the principal amount at an annual percentage rate not exceeding 18 percent per year.

(b) On a loan where the finance charge is calculated according to the method provided for in paragraph (a), clause (2), the finance charge must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest .001 of one percent that would earn the same total finance charge at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (2), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) With respect to a loan, the finance charge must be considered not to exceed the maximum

annual percentage rate permitted under this section if the finance charge contracted for and received does not exceed the equivalent of the maximum annual percentage rate calculated in accordance with Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under subdivision 6 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge made for an extension or deferment under subdivision 5, unless the parties agree that these charges are finance charges;

(2) an additional charge under subdivision 6; or

(3) a discount, if a financial institution purchases a loan at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

(d) This subdivision does not limit or restrict the manner of calculating the finance charge, whether by way of add-on, discount, discount points, precomputed charges, single annual percentage rate, variable rate, interest in advance, compounding, average daily balance method, or otherwise, if the annual percentage rate does not exceed that permitted by this section.

(e) With respect to a loan secured by real estate, if a finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the financial institution shall credit the borrower with a refund of the charge to the extent that the annual percentage rate yield on the loan would exceed the maximum rate permitted under paragraph (a), taking into account the prepayment.

(f) With respect to all other loans, if the finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the financial institution shall credit the borrower with a refund of the charge to the extent the annual percentage rate yield on the loan would exceed the annual percentage rate on the loan as originally determined under paragraph (a) and taking into account the prepayment.

(g) For the purpose of calculating the refund under this subdivision, the financial institution may assume that the contract was paid before the date of prepayment according to the schedule of payments under the loan and that all payments were paid on their due dates.

(h) For loans repayable in substantially equal successive monthly installments, the financial institution may calculate the refund under paragraph (f) of this subdivision as the portion of the finance charge allocable on an actuarial basis to all wholly unexpired payment periods following the date of prepayment, based on the annual percentage rate on the loan as originally determined under paragraph (a), and for the purpose of calculating the refund may assume that all payments are made on the due date.

(i) The dollar amounts in this subdivision and subdivision 6, clause (4), shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross domestic product, 1987 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December 1991 is the reference base index for adjustments of dollar amounts.

(j) 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 this act, 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 this act, as a result of earlier application of this section.

(k) 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.

(l) 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 (j); and

(2) promptly after the changes occur, changes in the index required by paragraph (k) 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.

(m) 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 (j), clause (2), or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(n) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Subd. 4. [FINANCE CHARGE FOR CREDIT SALES MADE BY A THIRD PARTY.] (a) A person may enter into a credit sale contract for sale to a financial institution and a financial institution may purchase and enforce the contract, if the annual percentage rate provided for in the contract does not exceed that permitted in this section, or, in the case of contracts governed by sections 168.66 to 168.77, the rates permitted by those sections.

(b) The annual percentage rate may not exceed the equivalent of the greater of either of the following:

(1) the total of:

(i) 36 percent per year on that part of the unpaid balances of the amount financed that is \$300 or less;

(ii) 21 percent per year on that part of the unpaid balances of the amount financed which exceeds \$300 but does not exceed \$1,000; and

(iii) 15 percent per year on that part of the unpaid balances of the amount financed which exceeds \$1,000; or

(2) 19 percent per year on the unpaid balances of the amount financed.

(c) This subdivision does not limit or restrict the manner of calculating the finance charge whether by way of add-on, discount, discount points, single annual percentage rate, precomputed charges, variable rate, interest in advance, compounding, or otherwise, if the annual percentage rate calculated under paragraph (d) does not exceed that permitted by this section. The finance charge may be contracted for and earned at the single annual percentage rate that would earn the same finance charge as the graduated rates when the debt is paid according to the agreed terms and the finance charge is calculated under paragraph (d). If the finance charge is calculated and collected in advance, or included in the principal amount of the contract, and the borrower prepays the contract in full, the financial institution shall credit the borrower with a refund of the charge to the extent the annual percentage rate yield on the contract would exceed the annual percentage rate on the contract as originally determined under paragraph (d) and taking into account the prepayment. For the purpose of calculating the refund under this subdivision, the financial institution may assume that the contract was paid before the date of prepayment according to the schedule of payments under the contract and that all payments were paid on their due dates. For contracts repayable in substantially equal successive monthly installments, the financial institution may calculate the refund as the portion of the finance charge allocable on an actuarial basis to all wholly unexpired payment periods following the date of prepayment, based on the annual percentage rate on the contract as originally determined under paragraph (d), and for the purpose of calculating the refund may assume that all payments are made on the due date.

(d) The annual percentage rate must be calculated in accordance with Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of delinquency or default under subdivision 6 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge made for an extension or deferment under subdivision 5, unless the parties agree that these charges are finance charges;

(2) an additional charge under subdivision 6; or

(3) a discount, if a financial institution purchases a contract evidencing a credit sale at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder according to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

Subd. 5. [EXTENSIONS AND DEFERMENTS.] The parties may agree in writing, either in the loan contract or credit sale contract or in a subsequent agreement, to a deferment of wholly unpaid installments. For precomputed loans and credit sale contracts, the manner of deferment charge shall be determined as provided for in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. If a loan or credit sale is prepaid in full during a deferment period, the financial institution shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan or credit sale in full.

For the purpose of this subdivision, "applicable charge" means the amount of finance charge attributable to each monthly installment period for the loan or credit sale contract. The applicable charge is computed as if each installment period were one month and any charge for extending the first installment period beyond the one month, or reduction in charge for a first installment less than one month, is ignored. The applicable charge for any installment period is that which would have been made for the period had the loan been made on an interest-bearing basis at the single annual percentage rate provided for in the contract based upon the assumption that all payments were made according to schedule. For convenience in computation, the financial institution may round the single annual rate to the nearest one quarter of one percent.

Subd. 6. [ADDITIONAL CHARGES.] (a) In addition to the finance charges permitted by this section, a financial institution may contract for and receive the following additional charges that may be included in the amount financed:

(1) official fees and taxes;

(2) charges for insurance as described in paragraph (b);

(3) with respect to a loan or credit sale contract secured by real estate, the following "closing costs," if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section:

(i) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(ii) fees for preparation of a deed, mortgage, settlement statement, or other documents, if not paid to the financial institution;

(iii) escrows for future payments of taxes, including assessments for improvements, insurance, and water, sewer, and land rents;

(iv) fees for notarizing deeds and other documents; and

(v) appraisal and credit report fees;

(4) a delinquency charge on a payment, including the minimum payment due in connection with the open-end credit, not paid in full on or before the tenth day after its due date in an amount not to exceed five percent of the amount of the payment or \$5.20, whichever is greater;

(5) for a returned check or returned automatic payment withdrawal request, an amount not in excess of the service charge limitation in section 332.50; and

(6) charges for other benefits, including insurance, conferred on the borrower that are of a type that is not for credit.

(b) An additional charge may be made for insurance written in connection with the loan or credit sale contract, which may be included in the amount financed:

(1) with respect to insurance against loss of or damage to property, or against liability arising out of the ownership or use of property, if the financial institution furnishes a clear, conspicuous, and specific statement in writing to the borrower setting forth the cost of the insurance if obtained from or through the financial institution and stating that the borrower may choose the person through whom the insurance is to be obtained;

(2) with respect to credit insurance providing life, accident, health, or unemployment coverage, if the insurance coverage is not required by the financial institution, and this fact is clearly and conspicuously disclosed in writing to the borrower, and the borrower gives specific, dated, and separately signed affirmative written indication of the borrower's desire to do so after written disclosure to the borrower of the cost of the insurance; and

(3) with respect to the vendor's single interest insurance, but only (i) to the extent that the insurer has no right of subrogation against the borrower; and (ii) to the extent that the insurance does not duplicate the coverage of other insurance under which loss is payable to the financial institution as its interest may appear, against loss of or damage to property for which a separate charge is made to the borrower according to clause (1); and (iii) if a clear, conspicuous, and specific statement in writing is furnished by the financial institution to the borrower setting forth the cost of the insurance if obtained from or through the financial institution and stating that the borrower may choose the person through whom the insurance is to be obtained.

(c) In addition to the finance charges and other additional charges permitted by this section, a financial institution may contract for and receive the following additional charges in connection with open-end credit, which may be included in the amount financed or balance upon which the finance charge is computed:

(1) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of opening and maintaining open-end credit;

(2) charges for the use of an automated teller machine;

(3) charges for any monthly or other periodic payment period in which the borrower has exceeded or, except for the financial institution's dishonor would have exceeded, the maximum approved credit limit, in an amount not in excess of the service charge permitted in section 332.50;

(4) charges for obtaining a cash advance in an amount not to exceed the service charge permitted in section 332.50; and

(5) charges for check and draft copies and for the replacement of lost or stolen credit cards.

Subd. 7. [ADVANCES TO PERFORM COVENANTS OF BORROWER OR PURCHASER.]

(a) If the agreement with respect to a loan or credit sale contract contains covenants by the borrower or purchaser to perform certain duties pertaining to insuring or preserving collateral and the financial institution according to the agreement pays for performance of the duties on behalf of the borrower or purchaser, the financial institution may add to the debt or contract balance the amounts so advanced. Before or within a reasonable time not less than 30 days after advancing any sums, the financial institution shall state to the borrower or purchaser in writing the amount of sums advanced or to be advanced, any charges with respect to this amount, and any revised

payment schedule and, if the duties of the borrower or purchaser performed by the financial institution pertain to insurance, a brief description of the insurance paid for or to be paid for by the financial institution including the type and amount of coverages. Additional information need not be given. The actions of the financial institution pursuant to this subdivision shall not be deemed to cure the borrower's failure to perform covenants in the loan or credit sale contract, unless the loan or credit sale contract expressly provides otherwise.

(b) A finance charge equal to that specified in the loan agreement or credit sale contract may be made for sums advanced under paragraph (a).

Subd. 8. [ATTORNEY FEES.] With respect to a loan or credit sale, the agreement may provide for payment by the borrower of the attorney fees and court costs incurred in connection with collection or foreclosure. This subdivision is not a limitation on attorney fees that may be charged to an organization.

Subd. 9. [RIGHT TO PREPAY.] The borrower or purchaser may prepay in full the unpaid balance of a consumer loan or credit sale contract, at any time without penalty.

Subd. 10. [CREDIT INSURANCE.] (a) The sale of credit insurance is subject to chapter 62B and the rules adopted under that chapter, but the term of the insurance may exceed 60 months if the loan or credit sale contract exceeds 60 months and the insurance will nevertheless be subject to chapter 62B and the rules adopted under that chapter. In case there are multiple consumers obligated under a transaction subject to this chapter, no policy or certificate or insurance providing credit life insurance may be procured by or through a financial institution or person described in subdivision 2 upon more than two of the consumers, in which case they may be insured jointly.

(b) A financial institution that provides credit insurance in relation to open-end credit may calculate the charge to the borrower in each billing cycle by applying the current premium rate to the balance in the manner permitted with respect to finance charges by the provisions on finance charge in this section.

(c) Upon prepayment in full of a consumer loan or credit sale contract by the proceeds of credit insurance, the consumer or the consumer's estate is entitled to a refund of any portion of a separate charge for insurance that by reason of prepayment is retained by the financial institution or returned to it by the insurer, unless the charge was computed from time to time on the basis of the balances of the consumer's loan or credit sale contract.

(d) This section does not require a financial institution to grant a refund to the consumer if all refunds due to the consumer under paragraph (c) amount to less than \$5 and, except as provided in paragraph (c), does not require the financial institution to account to the consumer for any portion of a separate charge for insurance because:

(1) the insurance is terminated by performance of the insurer's obligation;

(2) the financial institution pays or accounts for premiums to the insurer in amounts and at times determined by the agreement between them; or

(3) the financial institution receives directly or indirectly under a policy of insurance a gain or advantage not prohibited by law.

(e) Except as provided in paragraph (d), the financial institution shall promptly make or cause to be made an appropriate refund to the consumer with respect to a separate charge made to the consumer for insurance if:

(1) the insurance is not provided or is provided for a shorter term than for which the charge to the borrower for insurance was computed; or

(2) the insurance terminates before the end of the term for which it was written because of prepayment in full or otherwise.

(f) If a financial institution requires insurance, upon notice to the borrower, the borrower has the option of providing the required insurance through an existing policy of insurance owned or controlled by the borrower, or through a policy to be obtained and paid for by the borrower, but the financial institution for reasonable cause may decline the insurance provided by the borrower.

Subd. 11. [PROPERTY AND LIABILITY INSURANCE.] (a) Except as otherwise provided in this section and subject to the provisions on additional charges and maximum finance charges in this section, a financial institution may agree to sell, as an agent, property and liability insurance, and may contract for and receive a charge for this insurance separate from and in addition to other charges. A financial institution need not make a separate charge for the insurance provided or required by it. This section does not authorize the issuance of the insurance prohibited under any statute or rule governing the business of insurance nor does it authorize a financial institution to underwrite insurance.

(b) This section does not apply to an insurance premium loan. A financial institution may request cancellation of a policy of property or liability insurance only after the borrower's default or in accordance with a written authorization by the borrower. In either case, the cancellation does not take effect until written notice is delivered to the borrower or mailed to the borrower at the borrower's address as stated by the borrower. The notice must state that the policy may be canceled on a date not less than ten days after the notice is delivered, or, if the notice is mailed, not less than 13 days after it is mailed. A cancellation may not take effect until those notice periods expire.

Subd. 12. [CONSUMER PROTECTIONS.] (a) Financial institutions shall comply with the requirements of the federal Truth in Lending Act, United States Code, title 15, sections 1601 to 1693, in connection with a consumer loan or credit sale for a consumer purpose where the federal Truth in Lending Act is applicable.

(b) Financial institutions shall comply with the following consumer protection provisions in connection with a consumer loan or credit sale for a consumer purpose: sections 325G.02 to 325G.05; 325G.06 to 325G.11; 325G.15 to 325G.22; and 325G.29 to 325G.36, and Code of Federal Regulations, title 12, part 535, where those statutes or regulations are applicable.

(c) An assignment of a consumer's earnings by the consumer to a financial institution as payment or as security for payment of a debt arising out of a consumer loan or consumer credit sale is unenforceable by the financial institution and revocable by the consumer.

Subd. 13. [LOANS AND CONTRACTS OTHER THAN CONSUMER LOANS AND CONTRACTS.] Loans and credit sale contracts other than consumer loans and consumer credit sale contracts are not subject to the provisions and limitations of subdivisions 9, 10, 11, paragraph (b), and 12, and this section.

Subd. 14. [EFFECT OF VIOLATIONS ON RIGHTS OF PARTIES.] (a) If a financial institution has violated any provision of this section applying to collection of finance or other charges, the borrower or purchaser under a credit sale contract may recover damages and a penalty from the financial institution in an amount determined by the court but not less than \$100 nor more than \$1,000. With respect to violations arising from other than open-end credit transactions, no action may be brought according to this paragraph and no set-off or recoupment may be asserted according to this paragraph more than one year after the making of the debt.

(b) A borrower or purchaser under a credit sale contract is not obligated to pay a charge in excess of that allowed by this section and has a right of refund of any excess charge paid. A refund may not be made by reducing the borrower's or purchaser's obligation by the amount of the excess charge, unless the financial institution has notified the borrower or purchaser that the borrower or purchaser may request a refund and the borrower or purchaser has not so requested within 30 days thereafter. If the borrower or purchaser has paid an amount in excess of the lawful obligation under the agreement, the borrower or purchaser may recover the excess amount from the financial institution who made the excess charge or from an assignee of the financial institution's rights who undertakes direct collection of payments from or enforcement of rights against borrowers or purchasers arising from the debt.

(c) If a financial institution has contracted for or received a charge in excess of that allowed by this section, or if a borrower or purchaser under a credit sale contract is entitled to a refund and a person liable to the borrower or purchaser refuses to make a refund within a reasonable time after demand, the borrower or purchaser may recover from the financial institution or the person liable in an action other than a class action a penalty in an amount determined by the court but not less than \$100 nor more than \$1,000. With respect to excess charges arising from other than open-end

credit transactions, no action according to this paragraph may be brought more than one year after the making of the debt. For purposes of this paragraph, a reasonable time is presumed to be 30 days.

(d) A violation of this section does not impair rights on a debt.

(e) A financial institution is not liable for a penalty under paragraph (a) or (c) if it notifies the borrower or purchaser under a credit sale contract of a violation before the financial institution receives from the borrower or purchaser written notice of the violation or the borrower or purchaser has brought an action under this section, and the financial institution corrects the violation within 45 days after notifying the borrower or purchaser. If the violation consists of a prohibited agreement, giving the borrower or purchaser a corrected copy of the writing containing the violation is sufficient notification and correction. If the violation consists of an excess charge, correction must be made by an adjustment or refund.

(f) A financial institution may not be held liable in an action brought under this section for a violation of this section if the financial institution shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error.

(g) In an action in which it is found that a financial institution has violated this section, the court shall award to the borrower or the purchaser under a credit sale contract the costs of the action and to the borrower's or purchaser's attorneys their reasonable fees.

## Sec. 2. [47.60] [CONSUMER SMALL LOANS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined have the meanings given them:

(a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower for the borrower's own personal, family, or household purpose. A consumer small loan is a short-term, unsecured loan to be repaid in a single installment. The cash advance of a consumer small loan is equal to or less than \$350.

A consumer small loan includes an indebtedness evidenced by but not limited to a promissory note or agreement to defer the presentation of a personal check for a fee.

(b) "Consumer small loan lender" is a financial institution as defined in section 47.59 or a person registered with the commissioner and engaged in the business of making consumer small loans.

Subd. 2. [AUTHORIZATION, TERMS, CONDITIONS, AND PROHIBITIONS.] (a) In lieu of the interest, finance charges, or fees in any other law, a consumer small loan lender may charge the following:

(i) on any amount up to and including \$50, a charge of \$5.50 may be added;

(ii) on amounts in excess of \$50, but not more than \$100, a charge may be added equal to ten percent of the loan proceeds plus a \$5 administrative fee;

(iii) on amounts in excess of \$100, but not more than \$250, a charge may be added equal to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;

(iv) for amounts in excess of \$250 and not greater than the maximum in subdivision 1, paragraph (a), a charge may be added equal to six percent of the loan proceeds with a minimum of \$17.50 plus a \$5 administrative fee.

(b) The term of a loan made under this section shall be 30 days.

(c) After maturity, the contract rate must not exceed 2.75 percent per month of the remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly rate in the contract for each calendar day the balance is outstanding.

(d) No insurance charges or other charges must be permitted to be charged, collected, or imposed on a consumer small loan except as authorized in this section.



(e) On a loan transaction in which cash is advanced in exchange for a personal check, a return check charge may be charged as authorized by section 332.50, subdivision 2, paragraph (d).

(f) A loan made under this section must not be repaid by the proceeds of another loan made under this section by the same lender or related interest. The proceeds from a loan made under this section must not be applied to another loan from the same lender or related interest. No loan to a single borrower made pursuant to this section shall be split or divided and no single borrower shall have outstanding more than one loan with the result of collecting a higher charge than permitted by this section or in an aggregate amount of principal exceed at any one time the maximum of \$350.

Subd. 3. [FILING.] Before a person other than a financial institution as defined by section 47.59 engages in the business of making consumer small loans, the person shall file with the commissioner as a consumer small loan lender. The filing must be on a form prescribed by the commissioner together with a fee of \$150 for each place of business and contain the following information in addition to the information required by the commissioner:

(1) evidence that the filer has available for the operation of the business at the location specified, liquid assets of at least \$50,000; and

(2) a biographical statement on the principal person responsible for the operation and management of the business to be certified.

Revocation of the filing and the right to engage in the business of a consumer small loan lender is the same as in the case of a regulated lender license in section 56.09.

Subd. 4. [BOOKS OF ACCOUNT; ANNUAL REPORT; SCHEDULE OF CHARGES; DISCLOSURES.] (a) A lender filing under subdivision 3 shall keep and use in the business books, accounts, and records as will enable the commissioner to determine whether the filer is complying with this section.

(b) A lender filing under subdivision 3 shall annually on or before March 15 file a report to the commissioner giving the information the commissioner reasonably requires concerning the business and operations during the preceding calendar year.

(c) A lender filing under subdivision 3 shall display prominently in each place of business a full and accurate schedule, to be approved by the commissioner, of the charges to be made and the method of computing those charges; furnish a copy of the contract of loan to a person obligated on it or who may become obligated on it at any time upon the request of that person. This is in addition to any disclosures required by the federal Truth in Lending Act, United States Code, title 15.

(d) Upon repayment of the loan in full, mark indelibly every obligation signed by the borrower with the word "Paid" or "Canceled" within 20 days after repayment.

Subd. 5. [COMPLAINTS ALLEGING VIOLATION.] A person obligated to or having been obligated to a consumer small loan lender filing under subdivision 3 and having reason to believe that this section has been violated may file with the commissioner a written complaint setting forth the details of the alleged violation. The commissioner, upon receipt of the complaint, may inspect the pertinent books, records, letters, and contracts of the lender and borrower involved. The commissioner may assess against the lender a fee covering the necessary costs of an investigation under this section. The commissioner may maintain an action for the recovery of the costs in a court of competent jurisdiction.

Subd. 6. [PENALTIES FOR VIOLATION.] A person or the person's members, officers, directors, agents, and employees who violate or participate in the violation of any of the provisions of this section may be liable in the same manner as in section 56.19.

Sec. 3. Minnesota Statutes 1994, section 48.194, is amended to read:

48.194 [INSTALLMENT SALES CONTRACTS; LOANS.]

A person may enter into a credit sale or service contract for sale to a state or national bank

doing business in this state, and a bank may purchase and enforce the contract under the terms and conditions set forth in section ~~51A.385, subdivisions 2 and 5 to 13~~ 47.59, subdivisions 2 and 4 to 14. A state bank or national bank may extend credit pursuant to the terms and conditions set forth in section ~~51A.385~~ 47.59.

Sec. 4. Minnesota Statutes 1994, section 51A.02, subdivision 6, is amended to read:

Subd. 6. [ANNUAL PERCENTAGE RATE.] "Annual percentage rate" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, but using the definition of "finance charge" used in this section.

Sec. 5. Minnesota Statutes 1994, section 51A.02, subdivision 26, is amended to read:

Subd. 26. [FINANCE CHARGE.] "Finance charge" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under section ~~51A.385~~ 47.59 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge for an extension or deferment under section 47.59, unless the parties agree that these charges are finance charges;

(2) any additional charge under section ~~51A.385~~ 47.59, subdivision ~~5~~ 6; or

(3) a discount, if an association purchases a contract evidencing a contract sale or loan at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

Sec. 6. Minnesota Statutes 1994, section 51A.02, subdivision 40, is amended to read:

Subd. 40. [OFFICIAL FEES.] "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage related to a loan or credit sale, and any separate fees or charges which actually are or will be paid to public officials for recording a notice described in section 580.032, subdivision 1; and

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by an association in connection with a loan or credit sale, if the premium does not exceed the fees and charges described in clause (1) which would otherwise be payable.

Sec. 7. Minnesota Statutes 1994, section 51A.19, subdivision 9, is amended to read:

Subd. 9. [MAINTENANCE OF LOAN AND INVESTMENT RECORDS.] Every association shall maintain complete loan and investment records, and shall do so in a manner satisfactory to the commissioner. Detailed records necessary to make determinations of compliance by an association with the requirements of sections 47.59 and 51A.35 to 51A.385 51A.386, and other provisions of sections 51A.01 to 51A.57 shall be maintained consistently and at all times, the record of each real estate loan or other secured loan or investment containing documentation to the satisfaction of the commissioner of the type, adequacy, and complexion of the security.

Sec. 8. [51A.386] [TERMS AND CONDITIONS OF LOANS, CONTRACTS, AND EXTENSIONS OF CREDIT.]

Subdivision 1. [APPLICATION.] Except as otherwise provided in this section, this section applies to loans made and contracts purchased by federal and state associations, and "association" as used in this section applies to federal and state associations.

Subd. 2. [FINANCE CHARGE FOR CREDIT SALES MADE BY A THIRD PARTY.] A person may enter into a credit sale contract for sale to an association and an association may purchase and enforce a contract evidencing the sale, if the annual percentage rate provided for in the contract does not exceed that permitted in section 47.59 or, in the case of contracts governed by sections 168.66 to 168.77, the rates permitted by those sections.

Subd. 3. [FINANCE CHARGE FOR LOANS.] An association may make loans and extend credit at the rates and on the terms provided for in section 47.59.

Subd. 4. [ADDITIONAL AUTHORITY.] Extensions of credit, and purchases of extensions of credit, authorized by sections 47.20, subdivision 1, 3, or 4a; 47.204; 47.21; 47.58; 47.60; 47.69; 48.153; 48.185; 48.195; 59A.01 to 59A.15; 168.66 to 168.77; 334.01; 334.011; and 334.012 may, but need not, be made according to those sections in lieu of the authority set forth in subdivisions 1 to 3, and if so, are subject to those sections, and not this section, except this subdivision. An association may also charge an organization a rate of interest and any charges agreed to by the organization and may calculate and collect finance and other charges in any manner agreed to by that organization. Except for extensions of credit the association elects to make under section 334.01; 334.011; or 334.012, the provisions of chapter 334 do not apply to extensions of credit made according to this section or the sections mentioned in this subdivision.

Subd. 5. [ADDITIONAL CHARGES.] In addition to the finance charges permitted by this section, an association, or a person described in subdivision 2, to the extent not otherwise prohibited by law, may contract for and receive the additional charges that may be included in the amount financed provided for in section 47.59.

Sec. 9. Minnesota Statutes 1994, section 51A.50, is amended to read:

51A.50 [FEDERAL ASSOCIATIONS.]

The following sections apply to federal associations, except to the extent they are inconsistent with federal law or regulations: sections 47.59; 51A.01; 51A.02; 51A.065; 51A.15, subdivision 6; 51A.21, subdivisions 6a, 15, 16, 22, 25, 27, and 28; 51A.23, subdivision 1; 51A.24; 51A.251; 51A.261; 51A.262; 51A.27; 51A.28; 51A.29; 51A.30; 51A.31; 51A.37, subdivisions 1, 2, 3, paragraphs (a), (c), (d), 4, 5, 6, 7, 8, 9, 10, 11, and 12; 51A.38; ~~51A.385~~ 51A.386; 51A.40; 51A.50; 51A.52; 51A.56; and 51A.57.

Sec. 10. Minnesota Statutes 1994, section 52.04, subdivision 2a, is amended to read:

Subd. 2a. A person may enter into a credit sale or service contract for sale to a state or federal credit union doing business in this state, and a credit union may purchase and enforce the contract under the terms and conditions set forth in section ~~51A.385~~ 47.59, subdivisions ~~2~~ 4 and ~~5~~ 6 to 13 14.

Sec. 11. Minnesota Statutes 1994, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) ~~The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of section 56.125 in section 47.59. Loans made under this authority must be in amounts in compliance with section 53.05, clause (7). All other loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (7), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum, including the right to contract for, charge, and collect all other charges including discount points, fees, late payment charges, and insurance premiums on the loans to the same extent permitted on loans made under the authority of chapter 56, regardless of the amount of the loan. The provisions of sections 47.20 and 47.21 do not apply to loans made under this subdivision, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. 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.~~

(b) Loans made under this subdivision at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this subdivision that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision

permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. ~~Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account.~~

(d) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

Sec. 12. Minnesota Statutes 1994, section 53.04, subdivision 3c, is amended to read:

Subd. 3c. The right to extend credit and make loans under ~~chapter 51A~~ sections 47.59 and 47.60 on the same terms and subject to the same conditions as apply to other lenders under ~~that chapter~~ those sections. This subdivision does not authorize an industrial loan and thrift company to make loans under a credit card or an overdraft checking plan.

Sec. 13. Minnesota Statutes 1994, section 53.04, subdivision 4a, is amended to read:

Subd. 4a. [DISCLOSURE, AUTHORIZED INTEREST, AND OTHER CHARGES.] The documentation of loans made pursuant to this section must include in the promissory note clear reference to the provisions of Minnesota Statutes under which the rate of interest and other charges are authorized. The references must be to the ~~chapter number in the case of this chapter or chapter 56, or to the particular section or sections in the case of chapter 47 or 334. On loans made under the authority of subdivision 3a and not under the authority of chapter 334, other charges including discount points, fees, late payment charges, and insurance premiums not specifically authorized by this chapter or any other state statute are controlled by chapter 56.~~

Sec. 14. Minnesota Statutes 1994, section 53.04, subdivision 5a, is amended to read:

Subd. 5a. A person may enter into a credit sale or service contract for sale to an industrial loan and thrift company operating under this chapter in this state, and an industrial loan and thrift company may purchase and enforce the contract under the terms and conditions set forth in section ~~51A.385, subdivisions 2 and 5 to 13~~ 47.59, subdivisions 2 and 4 to 14.

Sec. 15. Minnesota Statutes 1994, section 56.125, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A licensee may make open-end loans under this chapter other than loans under a credit card or an overdraft checking plan and may charge a daily, monthly, or other periodic rate of finance charge on unpaid balances not in excess of the maximum rate of interest permitted by section 56.131, subdivision 1, paragraph (a), ~~clause (2)~~ under section 47.59, subdivision 3, paragraph (a), clause (1). For purposes of this section "open-end loan" means an agreement whereby: (1) the licensee pursuant to written agreement permits the borrower to obtain advances of money from the licensee from time to time or the licensee advances money on behalf of the borrower from time to time as directed by the borrower; (2) the borrower has the option of paying the balance in full at any time without penalty; (3) the amount of each advance and permitted charges and costs are debited to the borrower's account and payments and other credits are credited to the same account; and (4) the charges are computed on the unpaid principal balance of the account from time to time. A finance charge imposed on a transaction subject to this section must be computed on: (1) the previous balance after deducting all payments on accounts received by the licensee during the cycle and all credits to the account during the cycle applicable to any transaction reflected in the previous balance; (2) the average daily balance determined by adding the daily balances on the account for each day in the billing cycle and dividing the total by the number of days in the billing cycle; or (3) daily balances. The

daily balance is figured by taking the beginning balance of the account each day, adding any new advances, subtracting any principal payments or credits, and any unpaid interest. The average daily balance is calculated by adding together all of the daily balances for the billing cycle, and the sum is then divided by the total number of days in the billing cycle. A billing cycle is considered to be monthly if the billing dates are on the same day of each month or do not vary by more than four days from that day. If a licensee makes loans under a credit card plan, it may do so only on the same terms and subject to the same conditions as apply to lenders under section 47.59.

Sec. 16. Minnesota Statutes 1994, 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 47.59, subdivisions 5 and 6, paragraph (a), clause (4); 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, disability, or involuntary unemployment insurance is provided and if the insured dies, becomes disabled, or becomes involuntarily unemployed 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 insurance, or all minimum payments which become due on the loan during the covered period of disability in the case of credit disability insurance, or during the covered period of involuntary unemployment in the case of credit involuntary unemployment insurance. The additional charge for credit life insurance, credit disability insurance, or credit involuntary unemployment 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. 17. Minnesota Statutes 1994, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding ~~\$35,000~~ \$56,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, ~~calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:~~

~~(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$750; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$750; or~~

~~(2) 21.75 percent per year on the unpaid balance of the principal amount finance charges, and other charges as provided in section 47.59.~~

~~(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest 1/100 of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.~~

~~(e) (b) Loans may be interest-bearing or precomputed.~~

~~(d) (c) Notwithstanding section 47.59 to the contrary, to compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.~~

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(e) (d) With respect to interest-bearing loans and notwithstanding section 47.59:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f) (e), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) (e) With respect to precomputed loans and notwithstanding section 47.59 to the contrary:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

~~(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.~~

~~(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$4.~~

~~A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred installments, even though a default or deferral charge on an earlier installment has not been paid in full. A default charge may be collected at the time it accrues or at any time thereafter.~~

~~(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.~~

(6) (4) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) (5) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under clause (6) (4), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

(8) (6) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

Sec. 18. Minnesota Statutes 1994, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, and notwithstanding section 47.59, subdivision 5, to the contrary, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

- (a) lawful fees and taxes paid to any public officer to record, file, or release security;
- (b) with respect to a loan secured by an interest in real estate, the following closing costs, if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or ~~\$250~~ \$400, whichever is greater:
  - (1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;
  - (2) fees, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees;
  - (c) the premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a);
  - (d) discount points and appraisal fees may not be included in the principal amount of a loan secured by an interest in real estate when the loan is a refinancing for the purpose of bringing the refinanced loan current and is made within 24 months of the original date of the refinanced loan. For purposes of this paragraph, a refinancing is not considered to be for the purpose of bringing the refinanced loan current if new funds advanced to the customer, not including closing costs or delinquent installments, exceed \$1,000.

Sec. 19. Minnesota Statutes 1994, section 56.132, is amended to read:

56.132 [INSTALLMENT SALES CONTRACTS.]

A person may enter into a credit sale or service contract for sale to a licensee under this chapter doing business in this state, and a licensee may purchase and enforce the contract under the terms and conditions set forth in section ~~51A.385, subdivisions 2 and 5 to 13~~ 47.59, subdivisions 2 and 4 to 14.

Sec. 20. Minnesota Statutes 1994, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 47.59 to the contrary, 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, credit accident and health, and credit involuntary unemployment 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, health, and involuntary unemployment 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, credit accident and health insurance, or credit involuntary unemployment 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, except for loans by mail pursuant to section 56.12, 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, accident and health, and involuntary unemployment insurance coverage sold:

**CREDIT LIFE INSURANCE, CREDIT DISABILITY INSURANCE, AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE ARE 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 or involuntary unemployment and shall further disclose the number of days that an insured obligor must be disabled or involuntarily unemployed, 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 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 accident and health or 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. 21. Minnesota Statutes 1994, 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 actual or scheduled amount of their indebtedness except that section 62B.04, subdivision 1, clause (2), may be applied. 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 not to exceed the 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. 22. Minnesota Statutes 1994, section 325F.91, subdivision 2, is amended to read:

Subd. 2. [CASH PRICE LIMITS—RULES, DECEPTIVE TRADE PRACTICE.] The commissioner of commerce shall adopt rules governing cash price limits for rental-purchase agreements. Notwithstanding section 14.18, the rules are effective 45 working days after the notice of adoption is published in the State Register. (a) It is an unlawful and deceptive trade practice for a lessor to disclose as the "cash price" of the merchandise under section 325F.86, paragraph (k), an amount that is 150 percent or more of the fair market value of the goods.

Disclosure of the cash price stated in a rental-purchase agreement materially fails to be the equivalent of the fair market value of the goods offered and is considered to be a deceptive trade practice if:

(1) the personal property that is the subject of a rental-purchase agreement with terms providing for the acquisition of ownership of the property by the lessee is available for retail sale on a cash basis at locations within 50 miles of the lessor location at which the agreement was entered into;

(2) the personal property available for retail sale under clause (1) is substantially the same in terms of model equipment and the same manufacturer at the date of the agreement or no more than 60 days after that date; and

(3) the personal property was generally advertised to the public at retail cash price of less than 50 percent of the cash price in the agreement.

(b) A person violating this subdivision is subject to the penalties and remedies in section 325F.97 and the 60 days prescribed in paragraph (a), clause (2), do not limit the time within which a claim or action may be brought to an agreement under generally applicable law.

Sec. 23. [334.171] [DELINQUENCY AND COLLECTION CHARGE.]

If an open end credit plan, agreement, or arrangement between the buyer and seller so provides, a seller or holder may collect a delinquency and collection charge on each installment in arrears for a period of not less than ten days in an amount not in excess of any such charge which may be imposed on residents of this state by any institution defined in subsection (c)(2)(F) of section 101(a) of the Competitive Equality Amendments of 1987 to the Bank Holding Company Act of 1956, United States Code, title 12, section 1841(c)(2)(F), by any national banking association pursuant to section 85 of the National Bank Act of 1864, United States Code, title 12, section 85, or by any state chartered insured depository institution pursuant to section 521 of the Depository Institutions Deregulation and Monetary Control Act of 1980, United States Code, title 12, section 1813d(a).

Sec. 24. [REPEALER.]

Minnesota Statutes 1994, section 51A.385, is repealed.

#### ARTICLE 4

### INTERSTATE MARKET DEVELOPMENT AND FEDERALIZATION OF INTERSTATE BANKING

Section 1. Minnesota Statutes 1994, section 46.048, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Whenever a change in the outstanding voting stock of a banking institution will result in control or in a change in the control of the banking institution, the person acquiring control of the banking institution, including an out-of-state bank holding company, shall file notice of the proposed acquisition of control with the commissioner of commerce at least 60 days before the actual effective date of the change, except that the commissioner may extend the 30-day period an additional 30 days if in the commissioner's judgment any material information submitted is substantially inaccurate or the acquiring party has

not furnished all the information required. As used in this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of capital stock that would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock is not considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control or to effect a change in the control, the doubt shall be resolved in favor of reporting the facts to the commissioner. The commissioner shall use the criteria established by the Financial Institution Regulatory and Interest Rate Control Act of 1978, United States Code, title 12, section 1817(j), and the regulations adopted under it, when reviewing the acquisition and determining if the acquisition should or should not be disapproved. Within three days after making the decision to disapprove a proposed acquisition, the commissioner shall notify the acquiring party in writing of the disapproval. The notice must provide a statement of the basis for the disapproval.

Sec. 2. Minnesota Statutes 1994, section 46.048, is amended by adding a subdivision to read:

Subd. 2a. [CONTENTS.] The notice required by subdivision 1 must contain the following information to the extent that it is known by the person making the notice:

(1) the identity, personal history, business background, and experience of each person by whom or on whose behalf the acquisition is to be made, including the person's material business activities and affiliations during the past five years, and a description of any material pending legal or administrative proceedings in which the person is a party and any criminal indictment or conviction of that person by a state or federal court;

(2) a statement of the assets and liabilities of each person by whom or on whose behalf the acquisition is to be made, as of the end of the fiscal year for each of the five years immediately preceding the date of the notice, together with related statements of income, sources, and application of funds for each of the fiscal years then concluded, all prepared in accordance with generally accepted accounting principles consistently applied, and an interim statement of the assets and liabilities for each person, together with related statements of income, source, and application of funds as of a date not more than 90 days before the date of the filing of the notice;

(3) the terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;

(4) the identity, source, and amount of the funds or other consideration to be used in making the acquisition, and if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with those persons;

(5) any plans or proposals that an acquiring party making the acquisition may have to liquidate the bank, to sell its assets or merge it, or make any other major change in its business or corporate structure or management;

(6) the identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on the acquiring party's behalf, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation;

(7) copies of all invitations, tenders, or advertisements making tender offers to stockholders for purchase of their stock to be used in connection with the proposed acquisition; and

(8) any additional relevant information in the form the commissioner requires by rule or by specific request in connection with any particular notice.

Sec. 3. Minnesota Statutes 1994, section 46.048, is amended by adding a subdivision to read:

Subd. 2b. [NOTICE.] Upon the filing of an application:

(1) an applicant shall publish in a newspaper of general circulation notice of the proposed acquisition in a form acceptable to the commissioner; and

(2) the commissioner shall accept public comment on an application for a period of not less than 30 days from the date of the final publication required by clause (1).

Sec. 4. Minnesota Statutes 1994, section 46.048, is amended by adding a subdivision to read:

Subd. 3a. [HEARINGS.] Within ten days of receipt of notice of disapproval according to subdivision 1, the acquiring party may request an agency hearing on the proposed acquisition. At the hearing, all issues must be determined on the record according to chapter 14 and the rules issued by the department. At the conclusion of the hearing, the commissioner shall by order approve or disapprove the proposed acquisition on the basis of the record made at the hearing.

Sec. 5. Minnesota Statutes 1994, section 47.52, is amended to read:

**47.52 [AUTHORIZATION.]**

(a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than five detached facilities provided the facilities are located within the municipality in which the principal office of the applicant bank is located; or within 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or within 100 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within any municipality in which no bank is located at the time of application or if the detached facility is in a municipality having a population of more than 10,000, or if the detached facility is located in a municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer, or for municipalities located in the seven-county metropolitan area from the metropolitan council, and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility.

(b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This paragraph shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

(c) Any bank is allowed, in addition to other facilities, one drive-in or walk-up facility located between 150 to 1,500 feet of the main banking house or within 1,500 feet from a detached facility. The drive-in or walk-up facility permitted by this clause is subject to paragraph (b) and section 47.53.

(d) A bank whose home state is Minnesota as defined in section 48.92 is allowed, in addition to other facilities, to establish and operate a de novo detached facility in a location in the host states of Iowa, North Dakota, South Dakota, and Wisconsin not more than 30 miles from its principal office measured in a straight line from the closest points of the closest structures involved and subject to requirements of sections 47.54 and 47.561 and the following additional requirements and conditions:

(1) there is in effect in the host state a law, rule, or ruling that permits Minnesota home state banks to establish de novo branches in the host state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner; and

(2) there is in effect a cooperative agreement between the home and host state banking regulators to facilitate their respective regulation and supervision of the bank including the coordination of examinations.

Sec. 6. Minnesota Statutes 1994, section 47.78, is amended to read:

**47.78 [CONTRACTS TO ACCEPT AND RECEIVE DEPOSITS-HONOR AND PAY WITHDRAWALS.]**

(a) Notwithstanding any other law to the contrary, a financial institution, the "customer institution," may contract with another financial institution, the "service institution," to grant the service institution the authority to render services to the customer institution's depositors, borrowers or other customers, provided notice of the proposed contract is given to the commissioner and the commissioner does not object to the contract within 30 days of the notice.

(b) For purposes of this section: "Financial institution" means a national banking association, federal savings and loan association, or federal credit union having its main office in this state, or a bank, savings bank, savings and loan association or credit union established and operating under the laws of this state; and "services" means accepting and receiving deposits, honoring and paying withdrawals, issuing money orders, cashiers' checks, and travelers' checks or similar instruments, cashing checks or drafts, receiving loan payments, receiving or delivering cash and instruments and securities, disbursing loan proceeds by machine, and any other transactions authorized by section 47.63.

The term also includes a bank subsidiary of a bank holding company or affiliated savings association to the extent agency activities are permitted under section 18 of the Federal Deposit Insurance Act, United States Code, title 12, section 1828, as amended, effective September 29, 1995, and title I, Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

(c) A contract entered into pursuant to this section may include authority to conduct transactions at or through any principal office, branch, or detached facility of either financial institution which is a party to the contract, and the service institution is not considered a branch of the customer institution for purposes of section 48.34.

Sec. 7. Minnesota Statutes 1994, section 48.90, subdivision 1, is amended to read:

Subdivision 1. [SEVERABILITY.] It is the express intention of the Minnesota legislature to act pursuant to the United States Code, title 12, section 1842(d) to provide an orderly transition to interstate banking by initially permitting limited interstate banking on a regional basis, as amended by title I of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 to provide for interstate banking on a nationwide basis and to preserve certain state law, policy, and practices. Therefore, notwithstanding the provisions of section 645.20, if any provision of Laws 1986, chapter 339, other than Laws 1986, chapter 339, sections 1 to 3, and 14, this act providing for the supervisory powers of the commissioner or limiting expansion into this state to by bank holding companies located in other states defined as "reciprocating states" is determined by final, nonappealable order of any Minnesota or federal court of competent jurisdiction to be invalid or unconstitutional, Laws 1986, chapter 339, this act is null and void and of no further force and effect from the effective date of the final determination.

Sec. 8. Minnesota Statutes 1994, section 48.91, is amended to read:

48.91 [TITLE.]

Laws 1986, chapter 339 Section 48.90 may be cited as the "reciprocal interstate banking act."

Sec. 9. Minnesota Statutes 1994, section 48.92, subdivision 2, is amended to read:

Subd. 2. [CONTROL.] "Control," means, with respect to a bank holding company, bank, or bank to be organized pursuant to chapters 46, 47, 48, and 300, ~~(1) the ownership, directly or indirectly or acting through one or more other persons, control of or the power to vote 25 percent or more of any class of voting securities; (2) control in any manner over the election of a majority of the directors; or (3) the power to exercise, directly or indirectly, a controlling influence over management and policies~~ is defined in section 46.048, subdivision 1.

Sec. 10. Minnesota Statutes 1994, section 48.92, subdivision 6, is amended to read:

Subd. 6. [LOCATED IN THIS HOME STATE.] "Located in this Home state" means: (1) a bank whose organizational certificate identifies an address in this state as the principal place of conducting the business of banking; or (2) a bank holding company as defined in the Bank Holding Company Act of 1956, as amended, with banking subsidiaries, the majority of whose deposits are in Minnesota. with respect to a national bank, the state in which the main office of the bank is located; (2) with respect to a state bank, the state by which the bank is chartered; and (3) with respect to a bank holding company, the state in which the total deposits of all banking subsidiaries of the company are the largest on the later of (i) July 1, 1996, or (ii) the date on which the company becomes a bank holding company under the Bank Holding Company Act of 1956, as amended, United States Code, title 12, section 1842.

Sec. 11. Minnesota Statutes 1994, section 48.92, subdivision 7, is amended to read:

Subd. 7. [RECIPROCATING HOST STATE.] "Reciprocating Host state" is a state that authorizes the acquisition, directly or indirectly, or control of, banks in that state by a bank or bank holding company located in this state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner, other than the home state of the bank holding company, in which the company controls, or seeks to control, a bank subsidiary.

Sec. 12. Minnesota Statutes 1994, section 48.92, subdivision 8, is amended to read:

Subd. 8. [RECIPROCATING STATE OUT-OF-STATE BANK HOLDING COMPANY.] "Reciprocating state Out-of-state bank holding company" means a bank holding company as defined in the Bank Holding Company Act of 1956, as amended, whose operations are principally conducted in a reciprocating home state other than Minnesota and is that state in which the operations of its banking subsidiaries are the largest in terms of total deposits.

Sec. 13. Minnesota Statutes 1994, section 48.92, subdivision 9, is amended to read:

Subd. 9. [INTERSTATE BANK HOLDING COMPANY.] "Interstate bank holding company" means (a) a bank holding company located in this state, whose home state is Minnesota and is engaging in interstate banking under reciprocal legislation, and (b) a reciprocating state an out-of-state bank holding company engaged in banking in this state, and (c) other out-of-state bank holding companies operating an institution located in this state having deposits insured by the Federal Deposit Insurance Corporation.

Sec. 14. Minnesota Statutes 1994, section 48.92, is amended by adding a subdivision to read:

Subd. 11. [OUT-OF-STATE BANK.] "Out-of-state bank" means a bank whose home state is other than Minnesota.

Sec. 15. Minnesota Statutes 1994, section 48.93, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] ~~A reciprocating state~~ An out-of-state bank holding company may, through a purchase of stock or assets of a bank, or through a purchase of stock or assets of or merger with a bank holding company, acquire an interest control in an existing bank or banks located in this whose home state is Minnesota if it meets the conditions in this section, sections 46.047 and 46.048 and, if the interest will result in control of the bank or banks, it files an application in writing with the commissioner on forms provided by the department. The commissioner, upon receipt of the application, shall act upon it within 30 days of the end of the public comment period provided by section 48.98, and, unless the proposed acquisition is disapproved within that period of time, it becomes effective without approval in the manner provided for in sections 46.047 and 46.048, except that the commissioner may extend the 30 day 60-day period an additional 30 days if in the commissioner's judgment any material information submitted is substantially inaccurate or the acquiring party has not furnished all the information required by subdivision 3 law, rule, or the commissioner. No application for approval required by this section is complete unless accompanied by an application fee of \$5,000 payable to the state treasurer. Compliance with the requirements of this section satisfies the requirements of section 48.03, subdivision 4. Within three days after making the decision to disapprove any proposed acquisition, the commissioner shall notify the acquiring party in writing of the disapproval. The notice must provide a statement of the basis for the disapproval.

Sec. 16. Minnesota Statutes 1994, section 48.93, subdivision 3, is amended to read:

Subd. 3. [CRITERIA FOR APPROVAL.] Except as otherwise provided by rule of the department, an application filed pursuant to subdivision 1 must contain the following information: required by sections 46.047 and 46.048;

(1) the identity, personal history, business background, and experience of each person by whom or on whose behalf the acquisition is to be made, including the person's material business activities and affiliations during the past five years, and a description of any material pending legal or administrative proceedings in which the person is a party and any criminal indictment or conviction of that person by a state or federal court;

(2) a statement of the assets and liabilities of each person by whom or on whose behalf the acquisition is to be made, as of the end of the fiscal year for each of the five years immediately

~~preceding the date of the notice, together with related statements of income, sources, and application of funds for each of the fiscal years then concluded, all prepared in accordance with generally accepted accounting principles consistently applied, and an interim statement of the assets and liabilities for each person, together with related statements of income, source, and application of funds as of a date not more than 90 days prior to the date of the filing of the notice;~~

~~(3) the terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;~~

~~(4) the identity, source, and amount of the funds or other consideration to be used in making the acquisition, and if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with those persons;~~

~~(5) any plans or proposals which an acquiring party making the acquisition may have to liquidate the bank, to sell its assets or merge it, or make any other major change in its business or corporate structure or management;~~

~~(6) the identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on the acquiring party's behalf, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation;~~

~~(7) copies of all invitations, tenders, or advertisements making tender offers to stockholders for purchase of their stock to be used in connection with the proposed acquisition;~~

~~(8) a statement of how the acquisition will bring "net new funds" to Minnesota. The description of net new funds must be filed with the application stating the amount of capital funds, including the increase in equity capital that will result from the acquisition or establishment of a bank. The level of total equity capital must exceed \$3,000,000 for a new chartered bank and \$1,000,000 for an acquired bank. The description must state the net increase in loanable funds expressed as an increase in the total loan to asset ratio of Minnesota loans and assets. The statement must also include a discussion of initial capital investments, loan policy, investment policy, dividend policy, and the general plan of business, including the full range of consumer and business services which will be offered; and~~

~~(9) any additional relevant information in the form the commissioner requires by rule or by specific request in connection with any particular notice.~~

Sec. 17. Minnesota Statutes 1994, section 48.93, subdivision 4, is amended to read:

Subd. 4. [DISAPPROVAL.] The commissioner shall disapprove any proposed acquisition if:

(1) the financial condition of any acquiring person is such as might jeopardize the financial stability of the bank or prejudice the interests of the depositors of the bank;

(2) the competence, experience, integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the bank, or in the interest of the public to permit the person to control the bank;

(3) the acquisition will result in undue concentration of resources or substantial lessening of competition in this state;

~~(4) the application fails to adequately demonstrate that the acquisition proposal would bring net new funds into Minnesota;~~

(5) the application is incomplete or any acquiring party neglects, fails, or refuses to furnish all the information required by the commissioner;

(6) (5) a subsidiary of the acquiring bank holding company has failed to meet the requirements set forth in the federal Community Reinvestment Act; or

~~(7) the acquisition will result in over 30 percent of Minnesota's total deposits in financial~~

~~institutions as defined in section 13A.01, subdivision 2, being held by banks located in this state owned by reciprocating state bank holding companies. This limitation does not apply to consideration for approval pursuant to section 48.99, special acquisitions.~~

(6) the bank to be acquired has not been in existence for at least five years. For purposes of this paragraph, a bank that has been chartered solely for the purpose of, and does not open for business before, acquiring control of, or acquiring all or substantially all of the assets of, an existing bank is considered to have been in existence for the same period of time as the bank to be acquired. For determining the time period of existence of a bank, the time period begins after the issuance of a certificate of authorization and from the date the approved bank actually opens for business.

Sec. 18. Minnesota Statutes 1994, section 48.96, is amended to read:

48.96 [SUPERVISION.]

The department may enter into cooperative and reciprocal agreements with federal or bank regulatory authorities of ~~reciprocating states~~ out-of-state bank holding companies for exchange or acceptance of reports of examination and other records from the authorities in lieu of conducting its own examinations. The department may enter into joint actions with federal or bank regulatory authorities of ~~reciprocating states~~ out-of-state bank holding companies to carry out its responsibilities ~~under Laws 1986, chapter 339~~ and assure compliance with the laws of this state.

Sec. 19. Minnesota Statutes 1994, section 48.99, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION CRITERIA FOR APPROVAL.] Pursuant to the present requirement of the United States Code, title 12, section 1842(d) and notwithstanding any other provision of state law, ~~a reciprocating state~~ an out-of-state bank holding company, or any subsidiary of a bank holding company, may acquire a bank ~~located in this~~ whose home state is Minnesota 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 bank or is made for the incorporation of a new bank in the same locality coincidental with the closing of an existing bank by the commissioner or federal authorities and does not increase the number of banks in the community affected. The acquisition is subject to the prior written approval of the commissioner of an application submitted under this section and after the following considerations:

- (1) the financial and managerial resources of the applicant;
- (2) the future prospects of the applicant and the state bank or its subsidiary whose assets, interest in, or shares it will acquire;
- (3) the financial history of the applicant;
- (4) whether the acquisition or holding may result in undue concentration of resources or substantial lessening of competition in this state, however, any deposit concentration limitations imposed on the acquisition by Public Law Number 103-328, title 1, section 101, (a)(2), may be waived by order of the commissioner;

(5) the convenience and needs of the public of this state; and

(6) whether the acquisition or holding will strengthen the financial condition of the state bank.

Sec. 20. [48.993] [RECIPROCAL INTERSTATE BRANCHING.]

With the prior approval of the commissioner, a bank doing business in the state of Iowa, North Dakota, South Dakota, or Wisconsin may establish a de novo detached facility in this state not more than 30 miles from its principal office measured in a straight line from the closest points of the closest structures provided further that:

(a) There is in effect in the home state a law, rule, or ruling that permits Minnesota home state banks to establish de novo branches in the state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner.

(b) There is in effect a cooperative agreement between the home state and host state banking regulator to facilitate their respective regulation and supervision of the bank including application and approval process, and the coordination of examinations. The agreement must at a minimum provide:

- (1) common form and information requirements to be completed by the applicant bank;
  - (2) common form and procedure required to publish the application in the location of the branch in the host state;
  - (3) a fee for the application to the state of Minnesota, department of commerce, for filing and approval as the host state of the application of \$500;
  - (4) the requirements and limitations on the location and operations of an interstate branch must be the same as for host state branches in sections 47.51 to 47.55 except for transfer of location in section 47.56 which is limited by this section;
  - (5) the branch is subject to the laws of the host state relating to banking in resolution of conflicts of laws between the home and host state; and
  - (6) the deposits of the bank must be insured by the Federal Deposit Insurance Corporation.
- (c) The home state banking regulator has granted any and all necessary approvals.

(d) Beginning one year following establishment of a detached facility in a host state, the home state bank's level of lending in the host state relative to the deposits from the host state shall not be less than half of the level of the bank's loan to deposit ratio in its home state operations. The bank shall maintain sufficient records to permit an examination to determine this requirement by the host state banking regulator. If the bank is found to be in noncompliance, the home state or host state banking regulator may order that an interstate branch of the bank in the host state be closed.

#### Sec. 21. [48.995] [FOREIGN CORPORATION FILING.]

Subdivision 1. [TRUST POWERS.] A bank that holds trust powers may conduct the activity through a host state branch provided it complies with section 303.25.

Subd. 2. [FILING WITH SECRETARY OF STATE.] Notwithstanding section 303.03, the branch in a host state must operate under a certificate of authority filed with the Minnesota secretary of state.

Sec. 22. Minnesota Statutes 1994, section 52.05, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Any ~~25 residents of the state~~ persons representing a group may apply to the commissioner, advising the commissioner of the common bond of the group and its number of potential members, for a determination whether it is feasible for the group to form a credit union. Upon a determination that it is not feasible to organize because the number of potential members is too small, the applicants will be certified by the commissioner as eligible to petition for membership in an existing credit union capable of serving the group. If the credit union so petitioned resolves to accept the group into membership, it shall follow the bylaw amendment and approval procedure set forth in section 52.02.

The commissioner shall adopt rules to implement this subdivision. These rules must provide that:

- (1) for the purpose of this subdivision, groups with a potential membership of less than 1,500 will be considered too small to be feasible as a separate credit union, unless there are compelling reasons to the contrary, relevant to the objectives of this subdivision;
- (2) groups with a potential membership in excess of 1,500 will be considered in light of all circumstances relevant to the objectives of this subdivision; and
- (3) all group applications, except for applications from groups made up of members of existing credit unions or groups made up of people who have a common employer which qualifies them for membership in an existing credit union, will be considered separately from any consideration of



the membership provisions of existing credit unions; except that, groups made up of members of an existing credit union may be certified under this subdivision with the agreement of the credit union.

Sec. 23. [REPEALER.]

Minnesota Statutes 1994, sections 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.95; 48.97; 48.98; and 48.991, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Sections 1, 5, and 20 to 22 are effective immediately following final enactment. Sections 2 to 4 and 6 to 19 are effective September 29, 1995.

ARTICLE 5

MINNESOTA PAWNBROKERS ACT

Section 1. [325J.01] [PAWNBROKER REGULATION.]

Subdivision 1. [CITATION.] This section shall be known and may be cited as the "Minnesota Pawnbrokers Act."

Subd. 2. [DEFINITIONS.] The following terms used in this section have the following meanings unless the context clearly indicates otherwise.

(a) "Appropriate law enforcement agency" means the sheriff of each county in which the pawnbroker maintains an office, or the police chief of the municipality or law enforcement officers of the municipality in which the pawnbroker maintains an office.

(b) "Attorney general" means the attorney general of the state of Minnesota.

(c) "Municipality" means any municipality which elects to regulate and license pawnbrokers within its jurisdiction under local ordinance. If a municipality adopts an ordinance regulating and licensing pawnbrokers, the municipality shall issue the license required under this section.

(d) "Pawnbroker" means any person engaged in whole or in part in the business of lending money on the security of pledged goods left in pawn, or in the business of purchasing tangible personal property to be left in pawn on the condition that it may be redeemed or repurchased by the seller for a fixed price within a fixed period of time; provided, however, that the following are exempt from the definition of "pawnbroker" and from this section: any bank regulated by the state of Minnesota, the comptroller of the currency of the United States, the Federal Deposit Insurance Corporation, the board of governors of the Federal Reserve System or any other federal or state authority and all affiliates of the bank; any bank or savings association whose deposits or accounts are eligible for insurance by the Federal Deposit Insurance Corporation or any successor to it, and all affiliates of those banks and savings associations; any state or federally chartered credit union; and any industrial loan and thrift company or regulated lender subject to licensing and regulation by the department of commerce.

(e) "Pawnshop" means the location at which or premises in which a pawnbroker regularly conducts business or stores pledged goods.

(f) "Pawn transaction" means any loan on the security of pledged goods or any purchase of pledged goods on the condition that the pledged goods are left with the pawnbroker and may be redeemed or repurchased by the seller for a fixed price within a fixed period of time.

(g) "Person" means an individual, partnership, corporation, limited liability company, joint venture, trust, association, or any other legal entity however organized.

(h) "Pledged goods" means tangible personal property other than choses in action, securities, bank drafts, motor vehicle titles, or printed evidence of indebtedness, which property is purchased by, deposited with, or otherwise actually delivered into the possession of a pawnbroker in connection with a pawn transaction.

Subd. 3. [ENTRIES OF PAWN TICKETS.] At the time of making the pawn or purchase transaction, the pawnbroker shall enter upon the pawn ticket a record of the following information which shall be typed or written in ink and in English:

(1) a clear and accurate description of the property, including model and serial number if indicated on the property;

(2) the name, residence address, and date of birth of pledgor or seller;

(3) date of pawn or purchase transaction;

(4) social security number or state-issued driver's license or identification card number of the pledgor or seller;

(5) description of the pledgor including approximate height, sex, and race;

(6) amount of cash advanced;

(7) the maturity date of the pawn transaction and the amount due; and

(8) the monthly rate and pawn charge.

Subd. 4. [PRINTED PAWN TICKET.] The following shall be printed on all pawn tickets:

(1) the statement that "Any personal property pledged to a pawnbroker within this state is subject to sale or disposal when there has been no payment made on the account for a period of not less than 30 days past the date of the pawn transaction; no further notice is necessary. There is no obligation for the pledgor to redeem pledged goods";

(2) the statement that "The pledgor of this item attests that it is not stolen, it has no liens or encumbrances against it, and the pledgor has the right to sell or pawn the item";

(3) the statement that "The item is redeemable only by the bearer of this ticket or by identification of the person making the pawn"; and

(4) a blank line for the pledgor's signature.

Subd. 5. [RECORDS; RETENTION.] (a) The pledgor or seller shall sign a statement verifying that the pledgor or seller is the rightful owner of the goods or is entitled to sell or pledge the goods and shall receive an exact copy of the pawn ticket.

(b) The pawnbroker shall maintain on the premises, a record of all transactions of pledged or purchased goods. A pawnbroker shall upon request provide to the appropriate law enforcement agency a complete record of pawn transactions. These records shall be a correct copy of the entries made of the pawn transactions.

Subd. 6. [EFFECT OF NONREDEMPTION.] A pledgor shall have no obligation to redeem pledged goods or make any payment on a pawn transaction. Pledged goods not redeemed within at least 60 days of the pawn transaction shall automatically be forfeited to the pawnbroker by operation of this section, and absolute right, title, and interest in and to the goods shall automatically vest in the pawnbroker.

Subd. 7. [PERMITTED CHANGES.] (a) Notwithstanding any other statute, rule, or regulation, a pawnbroker may contract for and receive a pawnshop charge in lieu of interest or other charges for all services, expenses, cost, and losses of every nature not to exceed 30 percent of the principal amount, per month, advanced in the pawn transaction.

(b) Any interest, charge, or fees contracted for or received, directly or indirectly, in excess of the amount permitted under paragraph (a) of this section shall be uncollectible and the pawn transaction shall be void. The pawnshop charge allowed under paragraph (a) of this section shall be deemed earned, due, and owing as of the date of the pawn transaction and a like sum shall be deemed earned, due, and owing on the same day of the succeeding month.

Subd. 8. [RECORDS; PROHIBITIONS.] A pawnbroker and any clerk, agent, or employee of a pawnbroker shall not:

- (1) make any false entry in the records of pawn transactions;
- (2) falsify, obliterate, destroy, or remove from the place of business the records, books, or accounts relating to the licensee's pawn transactions;
- (3) refuse to allow the appropriate law enforcement agency, the attorney general, or any other duly authorized state or federal law enforcement officer to inspect the pawn records or any pawn goods in the person's possession during the ordinary hours of business or other time acceptable to both parties;
- (4) fail to maintain a record of each pawn transaction for six years;
- (5) accept a pledge or purchase property from a person under the age of 18 years;
- (6) make any agreement requiring the personal liability of a pledgor or seller, or waiving any provision of this section or providing for a maturity date less than 30 days after the date of the pawn transaction;
- (7) fail to return or replace pledged goods to a pledgor or seller upon payment of the full amount due the pawnbroker unless the date of redemption is past the maturity date or the pledged goods have been taken into custody by a court or a law enforcement officer or agency;
- (8) sell or lease, or agree to sell or lease, pledged or purchased goods back to the pledgor or back to the seller in the same or related transaction;
- (9) sell or otherwise charge for insurance in connection with a pawn transaction; or
- (10) remove pledged goods from the premises within 30 days following the date of the pawn transaction.

Subd. 9. [REDEMPTION; RISK OF LOSS.] Any person properly identifying the person as pledgor or as authorized representative of the pledgor and presenting a pawn ticket to the pawnbroker shall be entitled to redeem or repurchase the pledged goods described in the ticket. In the event the pledged goods are lost or damaged while in the possession of the pawnbroker, it shall be the responsibility of the pawnbroker to replace the lost or damaged goods with like kinds of merchandise and proof of replacement shall be a defense to any prosecution.

Subd. 10. [LIEN.] A pawnbroker shall have a lien on the pledged goods pawned for the money advanced and the pawnshop charge owed, but not for other debts due to the pawnbroker. A pawnbroker shall retain possession of the pledged goods, except as otherwise provided in this section, until the lien is satisfied.

Subd. 11. [MUNICIPAL REGULATION.] For the purpose of promoting the public health, safety, morals, and welfare, a municipality may by ordinance regulate pawn transactions. Any ordinance regulating pawn transactions must contain the following minimum provisions:

- (1) A person may not engage in business as a pawnbroker or otherwise portray the person as a pawnbroker unless the person has a valid license authorizing engagement in the business. A separate license is required for each place of business regulated by local ordinance. The municipality in which the pawnshop is located may issue more than one license to a person if that person complies with this act for each license.
- (2) When a licensee wishes to move a pawnshop to another location, the licensee shall give 30 days' prior written notice to the municipality, which shall amend the license accordingly.
- (3) Each license shall remain in full force and effect until relinquished, suspended, revoked, or expired.
- (4) Notwithstanding any other provision of this section, the municipality may issue a temporary license authorizing the operator of a pawnshop on the receipt of an application to transfer a license from one person to another or on the receipt of an application for a license involving principals and owners that are subsequently identical to those of an existing licensed pawnshop. The temporary license is effective until the permanent license is issued or denied. The permanent license shall be issued or denied within 60 days of application.

(5) Notwithstanding other provisions of this section, neither a new license nor an application to transfer an existing license shall be required upon any change, directly or beneficially, in the ownership of any licensed pawnshop incorporated under the laws of this state or any other state so long as the licensee continues to operate as a corporation doing a pawnshop business under the license.

(6) To be eligible for a pawnbroker license, an applicant shall:

(i) operate lawfully and fairly within the purposes of this section;

(ii) not have been convicted of a felony in the last ten years or be active as a beneficial owner for someone who has been convicted of a felony in the last ten years; and

(iii) submit a set of fingerprints from any local law enforcement agency.

(7) Any licensee may surrender any license by delivering it to the municipality with written notice of its surrender, but such surrender shall not affect the licensee's civil or criminal liability for acts committed prior to the surrender.

(8) No revocation, suspension, or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any pledgor. Any pawn transaction made without benefit of a license is void.

(9) The municipality may reinstate suspended licenses or issue new licenses to a person whose license or licenses have been revoked if no fact or condition then exists which clearly would have justified the municipality in refusing originally to issue a license under this section.

(10) The appropriate local law enforcement agency shall be notified by the municipality of any licensee who has his license suspended or revoked as provided by this section.

Subd. 12. [LAW ENFORCEMENT.] (a) Pledged or purchased goods may be confiscated only under the following conditions, except as otherwise permitted by law:

(1) a police report being made in a timely manner;

(2) a warrant sworn out for the person who pledged or sold the goods to the pawnbroker; and

(3) a theft report identifying the merchandise to be confiscated along with a request for restitution, pursuant to law.

(b) Pledged or purchased goods may be put on a one-time 60-day hold by the authorized law enforcement authorities.

(c) Confiscated merchandise must be returned to the pawnbroker by the law enforcement authorities as soon as possible following completion of any police investigation related to the merchandise.

Subd. 13. [RIGHTFUL OWNER LIABLE TO PAWNBROKER.] If any pledged goods from a pawn transaction are found to be stolen goods and are returned to the rightful owner by the licensee and if the licensee who accepted such pledged goods has complied with all of the duties and responsibilities specified in this section during the transaction, then the rightful owner of the pledged goods shall be liable to the licensee for the pledged amount if the rightful owner fails to prosecute or cooperate in the criminal prosecution related to the pawn transaction.

Subd. 14. [SEVERABILITY.] The provisions of this section are severable. If any part of this section is declared invalid or unconstitutional, the declaration shall not affect the parts that remain.

Subd. 15. [TRANSITION.] In municipalities that adopt an ordinance under this section, pawnbrokers operating pawnshops in business as of July 1, 1995, shall have until January 1, 1996, to apply for a license under this section and to pay the required fee, and upon the application and payment of the required fee, shall be granted a license under this section.

Subd. 16. [FORMS.] The municipality shall develop and provide any necessary forms to carry out this section."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating notices; electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, data classification, the powers and duties of institutions, detached facilities, interstate banking, and pawnbrokers; making technical changes; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; clarifying definition of franchise; permitting a delinquency and collection charge; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivisions 1 and 4; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.20, subdivisions 5 and 10; 47.28, subdivision 1; 47.52; 47.56; 47.58, subdivision 2; 47.61, subdivision 3; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.16; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, subdivision 7, and by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivisions 6, 26, and 40; 51A.19, subdivision 9; 51A.50; 51A.58; 52.04, subdivision 2a; 52.05, subdivision 2; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivisions 1, 2, and by adding a subdivision; 56.11; 56.12; 56.125, subdivisions 1, 2, and 3; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 61A.09, subdivision 3; 62B.04, subdivision 1; 62B.08, subdivision 2; 80C.01, subdivision 4; 300.20, subdivision 1; 325F.91, subdivision 2; 327B.04, subdivision 1; 327B.09, subdivision 1; 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; 51A; 52; and 334; proposing coding for new law as Minnesota Statutes, chapter 325J; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; and 51A.385."

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

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 793:** A bill for an act relating to agriculture; eliminating requirements for certain periodic reports by the department of agriculture; amending Minnesota Statutes 1994, sections 18.0228, subdivision 3; and 42.04, subdivision 2; repealing Minnesota Statutes 1994, sections 18.023, subdivision 11; 32.73, subdivision 7; 40A.17; and 41.53, subdivision 3.

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 1097, 371, 739, 839, 738 and 793 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Johnson, J.B. moved that the name of Mr. Novak be added as a co-author to S.F. No. 902. The motion prevailed.

Mr. Lessard moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1024. 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. 335: Messrs. Frederickson, Morse and Merriam.

H.F. No. 5: Messrs. Samuelson, Betzold, Mses. Piper, Robertson and Hanson.

Mr. Moe, R.D. moved that the foregoing appointments be approved.

Mr. Johnson, D.E. requested that the appointments to the Conference Committee on H.F. No. 5 be divided out.

The question was taken on the approval of the appointments to the Conference Committee on S.F. No. 335. The motion prevailed.

Mr. Johnson, D.E. moved to amend the report from the Subcommittee on Committees as to the appointments to the Conference Committee on H.F. No. 5, by striking the names of Mses. Robertson and Hanson and inserting the names of Messrs. Ourada and Stevens.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 22 and nays 41, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Larson	Olson	Stevens
Dille	Kleis	Lesewski	Ourada	Terwilliger
Frederickson	Knutson	Limmer	Pariseau	
Johnson, D.E.	Kramer	Neuville	Runbeck	
Johnston	Laidig	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Langseth	Novak	Solon
Beckman	Hanson	Lessard	Pappas	Spear
Berglin	Hottinger	Marty	Piper	Stumpf
Bertram	Janezich	Merriam	Pogemiller	Vickerman
Betzold	Johnson, D.J.	Metzen	Price	Wiener
Chandler	Johnson, J.B.	Moe, R.D.	Ranum	
Chmielewski	Kelly	Mondale	Reichgott Junge	
Cohen	Krentz	Morse	Sams	
Finn	Kroening	Murphy	Samuelson	

The motion did not prevail.

Mr. Moe, R.D. moved to approve the appointments to the Conference Committee on H.F. No. 5. The motion prevailed.

## MEMBERS EXCUSED

Messrs. Day and Mondale were excused from the Session of today. Mr. Riveness was excused from the Session of today from 8:00 to 8:25 a.m. Mr. Pogemiller was excused from the Session of today from 8:00 to 8:45 a.m.

## ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, March 27, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**THIRTIETH DAY**

St. Paul, Minnesota, Monday, March 27, 1995

The Senate met at 10:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by Senator Pat Piper.

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

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

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

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. 145.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1995

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. 229:** A bill for an act relating to government data practices; medical examiner data; allowing sharing of such data with a state or federal agency charged with investigating a death; amending Minnesota Statutes 1994, section 13.83, subdivisions 4 and 5.

Senate File No. 229 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1995

### CONCURRENCE AND REPASSAGE

Ms. Kiscaden moved that the Senate concur in the amendments by the House to S.F. No. 229 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 229 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Murphy	Riveness
Beckman	Frederickson	Laidig	Neuville	Robertson
Belanger	Hanson	Langseth	Novak	Runbeck
Berg	Hottinger	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Scheevel
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Stumpf
Chmielewski	Kiscaden	Merriam	Piper	Terwilliger
Cohen	Kleis	Metzen	Pogemiller	Vickerman
Day	Knutson	Moe, R.D.	Price	Wiener
Dille	Kramer	Mondale	Ranum	
Finn	Krentz	Morse	Reichgott Junge	

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. 281:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; amending Minnesota Statutes 1994, sections 275.066; 473.121, subdivision 11; 473.13, subdivisions 1 and 2; 473.164, subdivision 3; 473.375, subdivisions 9 and 13; 473.385, subdivision 2; 473.386, subdivisions 1, 2, and 5; 473.388, subdivision 4; 473.39, subdivision 1b; 473.446, subdivision 8; 473.448; 473.505; 473.595, subdivision 3; and Laws 1994, chapter 628, article 2, section 5; repealing Minnesota Statutes 1994, section 473.394.

Senate File No. 281 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1995

Ms. Flynn moved that the Senate do not concur in the amendments by the House to S.F. No. 281, 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. 733, 1055 and 1101.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1995

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 733:** A bill for an act relating to employment; modifying provisions relating to high pressure piping installation; providing penalties; amending Minnesota Statutes 1994, sections 326.48, subdivisions 1, 2, 3, 4, and 5; 326.50; 326.51; and 326.52; repealing Minnesota Statutes 1994, section 326.47, subdivisions 3 and 4.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 1055:** A bill for an act relating to waters; eliminating the position of board of water and soil resources secretary; increasing board members' compensation; duties of advisory committees; rule approval procedure; guidelines for management plans; exemptions from review; appeals from rules, permit decisions, and orders; informal dispute resolution; assessment basis; amending Minnesota Statutes 1994, sections 103D.011, subdivision 21; 103D.101, subdivision 4; 103D.205, subdivisions 1 and 4; 103D.221, subdivision 2; 103D.255, subdivision 1; 103D.261, subdivision 1; 103D.271, subdivisions 2 and 4; 103D.305, subdivision 1; 103D.311, subdivision 4; 103D.315, subdivisions 1, 8, and 11; 103D.321, subdivision 2; 103D.331; 103D.335, subdivisions 5, 6, and 13; 103D.341, subdivision 2; 103D.351; 103D.401, subdivisions 1 and 2; 103D.405, subdivision 1; 103D.515, subdivision 4; 103D.531; 103D.535, subdivisions 1, 4, and 5; 103D.537; 103D.611, subdivisions 1, 4, and 5; 103D.621, subdivision 4; 103D.625, subdivisions 3 and 4; 103D.631, subdivision 2; 103D.635, subdivisions 1 and 3; 103D.705, subdivision 1; 103D.711, subdivision 2; 103D.715, subdivision 3; 103D.721, subdivision 2; 103D.741, subdivision 1; 103D.745, subdivisions 2 and 3; 103D.811, subdivisions 1 and 3; 103D.901, subdivisions 2, 4, and 5; 103D.905, subdivisions 3 and 5; 103D.921, subdivisions 1 and 3; and 103D.925; proposing coding for new law in Minnesota Statutes, chapter 103D.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 1101:** A bill for an act relating to water law; making miscellaneous technical corrections to water law; delegation of permit authority; minimal impact permits; removal of hazardous dams; amending Minnesota Statutes 1994, sections 103F.215, subdivision 1; 103F.221, subdivision 1; 103G.005, subdivision 14; 103G.105; 103G.111, subdivision 1; 103G.121, subdivision 1; 103G.135; 103G.245, subdivisions 3 and 5; 103G.271, subdivision 2; 103G.275, subdivision 1; 103G.295, subdivision 4; 103G.301, subdivision 2; 103G.315, subdivisions 12 and 15; 103G.511, subdivision 12; 103G.515, by adding a subdivision; and 103G.611, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

### REPORTS OF COMMITTEES

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 615:** A bill for an act relating to transportation; establishing a high-speed bus service pilot project in the metropolitan area.

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

Delete everything after the enacting clause and insert:

"Section 1. [HIGH-SPEED BUS SERVICE PILOT PROJECT.]

The metropolitan council shall implement a high-speed bus service pilot project in consultation with the high-speed bus service advisory committee established in section 2. The implementation of the high-speed bus service pilot project does not alter the provision of transit services in the metropolitan area pursuant to Minnesota Statutes, sections 473.371 to 473.449.

Sec. 2. [HIGH-SPEED BUS ADVISORY COMMITTEE.]

The metropolitan council shall establish a high-speed bus service pilot project advisory committee to assist the council in implementing the service. The committee shall consist of:

- (1) a representative of each city in which the high-speed bus service pilot project is located;
- (2) a representative of Dakota county, appointed by the county board;
- (3) a representative of Carver county, appointed by the county board;
- (4) a representative of Ramsey county, appointed by the county board;
- (5) a representative of Hennepin county, appointed by the county board;
- (6) the commissioner of transportation or the commissioner's designee; and
- (7) a representative of the metropolitan council, appointed by the council chair.

This section expires July 31, 1999.

Sec. 3. [REPORT.]

The metropolitan council shall evaluate the high-speed bus service pilot project and report to the legislature by February 1, 1999. The report must include, but is not limited to, data on ridership, hours of service, miles of service, operating costs, operating subsidies, fare box recovery rate, and capital costs. The report must also discuss the impact of the high-speed bus service on highway congestion, regional transit ridership, air quality, types of service provided, and other quantitative and qualitative information that will help the council and the legislature to evaluate the effectiveness of high-speed bus service.

Sec. 4. [APPLICATION.]

Sections 1 to 3 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 172:** A bill for an act relating to motor vehicles; providing for issuance of manufacturer test plates; amending Minnesota Statutes 1994, sections 168.12, subdivisions 1 and 5; and 168.28; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 168.012, is amended by adding a subdivision to read:

Subd. 5a. [VEHICLES USED FOR TESTING.] Motor vehicles operated for testing under section 168.25 are not subject to registration taxes under this chapter.

Sec. 2. [168.25] [VEHICLES USED FOR TESTING.]

Subdivision 1. [PLATES.] The registrar shall, on request, issue to a first-stage manufacturer of motor vehicles one or more manufacturer test plates that display a general distinguishing number. The fee for each of the first four plates is \$40 per calendar year, of which \$25 must be paid to the registrar and the remaining \$15 is payable as sales tax on motor vehicles under section 297B.035. For each additional plate, the manufacturer shall pay the registrar a fee of \$10 and a tax on motor vehicles under section 297B.035 of \$15 per calendar year. The registrar shall deposit the tax in the state treasury to be credited under section 297B.09.

Subd. 2. [PERMITTED USES.] A motor vehicle owned by a first-stage manufacturer and bearing the number plate issued under subdivision 1 may be operated on public streets and highways by the manufacturer or an employee or agent of the manufacturer, for the purpose of conducting specialized cold weather testing, and for transportation to and from a bona fide cold weather testing station.

Sec. 3. [297B.0351] [MANUFACTURER'S TESTING VEHICLES.]

Except as provided in section 168.25, a vehicle purchased by a first-stage motor vehicle manufacturer and licensed under that section is exempt from the provisions of this chapter.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for issuance of manufacturer test plates; amending Minnesota Statutes 1994, section 168.012, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168; and 297B."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 965:** A bill for an act relating to transportation; authorizing issuance of permits for 12-foot wide loads of baled straw; amending Minnesota Statutes 1994, sections 169.851, subdivision 1; and 169.862.

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

Page 1, line 23, after "vehicle" insert ", having a maximum width of 102 inches,"

Page 1, line 24, after the comma, insert "each bale having a minimum size of four feet by four feet by eight feet,"

Page 1, line 25, delete "the vehicle or"

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 457:** A bill for an act relating to insurance; no-fault auto; regulating priorities of coverage for taxis; amending Minnesota Statutes 1994, section 65B.47, subdivision 1a.

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 838:** A bill for an act relating to barbers; exempting persons performing barbering services for charitable purposes from registration and other requirements; amending Minnesota Statutes 1994, section 154.04.

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

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1060:** A bill for an act relating to employment; modifying provisions relating to reemployment insurance; amending Minnesota Statutes 1994, sections 268.04, subdivision 10; 268.06, subdivisions 3a, 18, 19, 20, and 22; 268.08, subdivision 6; 268.10, subdivision 2; 268.12, subdivision 12; 268.16, subdivision 6, and by adding a subdivision; 268.161, subdivisions 8 and 9; 268.162, subdivision 2; 268.163, subdivision 3; 268.164, subdivision 3; 268.18, subdivisions 1, 2, 3, and 6; 270A.09, subdivision 1a; 352.01, subdivision 2b; 352.22, subdivision 10; and 574.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 268.10, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10; and 268.12, subdivisions 9, 10, and 13.

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

Page 9, after line 30, insert:

"Sec. 8. Minnesota Statutes 1994, section 268.08, is amended by adding a subdivision to read:

Subd. 5a. [SELF EMPLOYMENT.] (a) An individual who is determined to be likely to exhaust regular reemployment insurance benefits and is enrolled in a dislocated worker program shall be considered in approved training for purposes of this chapter for each week the individual is engaged on a full-time basis in activities, including training, relating to the establishment of a business and becoming self employed. An individual who meets the requirements of this subdivision shall be considered unemployed for purposes of this chapter. Income earned from the self-employment activity shall not be considered for purposes of section 268.07, subdivision 2, paragraph (g). Under no circumstances shall more than five percent of the number of individuals receiving regular reemployment insurance benefits be actively enrolled in this program at any time. This subdivision shall not apply to persons claiming state or federal extended or additional benefits.

(b) This subdivision shall apply to weeks beginning after the date of enactment or weeks beginning after approval of this subdivision by the United States Department of Labor whichever date is later. This subdivision shall have no force or effect for any purpose as of the end of the week preceding the date when federal law no longer authorizes the provisions of this subdivision, unless such date is a Saturday in which case this subdivision shall have no force and effect for any purpose as of that date."

Page 19, after line 27, insert:

"Sec. 13. Minnesota Statutes 1994, section 268.16, subdivision 3a, is amended to read:

Subd. 3a. [COSTS.] Any employing unit which fails to make and submit reports or pay any contributions or reimbursement when due is liable to the department for any recording fees, sheriff fees, costs incurred by referral to any public or private agency outside the department, or litigation costs incurred in the collection of the amounts due or obtaining the reports.

If any check or money order, in payment of any amount due under this chapter, is not honored when presented for payment, the employing unit will be assessed a fee of \$20 which is in addition to any other fees provided by this chapter. The fee shall be assessed regardless of the amount of the check or money order or the reason for nonpayment with the exception of processing errors made by a financial institution.

Costs due under this subdivision shall be paid to the department and credited to the administration fund."

Page 37, line 8, delete "27" and insert "29"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "6" insert ", and by adding a subdivision"

Page 1, line 7, delete "subdivision 6" and insert "subdivisions 3a, 6"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 979:** A bill for an act relating to motor carriers; regulating hazardous material transporters; requiring fingerprints of motor carrier managers for criminal background checks; making technical changes related to calculating proportional mileage under the international registration plan; specifying violations that may result in suspension or revocation of permit; making technical changes relating to hazardous waste transporter licenses; providing for disposition of fees collected for hazardous material registration, licensing, and permitting; abolishing a sunset provision; amending Minnesota Statutes 1994, section 221.0355, subdivisions 3, 5, 6, 12, 15, and by adding a subdivision; Laws 1994, chapter 589, section 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 1994, section 221.0355, subdivision 3, is amended to read:

Subd. 3. [GENERAL REQUIREMENTS.] Except as provided in subdivision 17, after October 1, 1994:

(a) No carrier, other than a public entity, may transport a hazardous material by motor vehicle in Minnesota unless it has complied with subdivision 4.

(b) No carrier, other than a public entity, may transport a hazardous waste in Minnesota unless it has complied with subdivisions 4 and 5.

(c) No shipper may offer a designated hazardous material for shipment or cause a designated hazardous material to be transported or shipped in Minnesota unless it has complied with subdivision 7.

(d) No carrier, other than a public entity, may transport a designated hazardous material by rail or water in Minnesota unless it has complied with subdivision 7a.

(e) No public entity may transport a hazardous material or hazardous waste by motor vehicle in Minnesota unless it has complied with subdivision 8.

Sec. 2. Minnesota Statutes 1994, section 221.0355, subdivision 5, is amended to read:

Subd. 5. [HAZARDOUS WASTE TRANSPORTERS.] (a) A carrier with its principal place of business in Minnesota or who designates Minnesota as its base state shall file a disclosure statement with and obtain a permit from the commissioner that specifically authorizes the transportation of hazardous waste before transporting a hazardous waste in Minnesota. A carrier that designates another participating state as its base state shall file a disclosure statement with and obtain a permit from that state that specifically authorizes the transportation of hazardous waste before transporting a hazardous waste in Minnesota. A registration is valid for one year from the date a notice of registration form is issued and a permit is valid for three years from the date issued or until a carrier fails to renew its registration, whichever occurs first.

(b) A disclosure statement must include the information contained in part III of the uniform application. A person who has direct management responsibility for a carrier's hazardous waste

transportation operations shall submit a full set of the person's fingerprints, with the carrier's disclosure statement, for identification purposes and to enable the commissioner to determine whether the person has a criminal record. The commissioner shall send the person's fingerprints to the Federal Bureau of Investigation and shall request the bureau to conduct a check of the person's criminal record. The commissioner shall not issue a notice of registration or permit to a hazardous waste transporter who has not made a full and accurate disclosure of the required information or paid the fees required by this subdivision. Making a materially false or misleading statement in a disclosure statement is prohibited.

(c) The commissioner shall assess a carrier the actual costs ~~charged~~ incurred by the commissioner ~~by a person~~ for conducting the uniform program's required investigation of the information contained in a disclosure statement.

(d) A permit under this subdivision becomes a license under section 221.035, subdivision 1, on August 1, 1996, and is subject to the provisions of section 221.035 until it expires.

Sec. 3. Minnesota Statutes 1994, section 221.0355, subdivision 6, is amended to read:

Subd. 6. [APPORTIONED VEHICLE REGISTRATION FEE CALCULATION.] (a) An apportioned vehicle registration fee shall be equal to the percentage of Minnesota transportation multiplied by the percentage of hazardous material transportation multiplied by the total number of vehicles the carrier operates multiplied by a per-vehicle fee of \$30.

(b) A carrier shall calculate its percentage of Minnesota transportation and its percentage of hazardous material transportation as follows:

(1) A carrier shall determine its percentage of Minnesota transportation by dividing the number of miles it traveled in Minnesota under the international registration plan, pursuant to section 168.187, during the previous year, by the number of miles it traveled ~~nationwide in the United States and Canada~~ under the international registration plan during the previous year. ~~If a carrier operated only in Minnesota, it must use 100 percent of the miles traveled as its percentage of Minnesota transportation. If a carrier does not register its vehicles through the international registration plan, it must calculate the number of miles traveled in the manner required under the international registration plan. If a carrier operates more than one fleet under the international registration plan the carrier must add all miles traveled by all vehicles in all fleets to calculate its mileage. A Minnesota carrier who operates in an adjacent state under a reciprocal agreement with that state must include the miles operated under the agreement as miles traveled in Minnesota in calculating mileage under this clause.~~

(2) A carrier shall determine its percentage of hazardous material transportation as follows:

(i) for less-than-truckload shipments, it must divide the weight of the carrier's hazardous material and hazardous waste shipments transported during the previous year by the total weight of all shipments transported during the previous year; or

(ii) for truckload shipments, it must divide the number of shipments transported during the previous year for which placarding, marking, or manifesting, was required by Code of Federal Regulations, title 49, part 172, by the total number of all shipments transported during the previous year.

(c) A carrier that transports both truckload and less-than-truckload shipments of hazardous material or hazardous waste must determine its percentage of hazardous material transportation by calculating the absolute percentage of business that is hazardous material transportation on a proportional basis with the percentage of business that is not hazardous material transportation. ~~If a method of determining a carrier's percentage of hazardous material transportation based on general percentage ranges, instead of actual percentages, becomes allowed under the uniform program, a carrier shall use that method to determine its percentage of hazardous material transportation or by calculating its percentage within the ranges allowed following procedures under the uniform program.~~

(d) ~~The definitions of "truckload freight" and "less than truckload freight" in section 221.011, do not apply to this subdivision.~~

(e) A carrier may use data from its most recent complete fiscal year or the most recent complete calendar year in calculating the percentages required in this subdivision for transportation conducted during the previous year.

Sec. 4. Minnesota Statutes 1994, section 221.0355, subdivision 12, is amended to read:

Subd. 12. [SUSPENSION, REVOCATION, AND DENIAL.] (a) The commissioner may suspend or revoke a ~~registration and~~ permit issued under this section or order the suspension of the transportation of hazardous material or hazardous waste in Minnesota by a carrier who has obtained a ~~notice of registration and~~ permit from another participating state under the uniform program if the commissioner determines that a carrier ~~made a materially false or misleading statement in a uniform application or that a carrier's conduct constitutes a serious or repeated violation of statutes or rules governing the transportation of hazardous material or hazardous waste.:~~

(1) committed a violation of Code of Federal Regulations, title 49, parts 100 to 180, 383, 387, or 390 to 397, while engaging in hazardous materials transportation if the violation posed an imminent hazard to the public or the environment;

(2) made a knowing falsification of a material fact in a uniform application;

(3) has received an unsatisfactory safety rating from the state or the United States Department of Transportation; or

(4) has exhibited reckless disregard for the public and the environment.

(b) In determining if a carrier has exhibited reckless disregard for the public and the environment in violation of paragraph (a), clause (4), the commissioner shall consider:

(1) whether the carrier has engaged in a pattern of violations of Code of Federal Regulations, title 49, parts 100 to 180, 383, 387, or 390 to 397, or regulations governing the management of hazardous waste, while engaging in hazardous materials transportation, when the violations are viewed in relation to the number of truck-miles of hazardous material transportation and the number of vehicles in the carrier's fleet;

(2) the actual or potential level of environmental damage resulting from an incident or a violation of the federal regulations described in paragraph (a), clause (1);

(3) the response by the carrier to an incident or a violation of the federal regulations described in paragraph (a), clause (1);

(4) the carrier's history of violations for the past three years;

(5) any mitigating factors; and

(6) other factors as justice requires, if the commissioner specifically identifies the additional factors in the order of suspension or revocation.

(c) The commissioner may not issue a ~~notice of registration and~~ permit to a carrier if the commissioner determines that a carrier's conduct would constitute grounds for suspension or revocation under this subdivision. A carrier who wishes to contest a denial, suspension, or revocation is entitled to a hearing under chapter 14.

Sec. 5. Minnesota Statutes 1994, section 221.0355, subdivision 15, is amended to read:

Subd. 15. [HAZARDOUS WASTE LICENSES.] (a) From October 1, 1994, until August 1, 1996, the commissioner shall not register hazardous material transporters under section 221.0335 or license hazardous waste transporters under section 221.035. A person who is licensed under section 221.035 need not obtain a permit under subdivision 4 or 5 for the transportation of hazardous waste in Minnesota, until the person's license has expired. A carrier wishing to transport hazardous waste in another participating state shall obtain a permit under the uniform program authorizing the transportation.

(b) The commissioner may refund fees paid under section 221.035, minus a proportional

amount calculated on a monthly basis for each month that a hazardous waste transporter license was valid, to a person who was issued a hazardous waste transporter license after May 5, 1994, who applied for a permit authorizing the transportation of hazardous waste under subdivisions 4 and 5 before October 1, 1994, and who was subsequently issued that permit under the uniform program.

Sec. 6. Minnesota Statutes 1994, section 221.0355, is amended by adding a subdivision to read:

Subd. 18. [DEPOSIT AND USE OF FEES.] Fees received by the commissioner for administrative processing and investigating information in a disclosure statement must be deposited in the state treasury and credited to the trunk highway fund. Registration fees collected under subdivisions 4, 5, 7, and 7a must be deposited in the state treasury, credited to the general fund, and used to cover the costs of hazardous materials incident response capability under sections 299A.48 to 299A.52 and 299K.095.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Amend the title as follows:

Page 1, lines 12 and 13, delete "abolishing a sunset provision;"

Page 1, line 15, delete "; Laws 1994, chapter 589, section 8"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 554:** A bill for an act relating to motor vehicles; establishing special professional sports team and Olympic license plates; dedicating fees collected; creating an account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Delete everything after the enacting clause and insert:

"Section 1. [168.1291] [SPECIAL SPORTS TEAM AND OLYMPIC LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special professional sports team or Olympic license plates to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
- (2) pays a fee determined by the registrar to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) contributes \$15 annually to the Minnesota amateur sports commission account established in subdivision 6; and
- (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] After consultation with each participating professional sports league and the United States Olympic Committee, the registrar shall design the special professional sports team and Olympic plates.

In consultation with the registrar, the Minnesota amateur sports commission annually shall indicate the number of plates the commission anticipates will be needed.



Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger vehicle, pickup truck, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [FEES CREDITED.] The fees collected under this section, not including the contributions collected for the Minnesota amateur sports commission account, must be deposited in the state treasury and credited to the highway user tax distribution fund.

Subd. 6. [MINNESOTA AMATEUR SPORTS COMMISSION ACCOUNT.] A Minnesota amateur sports commission account is created in the state treasury. Except for one percent that may be retained by the registrar for administrative costs, all contributions received under this section must be deposited by the registrar in the account. Money in the account is appropriated to the Minnesota amateur sports commission to support maximum sport and physical fitness opportunities for all residents of this state regardless of gender, age, race, ability, geography, or economic status, and to provide meaningful sport and fitness opportunities for residents of this state who are economically disadvantaged, girls or women, senior citizens, persons with disabilities, or residents of greater Minnesota.

Subd. 7. [RECORD.] The registrar shall maintain a record of the number of license plates issued for each professional sports team and for the United States Olympic Committee.

## Sec. 2. [PAYMENT OF PRODUCTION COSTS.]

The Minnesota amateur sports commission may pay the commissioner an amount determined by the commissioner to equal the administrative, handling, and manufacturing costs of the first production of professional sports team and Olympic license plates. Production of license plates must begin after the commissioner receives this payment.

## Sec. 3. [APPROPRIATION.]

(a) The amount determined by the commissioner under section 2 is appropriated to the commissioner of public safety to pay the costs of the first production of license plates under section 1. This sum is available until expended.

(b) The amount paid by the Minnesota amateur sports commission to the commissioner under section 2 is appropriated to the Minnesota amateur sports commission from the highway user tax distribution fund. This appropriation shall be available to the extent that professional sports team and Olympic license plates are sold and receipts are credited to the highway user tax distribution fund."

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 835:** A bill for an act relating to metropolitan government; authorizing financing for transit and paratransit facilities and equipment; removing the limitation on metro mobility funding for capital costs; amending Minnesota Statutes 1994, section 473.39, subdivision 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 1994, section 473.39, subdivision 1b, is amended to read:

~~Subd. 1b. [OBLIGATIONS;—1993-1996.] The council may also issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$62,000,000, of which \$44,000,000 may be used for council transit for and paratransit fleet replacement, transit and paratransit facilities, and transit and paratransit capital equipment, and \$18,000,000 may be used for transit hubs, park-and-ride lots, community-based transit vehicles~~

and replacement service program vehicles, intelligent vehicle highway systems projects, and other capital expenditures as prescribed in the ~~implementation and council's transit capital plans of the board improvement program~~, and related costs including the cost of issuance and sale of the obligations. The council may issue ~~\$32,000,000~~ \$30,000,000 of the total amount authorized under this subdivision during fiscal biennium ending 1993 ~~\$30,000,000 during fiscal biennium ending 1995.~~

Sec. 2. Minnesota Statutes 1994, section 473.39, is amended by adding a subdivision to read:

Subd. 1c. [ADDITIONAL OBLIGATIONS.] In addition to the authority in subdivisions 1a and 1b, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$50,000,000, which may be used for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Sec. 3. [SPECIAL TRANSPORTATION SERVICE CAPITAL EXPENDITURES.]

Notwithstanding the limitation on funding for metro mobility in Laws 1993, chapter 266, section 3, subdivision 3, the council may use the proceeds from the certificates of indebtedness, bonds, or other obligations issued pursuant to Minnesota Statutes, section 473.39, subdivisions 1b and 1c, to pay the capital costs of special transportation service in the metropolitan area.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment and apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows:

Page 1, line 6, before the period, insert ", and by adding a subdivision"

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

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 497:** A bill for an act relating to transportation; establishing special license plates for child protection; dedicating fees collected; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Delete everything after the enacting clause and insert:

"Section 1. [168.1291] [SPECIAL LICENSE PLATES FOR CHILD ABUSE PREVENTION.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special license plates for child abuse prevention to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
  - (2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;
  - (3) pays the registration tax required under section 168.013;
  - (4) pays the fees required under this chapter;
  - (5) contributes at least \$25 annually for the children's trust fund for prevention of child abuse established in section 257.802; and
  - (6) complies with laws and rules governing registration and licensing of vehicles and drivers.
- Subd. 2. [DESIGN.] The registrar shall design the special license plates to include a

background design, emblem, or colors that designate the license plate as a "Kids First" license plate.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger vehicle, pickup, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [FEES CREDITED.] The fees collected under this section, not including money collected for the children's trust fund for prevention of child abuse, must be deposited in the state treasury and credited to the highway user tax distribution fund.

Subd. 6. [CHILD ABUSE PREVENTION.] Except for one percent that may be retained by the registrar for administrative costs, all money received under this section must be remitted by the registrar to the children's trust fund for prevention of child abuse to be awarded to the county councils for community education projects.

Sec. 2. [APPROPRIATION.]

\$10,000 is appropriated from the trunk highway fund to the commissioner of public safety to pay the costs of the first production of special license plates for child abuse prevention."

Delete the title and insert:

"A bill for an act relating to transportation; establishing special license plates for child abuse prevention; dedicating fees collected; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168."

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

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 474:** A bill for an act relating to insurance; accident and sickness; regulating grace periods for Medicare supplement policies; amending Minnesota Statutes 1994, section 62A.04, 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 1994, section 62A.04, subdivision 2, is amended to read:

Subd. 2. [REQUIRED PROVISIONS.] Except as provided in subdivision 4 each such policy delivered or issued for delivery to any person in this state shall contain the provisions specified in this subdivision in the words in which the same appear in this section. The insurer may, at its option, substitute for one or more of such provisions corresponding provisions of different wording approved by the commissioner which are in each instance not less favorable in any respect to the insured or the beneficiary. Such provisions shall be preceded individually by the caption appearing in this subdivision or, at the option of the insurer, by such appropriate individual or group captions or subcaptions as the commissioner may approve.

(1) A provision as follows:

**ENTIRE CONTRACT; CHANGES:** This policy, including the endorsements and the attached papers, if any, constitutes the entire contract of insurance. No change in this policy shall be valid until approved by an executive officer of the insurer and unless such approval be endorsed hereon or attached hereto. No agent has authority to change this policy or to waive any of its provisions.

(2) A provision as follows:

**TIME LIMIT ON CERTAIN DEFENSES:** (a) After two years from the date of issue of this policy no misstatements, except fraudulent misstatements, made by the applicant in the application for such policy shall be used to void the policy or to deny a claim for loss incurred or disability (as defined in the policy) commencing after the expiration of such two year period.

The foregoing policy provision shall not be so construed as to affect any legal requirement for avoidance of a policy or denial of a claim during such initial two year period, nor to limit the application of clauses (1), (2), (3), (4) and (5), in the event of misstatement with respect to age or occupation or other insurance. A policy which the insured has the right to continue in force subject to its terms by the timely payment of premium (1) until at least age 50 or, (2) in the case of a policy issued after age 44, for at least five years from its date of issue, may contain in lieu of the foregoing the following provisions (from which the clause in parentheses may be omitted at the insurer's option) under the caption "INCONTESTABLE":

After this policy has been in force for a period of two years during the lifetime of the insured (excluding any period during which the insured is disabled), it shall become incontestable as to the statements contained in the application.

(b) No claim for loss incurred or disability (as defined in the policy) commencing after two years from the date of issue of this policy shall be reduced or denied on the ground that a disease or physical condition not excluded from coverage by name or specific description effective on the date of loss had existed prior to the effective date of coverage of this policy.

(3) A provision as follows:

**GRACE PERIOD:** A grace period of ..... (insert a number not less than "7" for weekly premium policies, "10" for monthly premium policies and "31" for all other policies) days will be granted for the payment of each premium falling due after the first premium, during which grace period the policy shall continue in force.

A policy which contains a cancellation provision may add, at the end of the above provision, subject to the right of the insurer to cancel in accordance with the cancellation provision hereof.

A policy in which the insurer reserves the right to refuse any renewal shall have, at the beginning of the above provision,

Unless not less than five days prior to the premium due date the insurer has delivered to the insured or has mailed to the insured's last address as shown by the records of the insurer written notice of its intention not to renew this policy beyond the period for which the premium has been accepted.

(4) A provision as follows:

**REINSTATEMENT:** If any renewal premium be not paid within the time granted the insured for payment, a subsequent acceptance of premium by the insurer or by any agent duly authorized by the insurer to accept such premium, without requiring in connection therewith an application for reinstatement, shall reinstate the policy. If the insurer or such agent requires an application for reinstatement and issues a conditional receipt for the premium tendered, the policy will be reinstated upon approval of such application by the insurer or, lacking such approval, upon the forty-fifth day following the date of such conditional receipt unless the insurer has previously notified the insured in writing of its disapproval of such application. For health plans as defined under section 62A.011, subdivision 3, clause (10), an insurer must accept payment of a renewal premium and reinstate the policy, unless:

(1) the insured has in the interim left the state or the insurer's service area; or

(2) the insured has applied for reinstatement on two or more prior occasions.

The reinstated policy shall cover only loss resulting from such accidental injury as may be sustained after the date of reinstatement and loss due to such sickness as may begin more than ten days after such date. In all other respects the insured and insurer shall have the same rights thereunder as they had under the policy immediately before the due date of the defaulted premium,

subject to any provisions endorsed hereon or attached hereto in connection with the reinstatement. Any premium accepted in connection with a reinstatement shall be applied to a period for which premium has not been previously paid, but not to any period more than 60 days prior to the date of reinstatement. The last sentence of the above provision may be omitted from any policy which the insured has the right to continue in force subject to its terms by the timely payment of premiums (1) until at least age 50, or, (2) in the case of a policy issued after age 44, for at least five years from its date of issue.

(5) A provision as follows:

**NOTICE OF CLAIM:** Written notice of claim must be given to the insurer within 20 days after the occurrence or commencement of any loss covered by the policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the insured or the beneficiary to the insurer at ..... (insert the location of such office as the insurer may designate for the purpose), or to any authorized agent of the insurer, with information sufficient to identify the insured, shall be deemed notice to the insurer.

In a policy providing a loss-of-time benefit which may be payable for at least two years, an insurer may at its option insert the following between the first and second sentences of the above provision:

Subject to the qualifications set forth below, if the insured suffers loss of time on account of disability for which indemnity may be payable for at least two years, the insured shall, at least once in every six months after having given notice of claim, give to the insurer notice of continuance of said disability, except in the event of legal incapacity. The period of six months following any filing of proof by the insured or any payment by the insurer on account of such claim or any denial or liability in whole or in part by the insurer shall be excluded in applying this provision. Delay in the giving of such notice shall not impair the insured's right to any indemnity which would otherwise have accrued during the period of six months preceding the date on which such notice is actually given.

(6) A provision as follows:

**CLAIM FORMS:** The insurer, upon receipt of a notice of claim, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made.

(7) A provision as follows:

**PROOFS OF LOSS:** Written proof of loss must be furnished to the insurer at its said office in case of claim for loss for which this policy provides any periodic payment contingent upon continuing loss within 90 days after the termination of the period for which the insurer is liable and in case of claim for any other loss within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required.

(8) A provision as follows:

**TIME OF PAYMENT OF CLAIMS:** Indemnities payable under this policy for any loss other than loss for which this policy provides periodic payment will be paid immediately upon receipt of due written proof of such loss. Subject to due written proof of loss, all accrued indemnities for loss for which this policy provides periodic payment will be paid ..... (insert period for payment which must not be less frequently than monthly) and any balance remaining unpaid upon the termination of liability will be paid immediately upon receipt of due written proof.

(9) A provision as follows:

**PAYMENT OF CLAIMS:** Indemnity for loss of life will be payable in accordance with the

beneficiary designation and the provisions respecting such payment which may be prescribed herein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the insured. Any other accrued indemnities unpaid at the insured's death may, at the option of the insurer, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the insured.

The following provisions, or either of them, may be included with the foregoing provision at the option of the insurer:

If any indemnity of this policy shall be payable to the estate of the insured, or to an insured or beneficiary who is a minor or otherwise not competent to give a valid release, the insurer may pay such indemnity, up to an amount not exceeding \$..... (insert an amount which shall not exceed \$1,000), to any relative by blood or connection by marriage of the insured or beneficiary who is deemed by the insurer to be equitably entitled thereto. Any payment made by the insurer in good faith pursuant to this provision shall fully discharge the insurer to the extent of such payment.

Subject to any written direction of the insured in the application or otherwise all or a portion of any indemnities provided by this policy on account of hospital, nursing, medical, or surgical services may, at the insurer's option and unless the insured requests otherwise in writing not later than the time of filing proofs of such loss, be paid directly to the hospital or person rendering such services; but it is not required that the service be rendered by a particular hospital or person.

(10) A provision as follows:

**PHYSICAL EXAMINATIONS AND AUTOPSY:** The insurer at its own expense shall have the right and opportunity to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim hereunder and to make an autopsy in case of death where it is not forbidden by law.

(11) A provision as follows:

**LEGAL ACTIONS:** No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after written proof of loss has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of three years after the time written proof of loss is required to be furnished.

(12) A provision as follows:

**CHANGE OF BENEFICIARY:** Unless the insured makes an irrevocable designation of beneficiary, the right to change of beneficiary is reserved to the insured and the consent of the beneficiary or beneficiaries shall not be requisite to surrender or assignment of this policy or to any change of beneficiary or beneficiaries, or to any other changes in this policy. The first clause of this provision, relating to the irrevocable designation of beneficiary, may be omitted at the insurer's option."

Delete the title and insert:

"A bill for an act relating to insurance; accident and sickness; regulating policy reinstatement; amending Minnesota Statutes 1994, section 62A.04, subdivision 2."

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1000:** A bill for an act relating to metropolitan government; creating a contaminated site cleanup loan program within the metropolitan council; levying taxes; appropriating money; 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 3, line 11, delete from "or" through page 3, line 12, to "facility"

Page 3, line 33, delete from "or the" through page 3, line 34, to "facilities"

Page 5, line 7, delete "473.871" and insert "473.831"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1070:** A bill for an act relating to counties; providing for the filling by appointment of certain offices in counties; providing for conforming changes; amending Minnesota Statutes 1994, sections 375A.10, subdivisions 2, 3, and 5; and 375A.12, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 32, delete "(a)"

Page 4, delete lines 3 to 6

Page 4, line 7, delete the paragraph coding and delete "(c)"

Page 4, line 19, delete from ", provided" through page 4, line 21, to "held"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Messrs. Pogemiller and Stumpf from the Committee on Education, to which was re-referred**

**S.F. No. 557:** A bill for an act relating to employment; authorizing the legislative commission on employee relations to modify compensation for certain managerial positions in the higher education board; ratifying certain labor agreements; amending Minnesota Statutes 1994, section 3.855, subdivision 3.

Report 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 Care, to which was referred**

**S.F. No. 893:** A bill for an act relating to insurance; the comprehensive health association; changing benefits; changing the association's enrollment freeze date; eliminating the MinnesotaCare program's four-month waiting period for association members; amending Minnesota Statutes 1994, sections 62E.12; 62Q.18, subdivision 8; and 256.9357, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 19 to 23, delete the new language

Pages 2 and 3, delete section 3

Amend the title as follows:

Page 1, line 4, delete from "eliminating" through page 1, line 6, to "members;"

Page 1, line 7, before "62Q.18" insert "and" and delete everything after "8"

Page 1, line 8, delete everything before the period

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 604:** A bill for an act relating to children's supervised visitation facilities; amending

Minnesota Statutes 1994, sections 256F.09, subdivisions 1, 2, 3, and by adding a subdivision; and 517.08, subdivisions 1b and 1c; repealing Minnesota Statutes 1994, section 256F.09, 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 1994, section 256F.09, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental, or governmental organizations, to use existing local facilities as pilot children's safety centers supervised visitation facilities, which may also be used for visitation exchanges. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating or maintaining children's safety centers supervised visitation facilities in an effort to reduce children's vulnerability to violence and trauma related to family visitation, where there has been a history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven county metropolitan area and at least one of the projects shall be located outside the seven county metropolitan area, and The commissioner shall award the grants to provide the greatest possible number of safety centers children's supervised visitation facilities and to locate them to provide for the broadest possible geographic distribution of the centers facilities throughout the state.

Each children's safety center supervised visitation facility must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The centers facilities must be available for use by district courts who may order visitation to occur at a safety center supervised visitation facility.

The centers facilities may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each center facility must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a 25 percent local match, which may include in-kind contributions.

Sec. 2. Minnesota Statutes 1994, section 256F.09, is amended by adding a subdivision to read:

Subd. 1a. [COUNTY INVOLVEMENT.] Each county or group of counties is encouraged to provide supervised visitation services in an effort to fill the gap in the court system that orders supervised visitation, but does not provide a facility to accomplish the supervised visitation as ordered. Each county or group of counties is encouraged to either financially contribute to an existing supervised visitation center in the area, or establish a new facility if there is not one in the area, possibly through county social services. In creating a new facility, the county may collaborate with other counties, other supervised visitation facilities, family services collaboratives, court services, and any other entity or organization. The goal is to provide supervised visitation facilities statewide. The county shall apply for funding that may be available through the federal government, specifically for family preservation or family reunification purposes, or any other source of funding that will aid in developing and maintaining this vital service.

Sec. 3. Minnesota Statutes 1994, section 256F.09, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES FUNDING.] The commissioner may award grants to create or maintain children's supervised visitation facilities.

In awarding grants to maintain a children's supervised visitation facility, the commissioner may award a grant to a facility that can demonstrate a 35 percent local match, provided the facility is diligently exploring and pursuing all available funding options in an effort to become self-sustaining, and those efforts are reported to the commissioner.

In awarding grants under the program to create a children's supervised visitation facility, the commissioner shall give priority to:



(1) areas of the state where no other children's safety center supervised visitation facility or similar facility exists;

(2) applicants who demonstrate that private funding for the ~~center~~ facility is available and will continue; and

(3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Sec. 4. Minnesota Statutes 1994, section 256F.09, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL SERVICES.] Each ~~center~~ supervised visitation facility may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Sec. 5. Minnesota Statutes 1994, section 256F.09, is amended by adding a subdivision to read:

Subd. 5. [ADMINISTRATION.] In administering the grants authorized by this section, the commissioner shall ensure that the term "children's supervised visitation facility" is used in all future applications, publicity releases, requests for proposals, and other materials of like nature. Materials published prior to the enactment of this legislation which use different terms may be distributed by the commissioner until supplies are gone.

Sec. 6. Minnesota Statutes 1994, 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 \$122, except a marriage dissolution fee is \$134.

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 \$122.

The party requesting a trial by jury shall pay \$75.

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, \$10, and \$5 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 basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$11.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) 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.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 7. Minnesota Statutes 1994, section 357.021, subdivision 2a, is amended to read:

Subd. 2a. [CERTAIN FEE PURPOSES.] Of the petitioner's marriage dissolution fee collected pursuant to subdivision 2, the court administrator shall pay \$35 to the state treasurer to be deposited in the general fund, and \$12 to the state treasurer to be deposited in the special revenue fund to be appropriated to the commissioner of human services for purposes of section 256F.09.

Sec. 8. [REPEALER.]

Minnesota Statutes 1994, section 256F.09, subdivision 4, is repealed."

Delete the title and insert:

"A bill for an act relating to children's supervised visitation facilities; amending Minnesota Statutes 1994, sections 256F.09, subdivisions 1, 2, 3, and by adding subdivisions; and 357.021, subdivisions 2 and 2a; repealing Minnesota Statutes 1994, section 256F.09, subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 933:** A bill for an act relating to elections; requiring candidates for elective office to be residents of the district from which elected at the time they file for office; proposing an amendment to the Minnesota Constitution, article VII, section 6; amending Minnesota Statutes 1994, section 204B.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "60" and strike "days previous to the" and insert "from the time for filing for"

Page 2, line 6, strike "for" and delete "60"

Page 2, line 7, strike "days before the general" and insert "from the time for filing for"

Page 2, line 20, delete "for 60 days previous to the" and insert "from the time they file for"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Messrs. Pogemiller and Stumpf from the Committee on Education, to which was re-referred**

**S.F. No. 477:** A bill for an act relating to education; consolidating and restructuring certain

higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 15.38, subdivision 3; 136E.01, subdivision 1; 136E.02, subdivisions 1 and 3; 136E.021, subdivision 2; 136E.03; 136E.04, subdivisions 1, 3, and 7; 136E.05; 136E.31; 136E.395; 136E.525, subdivisions 1 and 2; and 136E.692, subdivisions 1, 3, and 4; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 15.38, subdivision 4; 136.01; 136.015; 136.017; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; and 136E.04, subdivisions 2, 4, 5, and 6; Laws 1994, chapter 532, article 6, section 12, paragraph (a).

Report the same back with the recommendation that the bill be amended as follows:

Page 6, line 6, delete "The" and insert "By July 1, 1995, the"

Page 6, line 8, delete "determine" and insert "implement"

Page 6, line 10, delete everything after "actions" and insert a period

Page 6, delete lines 11 to 13 and insert "The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding."

Page 14, line 7, after the period, insert "The Penny fellowship of the Minnesota state university student association shall be considered a nonprofit state college and university foundation for purposes of this section."

Page 14, line 19, after "university" insert "or for distribution to students in the form of scholarships"

Pages 15 to 19, delete section 35

Page 30, after line 36, insert:

"Sec. 61. [STATUTORY DOWNSIZING; BOARD RECOMMENDATIONS.]

By January 1, 1996, the board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota shall provide the education committees of the legislature with recommendations to reduce the number of statutory sections relating to higher education, including, but not limited to, recommendations regarding statutory sections that could be incorporated in board policies or procedures, and regarding statutory sections that are obsolete.

Sec. 62. [EARLY SEPARATION INCENTIVES.]

Subdivision 1. [EMPLOYER PARTICIPATION; HIGHER EDUCATION AGENCIES.] (a) In order to minimize the disruptive effects of layoffs or reorganization attributable to the merger of the state universities, community colleges, and technical colleges, and the restructuring of the higher education coordinating board, employees of the higher education coordinating board, the state university, community college, and technical college systems, and employees of local school districts, joint technical districts, and intermediate districts assigned to a technical college position, who are employed in positions that are to be eliminated in the merger and restructuring, as certified by the chancellor of the higher education board or the executive director of the higher education coordinating board, are entitled to elect an early separation incentive set forth in subdivision 3.

(b) The higher education board and the higher education coordinating board must determine those specific positions to be permanently eliminated as part of the merger or restructuring and identify the employees who may elect one of the early separation incentives established by this section.

Subd. 2. [ELIGIBILITY.] A person employed by the employing units identified in subdivision 1 is eligible to elect the incentive if the person:

(1) is an employee of the higher education coordinating board, a state university, community college, or technical college, or an administrative employee of a local school district, joint technical district and intermediate district assigned to a technical college position whose position is to be eliminated;

(2) is at least age 55 but is not yet age 65;

(3) is employed in a permanent position and in active work status at the time the incentive is elected;

(4) upon retirement, termination, or separation is immediately eligible for a retirement annuity from a defined benefit Minnesota public employee pension plan or a distribution from a defined contribution Minnesota public employee pension plan;

(5) retires, separates, or is terminated from an eligible position after June 30, 1994, but before July 1, 1996; and

(6) has been certified by the chancellor of the higher education board or the executive director of the higher education coordinating board as eligible to elect an early separation incentive.

Subd. 3. [INCENTIVES.] (a) Eligible employees may elect one of the following incentives but may not elect both.

(b) Retirement under this section means permanent separation or termination from employment with or under the control of the higher education board, the higher education coordinating board, or the higher education systems to be merged.

(c) Employees who separate, terminate, or retire with the early retirement incentive under paragraph (e) may not be rehired by the state in any employment position under the control of the higher education board or the higher education coordinating board.

(d) An eligible employee who receives a termination notice after July 1, 1994, may elect to take a six-month retraining leave in order to complete a course of study that is approved by the higher education board or the higher education coordinating board and which is designed to prepare the employee to assume a faculty position at a state university, community college, or technical college. The retraining leave must be at the full salary level that the person received immediately before the termination notice, including fringe benefits. The leave must be completed no later than June 30, 1996. Employees who seek to return to teaching must satisfy the qualifications established by applicable collective bargaining agreements. Any subsequent faculty appointments must be in accordance with collective bargaining agreements and policies of the higher education board. The individual's pretermination notice employment ceases at the conclusion of the retraining leave. Individual employee eligibility for severance payments must be made in accordance with the policies of the employing unit in effect at the time the incentive was elected. Notice of election of this incentive must be made before April 1, 1996, on forms prescribed by the higher education board.

(e) An eligible employee may elect the following instead of the incentive in paragraph (d):

(1) state-paid hospital, medical, and dental insurance to age 65. An employee who retires, is terminated, or is separated is eligible for single or dependent insurance coverages, whichever applies, and any employer payments to which the person was entitled immediately before retirement, termination, or separation subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans in positions equivalent to the position from which the employee retired, terminated, or separated. The employee is not eligible for employer-paid life insurance. If the employee is not yet age 65 at the time of retirement or

separation, the employee is eligible for employer-paid insurance under the provisions of a personnel plan and has at least as many months service with the current employer and as the number of months the individual is under age 65 at the time of retirement; and

(2) if the eligible employee has at least 15 years of combined service credit in a Minnesota public pension plan, a one-time opportunity to purchase up to two years of service credit in or to make not more than two years of additional member contributions to the public pension plan that the employee is a member of at the time of retirement or separation as follows:

(i) Eligible employees may have the additional payment made on the basis of the employee's base salary in the year of separation as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies. The employee payment must include interest at the rate of 8.5 percent. The employer shall make the required employer contribution and employer additional contribution to the retirement fund as specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies for an employee who elects this option. Both the required employee and employer payments must be made to the fund before the employee's date of retirement or separation, whichever is earlier.

(ii) Defined contribution plan members in plans established by chapter 352D or 354B must have additional employee and employer contributions made on the basis of the employee's base salary in the year of retirement as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352D.04, subdivision 2, or 354B.04, as applicable. The additional contributions must be made before the employee's date of retirement or separation, whichever is earlier."

Page 31, delete line 27

Page 31, line 32, delete "63" and insert "64"

Page 32, line 17, after the semicolon, insert "136E.395;"

Page 32, line 20, delete "63" and insert "64"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "136E.395;"

Page 1, line 34, delete "and"

Page 1, line 35, after the semicolon, insert "and 136E.395;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1112:** A bill for an act relating to local government; authorizing Sherburne county to convey certain county ditches to the city of Elk River under certain conditions.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1209:** A bill for an act relating to Hennepin county; modifying certain provisions concerning the county medical examiners office; amending Minnesota Statutes 1994, section 383B.225, subdivisions 5, 6, 7, 9, 11, and 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, lines 13 and 14, delete the new language

Page 5, line 18, after the second comma, insert "chemical dependency,"

Page 5, lines 23 to 26, delete the new language

Page 6, line 3, delete "medical examiner" and insert "board"

Page 7, line 17, after "defender" insert "or prosecutor"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 980:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; allowing additional communities in the metropolitan area to operate their own transit programs; defining available local transit funds; establishing conditions for use of funds by communities providing replacement service; providing application procedure; establishing reserve accounts; amending Minnesota Statutes 1994, section 473.388.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, delete the colon

Page 2, line 9, delete the paragraph coding and delete "(1)"

Page 2, line 11, delete "; or" and insert a period

Page 2, line 12, delete the paragraph coding and delete the new language and strike the old language

Page 2, lines 20 to 22, delete the new language and strike the old language

Page 2, lines 26 to 29, delete the new language and strike the old language

Page 2, line 30, delete "(2)" and insert "(1)"

Page 2, line 33, delete "(3)" and insert "(2)"

Amend the title as follows:

Page 1, line 3, delete "allowing"

Page 1, delete line 4

Page 1, line 5, delete everything before "defining"

And when so amended the bill do pass and be re-referred to the Committee on Transportation and Public Transit. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 874:** A bill for an act relating to state government; directing the commissioner of administration to establish a program to encourage suggestions on ways to save money and improve efficiency in the operation of state government; appropriating money; amending Minnesota Statutes 1994, section 16B.39, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 680:** A bill for an act relating to state lands; authorizing the commissioner of natural resources to sell certain land in Scott county.

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. 786:** A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in the city of Preston.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "sell" and insert "convey for no consideration"

Amend the title as follows:

Page 1, line 2, delete "sale" and insert "conveyance"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 941:** A bill for an act relating to natural resources; confidentiality of mineral resources data; amending Minnesota Statutes 1994, section 13.793.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 833** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
833	841				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 833 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 833 and insert the language after the enacting clause of S.F. No. 841, the first engrossment; further, delete the title of H.F. No. 833 and insert the title of S.F. No. 841, the first engrossment.

And when so amended H.F. No. 833 will be identical to S.F. No. 841, and further recommends that H.F. No. 833 be given its second reading and substituted for S.F. No. 841, 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. 479** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

**GENERAL ORDERS****CONSENT CALENDAR****CALENDAR**H.F. No.  
479S.F. No.  
548

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 479 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 479 and insert the language after the enacting clause of S.F. No. 548, the first engrossment; further, delete the title of H.F. No. 479 and insert the title of S.F. No. 548, the first engrossment.

And when so amended H.F. No. 479 will be identical to S.F. No. 548, and further recommends that H.F. No. 479 be given its second reading and substituted for S.F. No. 548, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 615, 172, 965, 457, 838, 1060, 979, 554, 497, 474, 1070, 893, 604, 477, 1209, 680 and 786 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 833 and 479 were read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Lesewski moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 287. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Price be added as a co-author to S.F. No. 995. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1356. The motion prevailed.

Ms. Ranum moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1359. The motion prevailed.

Ms. Berglin moved that the name of Mr. Finn be added as a co-author to S.F. No. 1361. The motion prevailed.

Mr. Lessard moved that the name of Mr. Stevens be added as a co-author to S.F. No. 1362. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Metzen be added as a co-author to S.F. No. 1393. The motion prevailed.

Mr. Morse moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1398. The motion prevailed.

Ms. Krentz moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1400. The motion prevailed.

Ms. Anderson moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1402. The motion prevailed.



Mr. Cohen moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1412. The motion prevailed.

Mr. Solon moved that S.F. No. 1365 be withdrawn from the Committee on Crime Prevention and re-referred to the Committee on Commerce and Consumer Protection. The motion prevailed.

Mr. Ourada moved that S.F. No. 1390 be withdrawn from the Committee on Governmental Operations and Veterans and re-referred to the Committee on Commerce and Consumer Protection. The motion prevailed.

**Mrs. Pariseau, Mr. Neuville, Ms. Johnston and Mr. Knutson introduced--**

**Senate Resolution No. 43:** A Senate resolution congratulating the Lakeville High School girls gymnastic team on winning the 1995 State High School Class AA Girls Gymnastic Championship.

Referred to the Committee on Rules and Administration.

Ms. Krentz moved that S.F. No. 554, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Hanson moved that S.F. No. 497, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Reichgott Junge moved that S.F. No. 604, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Johnston moved that S.F. No. 979, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Flynn moved that S.F. No. 1000 be withdrawn from the Committee on Finance and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

**CONSENT CALENDAR**

**S.F. No. 739:** A bill for an act relating to agriculture; changing certain procedures for compensating crop owners for damage by elk; amending Minnesota Statute 1994, section 3.7371, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Runbeck
Beckman	Hanson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Johnson, D.E.	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.J.	Lessard	Pappas	Solon
Bertram	Johnson, J.B.	Limmer	Pariseau	Spear
Betzold	Johnston	Marty	Piper	Stevens
Chmielewski	Kiscaden	Merriam	Pogemiller	Stumpf
Cohen	Kleis	Metzen	Price	Terwilliger
Day	Knutson	Moe, R.D.	Ranum	Vickerman
Dille	Kramer	Morse	Reichgott Junge	Wiener
Finn	Krentz	Murphy	Riveness	
Flynn	Kroening	Neuville	Robertson	

So the bill passed and its title was agreed to.

## GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Knutson in the chair.

After some time spent therein, the committee arose, and Mr. Knutson reported that the committee had considered the following:

S.F. Nos. 218, 264, 348, 34, 479, 632 and H.F. Nos. 367, 321, which the committee recommends to pass.

S.F. No. 224, which the committee recommends to pass with the following amendment offered by Mr. Samuelson:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 168.013, subdivision 1d, is amended to read:

Subd. 1d. [TRAILERS.] On trailers the annual tax is based on total gross weight and is 30 percent of the Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent of the Minnesota base rate prescribed by subdivision 1e, but in no event less than \$5, provided, that the tax on trailers with a total gross weight of ~~3,000~~ 6,000 pounds or less is payable biennially.

Farm trailers with a gross weight in excess of 10,000 pounds and as described in section 168.011, subdivision 17, are taxed as farm trucks as prescribed in subdivision 1c."

Page 1, line 7, delete "Section 1" and insert "Sec. 2"

Page 1, line 18, delete everything after "(c)"

Page 1, lines 19 to 23, delete the new language

Page 1, line 24, delete the new language and insert ", provided that the tax on towed recreational vehicles with a total gross weight of 6,000 pounds or less is payable biennially"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete everything before the semicolon and insert "providing for biennial payment of tax on certain towed recreational vehicles and trailers"

Page 1, line 5, delete "subdivision" and insert "subdivisions 1d and"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 44 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Kleis	Mondale	Robertson
Belanger	Frederickson	Kramer	Murphy	Sams
Berg	Hanson	Krentz	Neuville	Samuelson
Berglin	Janezich	Laidig	Oliver	Scheevel
Bertram	Johnson, D.E.	Langseth	Olson	Solon
Chmielewski	Johnson, D.J.	Larson	Ourada	Stevens
Day	Johnson, J.B.	Lesewski	Pappas	Terwilliger
Dille	Johnston	Lessard	Pariseau	Vickerman
Finn	Kiscaden	Limmer	Pogemiller	

Those who voted in the negative were:

Anderson	Hottinger	Metzen	Piper	Runbeck
Betzold	Knutson	Moe, R.D.	Ranum	Spear
Chandler	Marty	Morse	Reichgott Junge	Stumpf
Cohen	Merriam	Novak	Riveness	Wiener

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

### **Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 1136:** A bill for an act relating to human services; adding provisions to health insurance coverage; providing firearms background check; providing mental health services; adding provisions for paternity testing; adding provisions for paternity and child support; providing medical assistance coverage for pediatric vaccines; providing penalties; amending Minnesota Statutes 1994, sections 62A.045; 62A.046; 62A.048; 62A.27; 245.041; 245.487, subdivision 4; 245.4871, subdivisions 12 and 33a; 245.4873, subdivision 6; 245.4874; 245.4875, subdivision 2; 245.4878; 245.4885, subdivision 2; 253B.091; 256.015, subdivision 7; 256.025, subdivisions 1 and 3; 256.12, subdivision 14; 256.74, by adding a subdivision; 256.76, subdivision 1; 256B.0625, by adding a subdivision; 256E.08, subdivision 8; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 518.171, subdivisions 1, 3, 4, 5, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivisions 2 and 7; and 518.615, subdivision 3; repealing Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; and 62E.04, subdivisions 9 and 10.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 6, delete sections 1 to 4

Page 6, line 28, after "agencies" insert "on an individual request basis by means of electronic data transfer from the department of human services"

Pages 6 and 7, delete section 6

Pages 16 and 17, delete section 21 and insert:

"Sec. 16. Minnesota Statutes 1994, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.055, subdivision 1, ~~and children under age 21 who are in foster placement~~; (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older; (3) recipients who currently have private coverage through a health maintenance organization; ~~and~~ (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense; and (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e). Children under age 21 who are in foster placement may enroll in the project on an elective basis. Before limitation of choice is implemented, eligible individuals shall be notified and

after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

Sec. 17. Minnesota Statutes 1994, section 256B.69, subdivision 6, is amended to read:

Subd. 6. [SERVICE DELIVERY.] (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees, except for skilled nursing home services and services of intermediate care facilities for persons with mental retardation or related conditions as defined in section 256B.0625, subdivision 2;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

Sec. 18. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 18. [OMBUDSMAN.] The commissioner shall designate an ombudsman to advocate for persons required to enroll in prepaid health plans under this section. The ombudsman shall advocate for recipients enrolled in prepaid health plans through complaint and appeal procedures and ensure that necessary medical services are provided either by the prepaid health plan directly or by referral to appropriate social services. At the time of enrollment in a prepaid health plan, the local agency shall inform recipients about the ombudsman program and their right to a resolution of a complaint by the prepaid health plan if they experience a problem with the plan or its providers.

Sec. 19. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 19. [SERVICES PENDING APPEAL.] If the recipient appeals in writing to the state agency on or before the tenth day after the decision of the prepaid health plan to reduce, suspend, or terminate services which the recipient had been receiving, and the treating physician or another plan physician orders the services to be continued at the previous level, the prepaid health plan must continue to provide services at a level equal to the level ordered by the plan's physician until the state agency renders its decision.

Sec. 20. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

Subd. 20. [PREPAYMENT COORDINATOR.] The local agency shall designate a prepayment coordinator to assist the state agency in implementing this section and section 256D.03, subdivision 4. Assistance must include educating recipients about available health care options, enrolling recipients under subdivision 5, providing necessary eligibility and enrollment information to health plans and the state agency, and coordinating complaints and appeals with the ombudsman established in subdivision 18.

Sec. 21. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

**Subd. 21. [IMPACT ON PUBLIC OR TEACHING HOSPITALS AND COMMUNITY CLINICS.]** (a) Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program, provided the terms of participation in the program are competitive with the terms of other participants.

(b) Prepaid health plans serving counties with a nonprofit community clinic or community health services agency must contract with the clinic or agency to provide services to clients who choose to receive services from the clinic or agency, if the clinic or agency agrees to payment rates that are competitive with rates paid to other health plan providers for the same or similar services.

Sec. 22. Minnesota Statutes 1994, section 256B.69, is amended by adding a subdivision to read:

**Subd. 22. [LIMITATION ON REIMBURSEMENT TO PROVIDERS NOT AFFILIATED WITH A PREPAID HEALTH PLAN.]** A prepaid health plan may limit any reimbursement it may be required to pay to providers not employed by or under contract with the prepaid health plan to the medical assistance rates for medical assistance enrollees, and the general assistance medical care rates for general assistance medical care enrollees, paid by the commissioner of human services to providers for services to recipients not enrolled in a prepaid health plan."

Page 24, line 33, delete "plan" and insert "carrier"

Page 26, lines 30 and 32, delete "plan" and insert "carrier"

Page 27, lines 10 and 20, delete "plan" and insert "carrier"

Page 28, lines 3 and 9, delete "plan" and insert "carrier"

Pages 31 and 32, delete section 39

Page 34, line 12, delete everything after "Sections" and insert "31 to 36 ("

Page 34, line 13, delete "62A.27;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "adding provisions to health insurance coverage;"

Page 1, line 6, delete "providing"

Page 1, delete line 7 and insert "consolidating the prepaid medical assistance;"

Page 1, delete line 9 and insert "sections 245.041;"

Page 1, line 10, delete "245.487, subdivision 4;"

Page 1, line 16, delete "256B.0625, by adding a subdivision" and insert "256B.69, subdivisions 4, 6, and by adding subdivisions"

Page 1, line 21, delete "subdivisions 2 and 7" and insert "subdivision 7"

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 Governmental Operations and Veterans, to which was referred**

**S.F. No. 999:** A bill for an act relating to state finance; adding certain human services obligations to the requirement that state agencies promptly pay their bills; amending Minnesota Statutes 1994, section 16A.124, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "and vendor obligations"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1247:** A bill for an act relating to state government; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 8 and 9, delete "the commissioner of employee relations may waive"

Page 1, line 10, before the second "to" insert "are waived"

Page 1, line 20, delete "shall" and insert "must"

Page 1, line 23, after the period, insert "The salary plan must be approved under Minnesota Statutes, section 3.855, subdivision 3, before being implemented."

Page 2, line 1, delete "shall terminate" and insert "terminates June 30, 1997, or"

Page 2, line 2, after "any" insert "earlier"

Page 2, line 4, delete "or on"

Page 2, line 5, delete everything before the period

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 605:** A bill for an act relating to recreational vehicles; requiring snowmobile operators and passengers to wear helmets; imposing penalties; amending Minnesota Statutes 1994, section 84.87, 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 1994, section 84.872, is amended by adding a subdivision to read:

Subd. 1a. [HELMET REQUIRED.] A person less than 18 years of age may not operate or ride as a passenger on a snowmobile on any public land, public easement, public water, or grant-in-aid trail unless the person is wearing a safety helmet approved by the commissioner of public safety."

Delete the title and insert:

"A bill for an act relating to recreational vehicles; requiring youthful snowmobile operators and passengers to wear helmets; amending Minnesota Statutes 1994, section 84.872, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 830:** A bill for an act relating to state lands; requiring the commissioner of natural resources to convey certain land to the city of Akeley for public purposes.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 5, insert:

"Section 1. [89.0211] [SALE OF STATE FOREST LANDS ADJACENT TO PLATTED AREAS.]

Notwithstanding section 89.021, the commissioner may sell state forest lands that are adjacent to areas platted under section 92.46 in accordance with the applicable procedures in chapter 92 or 94."

Page 1, line 13, delete "public" and insert "the" and after "purposes" insert "described in paragraph (d). If the land is pledged as security for a loan for these purposes, the right of reverter is waived in favor of the lender"

Page 1, line 16, delete "six (6)" and insert "five (5)" and delete "five (5)" and insert "six (6)"

Page 1, line 21, delete "1" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing the sale of certain state forest lands;"

Page 1, line 4, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 89"

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. 873:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Isanti 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. 644:** A bill for an act relating to state lands; modifying the provisions of a land sale to the city of Anoka; amending Laws 1991, chapter 185, section 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**H.F. No. 812:** A bill for an act relating to natural resources; broadening the uses permitted for emergency materials and equipment; amending Minnesota Statutes 1994, section 88.065.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, delete "means" and insert "includes"

Page 2, line 6, delete the second "or" and insert "and"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 785:** A bill for an act relating to state government; establishing a technical advisory council for the pollution control agency; establishing a task force to recommend a governmental structure for environmental and natural resource functions and services; requiring establishment of an employee participation committee before agency restructuring; abolishing the department of natural resources, the board of water and soil resources, the office of environmental assistance, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board; providing for appointments; amending Minnesota Statutes 1994, section 116.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1994, section 116.02, subdivisions 2, 3, and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Page 2, after line 35, insert:

"(4) management based on appropriate geographical natural resource characteristics;"

Page 2, line 36, delete "ecosystem based,"

Page 3, line 8, after "system" insert "and consolidation of administrative functions"

Page 3, after line 12, insert:

"(10) identification and review of specifications and programs that should be eliminated or accomplished by different means;"

Renumber the clauses in sequence

Page 3, lines 27 and 31, delete "7" and insert "5"

Page 4, line 27, before "Members" insert "(a)"

Page 4, line 33, delete "7" and insert "5"

Page 4, line 34, delete "4" and insert "2"

Page 5, line 4, before "As" insert "(b)"

Page 5, lines 7 and 13, delete "7" and insert "5"

Page 5, line 8, delete "3 and 4" and insert "1 and 2"

Page 5, after line 10, insert:

"(c) The joint recommendation developed under paragraph (b) must provide for:

(1) a separate agency, division, or department to which would be transferred the powers and duties of the department of natural resources relating to fish and wildlife; and

(2) within the agency, division, or department required in clause (1), a structure and process under which:

(i) a board consisting of interested persons that would make recommendations for and comment on expenditures of revenue from the sources listed in Minnesota Statutes, section 97A.055, subdivision 4, paragraph (a), clauses (1) and (2), based on regional plans approved under item (ii);

(ii) the board would establish regional committees of affected persons, based on appropriate natural resource management boundaries, that would develop regional plans for expenditures from the sources listed in Minnesota Statutes, section 97A.055, subdivision 4, paragraph (a), clauses (1) and (2); and

(iii) all fish and wildlife programs not directly related to expenditures from the sources listed in Minnesota Statutes, section 97A.055, subdivision 4, paragraph (a), clauses (1) and (2), would be funded from other sources."



Page 7, line 35, delete "BUDGET FOR NEXT BIENNIUM" and insert "PROPOSED BUDGET PLAN FOR FISCAL YEAR 1997"

Page 7, line 36, delete "In preparing" and insert "The commissioner of finance shall prepare" and after "budget" insert "plan"

Page 8, line 1, delete "the governor shall include" and insert "that includes"

Page 8, lines 3 and 4, delete "7" and insert "5"

Page 8, line 5, after "allocated" insert "in the budget plan"

Page 8, line 7, delete "1995, adjusted for inflation as" and insert "1996"

Page 8, delete lines 8 and 9

Page 8, line 10, delete everything before the period

Page 8, lines 11 and 14, after "budget" insert "plan"

Page 8, line 18, delete "The"

Page 8, delete lines 19 to 25

Page 8, delete sections 9 and 10

Page 9, line 1, delete "5" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 14, delete the second semicolon and insert a period

Page 1, delete lines 15 to 19

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 871:** A bill for an act relating to state government; revising procedures used for adoption and review of administrative rules; amending Minnesota Statutes 1994, sections 14.04; 14.05, subdivision 1; 14.12; 14.38, subdivisions 1, 7, 8, and 9; 14.46, subdivisions 1, 3, and by adding a subdivision; 14.47, subdivisions 1, 2, and 6; 14.50; 14.51; 17.84; and 84.027, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 3; and 14; repealing Minnesota Statutes 1994, sections 3.842; 3.843; 3.844; 3.845; 3.846; 14.03, subdivision 3; 14.05, subdivisions 2 and 3; 14.06; 14.08; 14.09; 14.10; 14.11; 14.115; 14.131; 14.1311; 14.14; 14.15; 14.16; 14.18, subdivision 1; 14.19; 14.20; 14.22; 14.225; 14.23; 14.235; 14.24; 14.25; 14.26; 14.27; 14.28; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; 14.365; 14.38, subdivisions 4, 5, and 6; and 17.83.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 3.842, subdivision 2, is amended to read:

Subd. 2. [JURISDICTION.] The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the

secretary of state in accordance with ~~section~~ sections 14.38, subdivisions 5, 6, 7, 8, 9, and 11 ~~or were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed;~~ 14.386; and 14.388.

The commission may periodically review statutory exemptions to the rulemaking provisions of this chapter.

Sec. 2. Minnesota Statutes 1994, section 3.842, subdivision 4, is amended to read:

Subd. 4. [SUSPENSIONS.] (a) The commission may, on any of the grounds listed in paragraph (b) and on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 3.844 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed.

(b) A rule suspension under paragraph (a) must be based on one or more of the following reasons:

- (1) an absence of statutory authority;
- (2) an emergency relating to public health, safety, or welfare;
- (3) a failure to comply with legislative intent;
- (4) a conflict with state law;
- (5) a change in circumstances since enactment of the earliest law upon which the rule is based;
- (6) arbitrariness and capriciousness, or imposition of an undue hardship.

(c) This section authorizes the commission to suspend a rule only when the vote to suspend is taken, and the effective date of the suspension occurs, at a time when the legislature could not enact a bill to repeal the rule.

Sec. 3. Minnesota Statutes 1994, section 3.842, is amended by adding a subdivision to read:

Subd. 4a. [OBJECTIONS TO RULES.] (a) If the legislative commission to review administrative rules objects to all or some portion of a rule because the commission considers it to be beyond the procedural or substantive authority delegated to the agency, including a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the commission may file that objection in the office of the secretary of state. The filed objection must contain a concise statement of the commission's reasons for its action. An objection to a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed before the rule is adopted.

(b) The secretary of state shall affix to each objection a certification of the date and time of its filing and as soon after the objection is filed as practicable shall transmit a certified copy of it to the agency issuing the rule in question and the revisor of statutes. The secretary of state shall also maintain a permanent register open to public inspection of all objections by the commission.

(c) The legislative commission to review administrative rules shall publish and index an objection filed under this section in the next issue of the State Register. The revisor of statutes shall indicate its existence adjacent to the rule in question when that rule is published in Minnesota Rules.

(d) Within 14 days after the filing of an objection by the commission to a rule, the issuing agency shall respond in writing to the commission. After receipt of the response, the commission may withdraw or modify its objection.

(e) After the filing of an objection by the commission that is not subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review or for enforcement of the rule to establish that the whole or portion of the rule objected to is valid.

(f) The failure of the commission to object to a rule is not an implied legislative authorization of its validity.

(g) Pursuant to sections 14.44 and 14.45, the commission may petition for a declaratory judgment to determine the validity of any rule objected to by the commission.

This action must be started within two years after an objection is filed in the office of the secretary of state.

(h) The commission may intervene in litigation arising from agency action. For purposes of this paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

Sec. 4. Minnesota Statutes 1994, section 14.04, is amended to read:

14.04 [AGENCY ORGANIZATION; GUIDEBOOK.]

To assist interested persons dealing with it, each agency shall, in a manner prescribed by the commissioner of administration, prepare a description of its organization, stating the process whereby general course and method of its operations and where and how the public may obtain information or make submissions or requests. The commissioner of administration shall publish these descriptions at least once every four years commencing in 1981 in a guidebook of state agencies. Notice of the publication of the guidebook shall be published in the State Register and given in newsletters, newspapers, or other publications, or through other means of communication.

Sec. 5. Minnesota Statutes 1994, section 14.05, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY TO MODIFY PROPOSED RULE.] (a) An agency may modify a proposed rule in accordance with the procedures of the administrative procedure act. However, an agency may not modify a proposed rule so that it is substantially different from the proposed rule in the notice of intent to adopt rules or notice of hearing.

(b) A modification does not make a proposed rule substantially different if:

(1) the differences are within the scope of the matter announced in the notice of intent to adopt or notice of hearing and are in character with the issues raised in that notice;

(2) the differences are a logical outgrowth of the contents of the notice of intent to adopt or notice of hearing and the comments submitted in response to the notice; and

(3) the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question.

(c) In determining whether the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question the following factors must be considered:

(1) the extent to which persons who will be affected by the rule should have understood that the rulemaking proceeding on which it is based could affect their interests;

(2) the extent to which the subject matter of the rule or issues determined by the rule are different from the subject matter or issues contained in the notice of intent to adopt or notice of hearing; and

(3) the extent to which the effects of the rule differ from the effects of the proposed rule contained in the notice of intent to adopt or notice of hearing.

Sec. 6. Minnesota Statutes 1994, section 14.05, is amended by adding a subdivision to read:

Subd. 5. [REVIEW AND REPEAL OF RULES.] By December 1 of each year, an agency shall submit a list of all the rules of the agency to the governor, the legislative commission to review administrative rules, and the revisor of statutes. The list must identify any rules that are obsolete and should be repealed. The list must also include an explanation of why the rule is obsolete and the agency's timetable for repeal.

Sec. 7. Minnesota Statutes 1994, section 14.06, is amended to read:

14.06 [REQUIRED RULES.]

(a) Each agency shall adopt rules, in the form prescribed by the revisor of statutes, setting forth the nature and requirements of all formal and informal procedures related to the administration of official agency duties to the extent that those procedures directly affect the rights of or procedures available to the public.

(b) Upon the request of any person, and as soon as feasible and to the extent practicable, each agency shall adopt rules to supersede those principles of law or policy lawfully declared by the agency as the basis for its decisions in particular cases it intends to rely on as precedents in future cases.

Sec. 8. Minnesota Statutes 1994, section 14.08, is amended to read:

14.08 [~~REVISOR OF STATUTES~~ APPROVAL OF RULE AND RULE FORM; COSTS.]

(a) Two copies of a rule adopted pursuant to ~~the provisions of section 14.26 or 14.32~~ shall be submitted by the agency to the ~~attorney general~~ chief administrative law judge. The ~~attorney general~~ chief administrative law judge shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 ~~or 14.32~~. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the ~~attorney general~~ chief administrative law judge or notify the ~~attorney general~~ chief administrative law judge and the agency that the form of the rule will not be approved.

If the ~~attorney general~~ chief administrative law judge disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the ~~attorney general~~ chief administrative law judge who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

(d) The ~~attorney general~~ chief administrative law judge shall assess an agency for the ~~attorney general's~~ 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~~ assessments. Receipts from the assessment must be deposited in the ~~state treasury and credited to the general fund~~ administrative hearings account created in section 14.54.

Sec. 9. Minnesota Statutes 1994, section 14.09, is amended to read:

14.09 [PETITION FOR ADOPTION OF RULE.]

Any ~~interested~~ person may petition an agency requesting the adoption, ~~suspension~~, amendment, or repeal of any rule. The petition shall be specific as to what action is requested and the need for the action. Upon receiving a petition an agency shall have 60 days in which to make a specific and detailed reply in writing as to its planned disposition of the request and the reasons for its planned disposition of the request. If the agency states its intention to hold a public hearing on the subject of the request, it shall proceed according to sections 14.05 to ~~14.36~~ 14.28. The ~~attorney general~~ chief administrative law judge shall prescribe by rule the form for all petitions under this section and ~~may prescribe further procedures for their submission, consideration, and disposition.~~

Sec. 10. [14.101] [ADVICE ON POSSIBLE RULES.]

Subdivision 1. [REQUIRED NOTICE.] In addition to seeking information by other methods

designed to reach persons or classes of persons who might be affected by the proposal, an agency, before publication of a notice of intent to adopt or a notice of hearing, shall solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by causing notice to be published in the State Register. The notice must include a description of the subject matter of the proposal, the types of groups and individuals likely to be affected, and indicate where, when, and how persons may comment on the proposal and whether and how drafts of any proposal may be obtained from the agency.

Subd. 2. [ADVISORY COMMITTEES.] Each agency may also appoint committees to comment, before publication of a notice of intent to adopt or a notice of hearing, on the subject matter of a possible rulemaking under active consideration within the agency. The membership of those committees must be published at least annually in the State Register.

Subd. 3. [EFFECT OF GOOD FAITH COMPLIANCE.] If an agency has made a good faith effort to comply with this section, a rule may not be invalidated on the grounds that the contents of this notice are insufficient or inaccurate.

**Sec. 11. [14.125] [TIME LIMIT ON AUTHORITY TO ADOPT, AMEND, OR REPEAL RULES.]**

An agency shall publish a notice of intent to adopt rules or a notice of hearing within 18 months of the effective date of the law authorizing or requiring rules to be adopted, amended, or repealed. If the notice is not published within the time limit imposed by this section, the authority for the rules expires. The agency shall not use other law in existence at the time of the expiration of rulemaking authority under this section as authority to adopt, amend, or repeal these rules.

An agency that publishes a notice of intent to adopt rules or a notice of hearing within the time limit specified in this section may subsequently amend or repeal the rules without additional legislative authorization.

Sec. 12. Minnesota Statutes 1994, section 14.131, is amended to read:

**14.131 [STATEMENT OF NEED AND REASONABLENESS.]**

Before the agency orders the publication of a rulemaking notice required by section 14.14, subdivision 1a, the agency must prepare, review, and make available for public review a statement of the need for and reasonableness of the rule ~~and a fiscal note if required by section 3.982.~~ The statement of need and reasonableness must be prepared under rules adopted by the chief administrative law judge and must include the following:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(5) the probable costs of complying with the proposed rule; and

(6) an assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.

For rules setting, adjusting, or establishing regulatory, licensure, or other charges for goods and services, the statement of need and reasonableness must include the comments and recommendations of the commissioner of finance and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285.

The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rule or must explain why these efforts were not made.

The agency shall send a copy of the statement of need and reasonableness to the legislative commission to review administrative rules when it becomes available for public review.

Sec. 13. Minnesota Statutes 1994, section 14.14, subdivision 1a, is amended to read:

Subd. 1a. [NOTICE OF RULE HEARING.] Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings proceedings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to adopt rules by United States mail to all persons on its list, and by publication in the State Register. 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. Each agency may, at its own discretion, also contact persons not on its list ~~and may give~~ who may be affected by the rule being proposed. In addition, each agency shall make reasonable efforts to notify persons or classes of persons who may be affected by the rule being proposed by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. The notice in the State Register must include the proposed rule or an amended rule in the form required by the revisor under section 14.07, together with a citation to the most specific statutory authority for the proposed rule, a statement of the place, date, and time of the public hearing, a statement that persons may register with the agency for the purpose of receiving notice of rule proceedings and notice that a rule has been adopted, and other information as required by law or rule. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the citation to the rule to be repealed in the notice.

Sec. 14. Minnesota Statutes 1994, section 14.15, subdivision 3, is amended to read:

Subd. 3. [FINDING OF SUBSTANTIAL ~~CHANGE DIFFERENCE~~.] If the report contains a finding that a rule has been modified in a way which makes it substantially different, as determined under section 14.05, subdivision 2, from that which was originally proposed, or that the agency has not met the requirements of sections 14.131 to 14.18, it shall be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves the finding of the administrative law judge, the chief administrative law judge shall advise the agency and the revisor of statutes of actions which will correct the defects. The agency shall not adopt the rule until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

Sec. 15. Minnesota Statutes 1994, section 14.15, subdivision 4, is amended to read:

Subd. 4. [NEED OR REASONABLENESS NOT ESTABLISHED.] If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established pursuant to section 14.14, subdivision 2, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to ~~delay adoption longer~~ wait for the commission's advice for more than 30 60 days after the commission has received the agency's submission. ~~Advice of the commission shall not be binding on the agency.~~

Sec. 16. Minnesota Statutes 1994, section 14.16, subdivision 1, is amended to read:

Subdivision 1. [REVIEW OF MODIFICATIONS.] If the report of the administrative law judge finds no defects, the agency may proceed to adopt the rule. After receipt of the administrative law judge's report, if the agency makes any modifications to the rule other than those recommended by the administrative law judge, it must return the rule to the chief administrative law judge for a review on the issue of substantial change whether the rule as modified is substantially different, as

determined under section 14.05, subdivision 2, from the rule as originally proposed. If the chief administrative law judge determines that the modified rule is substantially different from that which was originally proposed, the chief administrative law judge shall advise the agency of actions which will correct the defects. The agency shall not adopt the modified rule until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

The agency shall give notice to all persons who requested to be informed that the rule has been adopted and filed with the secretary of state. This notice shall be given on the same day that the rule is filed.

Sec. 17. Minnesota Statutes 1994, section 14.19, is amended to read:

14.19 [DEADLINE TO COMPLETE RULEMAKING.]

The agency shall, within 180 days after issuance of the administrative law judge's report, submit its notice of adoption, amendment, ~~suspension~~, or repeal to the State Register for publication. If the agency has not submitted its notice to the State Register within 180 days, the rule is automatically withdrawn. The agency shall not adopt the withdrawn rules without again following the procedures of sections 14.05 to 14.36. It shall report to the legislative commission to review administrative rules, other appropriate committees of the legislature, and the governor its failure to adopt rules and the reasons for that failure. The 180-day time limit of this section does not include any days used for review by the chief administrative law judge, ~~the attorney general~~, or the legislative commission to review administrative rules if the review is required by law.

Sec. 18. Minnesota Statutes 1994, section 14.22, subdivision 1, is amended to read:

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. Each agency may, at its own discretion, also contact persons not on its list who may be affected by the rule being proposed. In addition, each agency shall make reasonable efforts to notify persons or classes of persons who may be affected by the rule by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. 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, a statement that persons may register with the agency for the purpose of receiving notice of rule proceedings and notice that a rule has been submitted to the chief administrative law judge, and other information as required by law or 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 of the requirements contained in section 14.25 relating to a written request for a public hearing, and that the requester is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and propose any change proposed desired;~~

(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~~ chief administrative law judge 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.

Sec. 19. Minnesota Statutes 1994, section 14.23, is amended to read:

14.23 [STATEMENT OF NEED AND REASONABLENESS.]

Before the date of the section 14.22 notice, the agency shall prepare a statement of need and reasonableness which shall be available to the public. The statement of need and reasonableness must include the analysis required in section 14.131 and the comments and recommendations of the commissioner of finance, and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285. The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rules or must explain why these efforts were not made. For at least 30 days following the notice, the agency shall afford all interested persons the public an opportunity to request a public hearing and to submit data and views on the proposed rule in writing.

The agency shall send a copy of the statement of need and reasonableness to the legislative commission to review administrative rules when it becomes available to the public.

Sec. 20. Minnesota Statutes 1994, section 14.24, is amended to read:

14.24 [MODIFICATIONS OF PROPOSED RULE.]

The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change substantially different rule, as determined under section 14.05, subdivision 2, from the rule as originally proposed. An agency may adopt a substantially different rule after satisfying the rule requirements for the adoption of a substantially different rule.

Sec. 21. Minnesota Statutes 1994, section 14.25, is amended to read:

14.25 [PUBLIC HEARING ~~REQUIRED~~.]

Subdivision 1. [REQUESTS FOR HEARING.] If, during the 30-day period allowed for comment, 25 or more persons submit to the agency a written request for a public hearing of the proposed rule, the agency shall proceed under the provisions of sections 14.14 to 14.20. The written request must include: (1) the name and address of the person requesting the public hearing; and (2) the portion or portions of the rule to which the person objects or a statement that the person opposes the entire rule. A notice of the public hearing must be published in the State Register and mailed to those persons who submitted a written request for the public hearing. Unless the agency has modified the proposed rule, the notice need not include the text of the proposed rule but only a citation to the State Register pages where the text appears.

A written request for a public hearing that does not comply with the requirements of this section is invalid and must not be counted by the agency for purposes of determining whether a public hearing must be held.

Subd. 2. [WITHDRAWAL OF HEARING REQUESTS.] If a request for a public hearing has been withdrawn, the agency must give written notice of that fact to all persons who have requested the public hearing. The notice must explain why the request is being withdrawn, and must include a description of any action the agency has taken or will take that affected or may have affected the decision to withdraw the request. The notice must also invite persons to submit written comments to the agency relating to the withdrawal. The notice and any written comments received by the agency is part of the rulemaking record submitted to the administrative law judge under section 14.14 or 14.26. The administrative law judge shall review the notice and any comments received and determine whether the withdrawal is consistent with section 14.001, clauses (2), (4), and (5).

Sec. 22. Minnesota Statutes 1994, section 14.26, is amended to read:



14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL ADMINISTRATIVE LAW JUDGE.]

Subdivision 1. [SUBMISSION.] If no hearing is required, the agency shall submit to ~~the attorney general~~ an administrative law judge assigned by the chief administrative law judge 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~~ administrative law judge. 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 administrative law judge 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~~ administrative law judge reviews the rule, if the ~~attorney general~~ administrative law judge 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.] (a) ~~The attorney general administrative law judge shall, within 14 days, approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue issues of substantial change whether the rule if modified is substantially different, as determined under section 14.05, subdivision 2, from the rule as originally proposed, 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 administrative law judge 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 administrative law judge shall state in writing the reasons and make recommendations to overcome the deficiencies, and defects.~~

(b) ~~The written disapproval must be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves of the findings of the administrative law judge, the chief administrative law judge shall send the statement of the reasons for disapproval of the rule to the agency, the legislative commission to review administrative rules, and the revisor of statutes and advise the agency and the revisor of statutes of actions that will correct the defects. The rule shall not be filed in the office of the secretary of state, nor published until the deficiencies chief administrative law judge determines that the defects have been overcome corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule. 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.~~

(c) ~~If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to wait for the commission's advice for more than 60 days after the commission has received the agency's submission.~~

(d) ~~The attorney general administrative law judge 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 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.

Subd. 4. [COSTS.] The ~~attorney general~~ office of administrative hearings 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~~ administrative hearings account created in section 14.54.

Sec. 23. Minnesota Statutes 1994, section 14.365, is amended to read:

14.365 [OFFICIAL RULEMAKING RECORD.]

The agency shall maintain the official rulemaking record for every rule adopted pursuant to sections 14.05 to ~~14.36~~ 14.28. The record shall be available for public inspection. The record required by this section constitutes the official and exclusive agency rulemaking record with respect to agency action on or judicial review of the rule. The record shall contain:

- (1) copies of all publications in the State Register pertaining to the rule;
- (2) all written petitions, requests, submissions, or comments received by the agency, or the administrative law judge, ~~or the attorney general~~ pertaining to the rule;
- (3) the statement of need and reasonableness for the rule, ~~if any;~~
- (4) the official transcript of the hearing if one was held, or the tape recording of the hearing if a transcript was not prepared;
- (5) the report of the administrative law judge, if any;
- (6) the rule in the form last submitted to the administrative law judge under sections 14.14 to 14.20 or first submitted to the ~~attorney general~~ administrative law judge under sections 14.22 to 14.28;
- (7) the ~~attorney general's~~ administrative law judge's written statement of required modifications and of approval or disapproval by the chief administrative law judge, if any;
- (8) any documents required by applicable rules of the office of administrative hearings ~~or of the attorney general;~~
- (9) the agency's order adopting the rule;
- (10) the revisor's certificate approving the form of the rule; and
- (11) a copy of the adopted rule as filed with the secretary of state.

Sec. 24. [14.366] [PUBLIC RULEMAKING DOCKET.]

- (a) Each agency shall maintain a current, public rulemaking docket.
- (b) The rulemaking docket must contain a listing of the precise subject matter of each possible proposed rule currently under active consideration within the agency for proposal, the name and address of agency personnel with whom persons may communicate with respect to the matter, and an indication of its present status within the agency.
- (c) The rulemaking docket must list each pending rulemaking proceeding. A rulemaking proceeding is pending from the time it is begun, by publication of the notice of solicitation, the notice of intent to adopt, or notice of hearing, to the time it is terminated, by publication of a notice of withdrawal or the rule becoming effective. For each rulemaking proceeding, the docket must indicate:

- (1) the subject matter of the proposed rule;
- (2) a citation to all published notices relating to the proceeding;
- (3) where written comments on the proposed rule may be inspected;
- (4) the time during which written comments may be made;
- (5) the names of persons who have made written requests for a public hearing, where those requests may be inspected, and where and when the hearing will be held;
- (6) the current status of the proposed rule and any agency determinations with respect to the rule;
- (7) any known timetable for agency decisions or other action in the proceeding;
- (8) the date of the rule's adoption;
- (9) the date the rule was filed with the secretary of state; and
- (10) when the rule will become effective.

Sec. 25. [14.386] [PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.]

(a) A rule adopted, amended, or repealed by an agency, under a statute authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

- (1) the revisor of statutes approves the form of the rule by certificate;
  - (2) the office of administrative hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files two copies of the rule with the revisor's certificate in the office of the secretary of state; and
  - (3) a copy is published by the agency in the State Register.
- (b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to rules adopted, amended, or repealed under section 14.388.

This section also does not apply to:

- (1) rules implementing emergency powers pursuant to sections 12.31 to 12.37;
- (2) rules of agencies directly in the legislative or judicial branches;
- (3) rules of the regents of the University of Minnesota;
- (4) rules of the department of military affairs;
- (5) rules of the comprehensive health association provided in section 62E.10;
- (6) rules of the tax court provided by section 271.06;
- (7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;
- (8) 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;

(9) 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;

(10) opinions of the attorney general;

(11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(13) the occupational safety and health standards provided in section 182.655;

(14) revenue notices and tax information bulletins of the commissioner of revenue; or

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09.

Sec. 26. [14.387] [LEGAL STATUS OF EXISTING EXEMPT RULES.]

A rule adopted on or before the day following final enactment of this section, and which was not adopted under sections 14.05 to 14.36 or their predecessor provisions, does not have the force and effect of law on and after July 1, 1997, and the authority for the rule expires on that date.

This section does not apply to:

(1) rules implementing emergency powers under sections 12.31 to 12.37;

(2) rules of agencies directly in the legislative or judicial branches;

(3) rules of the regents of the University of Minnesota;

(4) rules of the department of military affairs;

(5) rules of the comprehensive health association provided in section 62E.10;

(6) rules of the tax court provided by section 271.06;

(7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;

(8) 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;

(9) 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;

(10) opinions of the attorney general;

(11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(13) the occupational safety and health standards provided in section 182.655;

(14) revenue notices and tax information bulletins of the commissioner of revenue; or

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09.

Sec. 27. [14.388] [GOOD CAUSE EXEMPTION.]

If an agency for good cause finds that the rulemaking provisions of this chapter are unnecessary, impracticable, or contrary to the public interest when adopting, amending, or repealing a rule to:

- (1) address a serious and immediate threat to the public health, safety, or welfare;
- (2) comply with a court order or a requirement in federal law in a manner that does not allow for compliance with sections 14.14 to 14.28;
- (3) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or
- (4) make changes that do not alter the sense, meaning, or effect of a rule,  
the agency may adopt, amend, or repeal the rule after satisfying the requirements of section 14.386, paragraph (a), clauses (1) to (3). The agency shall incorporate its findings and a brief statement of its supporting reasons in its order adopting, amending, or repealing the rule.

In review of the rule under section 14.386, the office of administrative hearings shall determine whether the agency has provided adequate justification for its use of this section.

Rules adopted, amended, or repealed under clauses (1) and (2) are effective for a period of two years from the date of publication of the rule in the State Register.

Rules adopted, amended, or repealed under clause (3) or (4) are effective upon publication in the State Register.

Sec. 28. Minnesota Statutes 1994, section 14.48, is amended to read:

**14.48 [CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS; CHIEF ADMINISTRATIVE LAW JUDGE APPOINTED; OTHER ADMINISTRATIVE LAW JUDGES APPOINTED.]**

A state office of administrative hearings is created. The office shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066. The chief administrative law judge may hear cases and shall appoint additional administrative law judges and compensation judges to serve in the office as necessary to fulfill the duties prescribed in ~~sections 14.48 to 14.56~~ chapters 14 and chapter 176. The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. All administrative law judges and compensation judges shall be in the classified service except that the chief administrative law judge shall be in the unclassified service, but may be removed only for cause. All administrative law judges shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.

Sec. 29. Minnesota Statutes 1994, section 14.51, is amended to read:

**14.51 [PROCEDURAL RULES FOR HEARINGS.]**

The chief administrative law judge shall adopt rules to govern: (1) the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings, contested case hearings, and workers' compensation hearings, and to govern the conduct of voluntary mediation sessions for rulemaking and contested cases other than those within the jurisdiction of the bureau of mediation services. Temporary rulemaking authority is granted to the chief administrative law judge for the purpose of implementing Laws 1981, chapter 346, sections 2 to 6, 103 to 122, 127 to 135, and 141; and (2) the review of rules adopted without a public hearing. The procedural rules

~~for hearings shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules for hearings shall include in addition to normal procedural matters provisions relating to recessing and reconvening new hearings the procedure to be followed when the proposed final rule of an agency is substantially different, as determined under section 14.05, subdivision 2, from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief administrative law judge to determine whether or not a new hearing is required because on the issue of substantial changes whether the proposed final rule of the agency is substantially different than that which was proposed or failure of the agency to meet the requirements of sections 14.131 to 14.18 chapter 14. The rules must also provide an expedited procedure, consistent with section 14.001, clauses (1) to (5), for the adoption of substantially different rules by agencies. Upon the chief administrative law judge's own initiative or upon written request of an interested party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.~~

Sec. 30. Minnesota Statutes 1994, section 16A.1285, subdivision 2, is amended to read:

Subd. 2. [POLICY.] Unless otherwise provided by law, specific charges falling within definitions stipulated in subdivision 1 must be set in the manner prescribed in this subdivision provided that: (1) agencies, when setting, adjusting, or authorizing any charge for goods or services that are of direct, immediate, and primary benefit to an individual, business, or other nonstate entity, shall set the charges at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services; or (2) that agencies, when setting, adjusting, or establishing regulatory, licensure, or other charges that are levied, in whole or in part, in the public interest shall recover, but are not limited to, the costs involved in performance and administration of the functions involved.

In setting, adjusting, or authorizing charges that in whole or in part recover previously unrecovered costs, recovery is limited to those unrecovered costs incurred during the two fiscal years immediately preceding the setting, adjustment, or authorization.

Sec. 31. Minnesota Statutes 1994, section 17.84, is amended to read:

#### 17.84 [DUTIES OF THE COMMISSIONER.]

Within 30 days of the receipt of the ~~notices~~ notice provided in section 17.82 ~~or 17.83~~, the commissioner shall review the agency's proposed action, shall negotiate with the agency, and shall recommend to the agency in writing the implementation either of the action as proposed or an alternative. In making recommendations, the commissioner shall follow the statement of policy contained in section 17.80. ~~If the proposed agency action is the adoption of a rule, the recommendation of the commissioner shall be made a part of the record in the rule hearing. If the agency receives no response from the commissioner within 30 days, it shall be deemed a recommendation that the agency take the action as proposed.~~

Sec. 32. Minnesota Statutes 1994, section 43A.04, is amended by adding a subdivision to read:

Subd. 11. [TRAINING FOR AGENCY RULEMAKING STAFF.] The commissioner, in cooperation with the office of administrative hearings, the attorney general, and the revisor of statutes, shall provide training to agency staff involved in rulemaking, including training on the use of professional negotiators and mediators in rulemaking proceedings.

The commissioner may charge agency staff a registration fee for attending this training. The fee must be set at a level that permits the commissioner to recover the costs, excluding costs of staff time for staff positions funded through general fund appropriations, of providing this training.

The office of administrative hearings, the administrative rules counsel, the attorney general, and the revisor of statutes shall not assess the commissioner for the cost of staff time to conduct the training provided under this subdivision.

Sec. 33. Minnesota Statutes 1994, section 62N.05, is amended by adding a subdivision to read:

Subd. 4. [RECOVERY OF COSTS.] The provisions of section 16A.1285, subdivision 2, limiting recovery of costs to the two fiscal years immediately preceding the setting, adjustment, or authorization of fees do not apply to fees charged to entities licensed under this chapter. This subdivision expires June 30, 1999.

Sec. 34. Minnesota Statutes 1994, section 84.027, is amended by adding a subdivision to read:

Subd. 13. [GAME AND FISH RULES.] (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game, to prohibit or allow taking of wild animals to protect a species, and to prohibit or allow importation, transportation, or possession of a wild animal; and

(2) sections 84.093, 84.14, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas.

Clause (2) does not limit or supersede the commissioner's authority to establish opening dates, days, and hours of the wild rice harvesting season under section 84.14, subdivision 3.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the legislative commission to review administrative rules, and complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

(1) the commissioner of natural resources determines that an emergency exists;

(2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 35. [97A.0451] [AUTHORITY FOR USE OF EMERGENCY RULES PROCEDURE; EXPIRATION OF AUTHORITY.]

Subdivision 1. [WHEN TO USE EMERGENCY RULEMAKING.] When the commissioner is directed by statute, federal law, or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28, or if the commissioner is expressly required or authorized by statute to adopt emergency rules, the commissioner shall adopt emergency rules in accordance with sections 97A.0451 to 97A.0459.

Subd. 2. [180-DAY TIME LIMIT.] Unless the commissioner is directed by federal law or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 97A.0451 to 97A.0459, the commissioner may not adopt an emergency rule later than 180 days after the effective date of the statutory authority, except as provided in section 84.027, subdivision 13. If emergency rules are not adopted within the time allowed, the authority for the rules expires. The time limit of this section does not include any days used for review by the attorney general. If the 180-day period expires while the attorney general is reviewing the rule and the attorney general disapproves the rule, the commissioner may resubmit the rule to the attorney general after taking corrective action. The resubmission must occur within five working days after the commissioner receives written notice of disapproval. If the rule is again disapproved by the attorney general, it is withdrawn.

**Sec. 36. [97A.0452] [NOTICE OF PROPOSED ADOPTION OF EMERGENCY RULE.]**

The proposed emergency rule must be published with a notice of intent to adopt emergency rules in the State Register, and the same notice must be mailed to all persons registered with the commissioner to receive notice of any rulemaking proceedings. The notice must include a statement advising the public that a free copy of the proposed rule is available on request from the commissioner 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 commissioner 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. 37. [97A.0453] [NOTICE TO COMMITTEES FOR FEES FIXED BY RULE.]**

Before the commissioner submits notice to the State Register of intent to adopt emergency rules that establish or adjust fees, the commissioner shall comply with section 16A.128, subdivision 2a.

**Sec. 38. [97A.0454] [MODIFICATIONS OF PROPOSED EMERGENCY RULE.]**

The proposed emergency rule may be modified if the modifications are supported by the data and views submitted to the commissioner.

**Sec. 39. [97A.0455] [SUBMISSION OF PROPOSED EMERGENCY RULE TO ATTORNEY GENERAL.]**

Subdivision 1. [SUBMISSION.] The commissioner shall submit to the attorney general the proposed emergency rule as published, with any modifications. On the same day that it is submitted, the commissioner 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 must state that fact, and must state that a free copy of the proposed emergency rule, as modified, is available upon request from the commissioner.

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 commissioner. The attorney general shall send a statement of reasons for disapproval of the rule to the commissioner, 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 commissioner'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 commissioner 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. 3. [COSTS.] The attorney general shall assess the commissioner for the actual cost of processing rules under this section. The commissioner shall include in the department's 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. 40. [97A.0456] [EFFECTIVE DATE OF EMERGENCY RULE.]

The emergency rule takes effect five working days after approval by the attorney general. The attorney general shall file two copies of the approved emergency rule with the secretary of state. The secretary of state shall forward one copy of each approved and filed emergency rule to the revisor of statutes. Failure of the attorney general to approve or disapprove a proposed emergency rule within ten working days is approval.

Sec. 41. [97A.0457] [PUBLICATION OF APPROVAL.]

As soon as practicable, notice of the attorney general's decision must be published in the State Register and the adopted rule must be published in the manner as provided for adopted rules in section 14.18.

Sec. 42. [97A.0458] [EFFECTIVE PERIOD OF EMERGENCY RULE.]

Emergency rules adopted under sections 97A.0451 to 97A.0459 shall be effective for the period stated in the notice of intent to adopt emergency rules which may not be longer than 180 days. The emergency rules may be continued in effect for an additional period of up to 180 days if the commissioner gives notice of continuation by publishing notice in the State Register and mailing the same notice to all persons registered with the commissioner to receive notice of any rulemaking proceedings. The continuation is not effective until these notices have been mailed. No emergency rule may remain in effect on a date 361 days after its original effective date. The emergency rules may not be continued in effect after 360 days without following the procedure of sections 14.14 to 14.28.

Sec. 43. [97A.0459] [APPROVAL OF FORM OF EMERGENCY RULE.]

No approved emergency rule shall be filed with the secretary of state or published in the State Register unless the revisor of statutes has certified that the emergency rule's form is approved.

Sec. 44. [APPROPRIATION.]

(a) \$35,000 is appropriated from the general fund to the administrative hearings account in Minnesota Statutes, section 14.54, for the purposes of section 45. The appropriation is available until spent. The approved complement of the office of administrative hearings is increased by three positions in the classified service.

(b) The office of the attorney general shall transfer \$15,000 in fiscal year 1996 to the office of administrative hearings.

(c) \$78,000 is appropriated from the general fund to the legislative commission to review administrative rules for fiscal year 1996.

Sec. 45. [TRANSFER OF RULE REVIEW AUTHORITY.]

(a) The rule review duties of the office of the attorney general are transferred to the office of administrative hearings on January 1, 1996. Minnesota Statutes, section 15.039, does not apply to this transfer.

(b) Proposed rules for which a notice under Minnesota Statutes, section 14.22 or 14.30, has been published in the State Register before January 1, 1996, shall continue to be reviewed by the attorney general under the rule review authority transferred by this act and are governed by Minnesota Statutes 1994, chapter 14, and Minnesota Rules, chapter 2010.

(c) Except as otherwise provided in paragraph (b), Minnesota Rules, chapter 2010, shall be enforced by the office of administrative hearings until it is amended or repealed by that office.

Sec. 46. [REVISOR INSTRUCTION.]

The revisor of statutes shall correct or remove the references in Minnesota Statutes and Minnesota Rules to the statutory sections repealed in this act.

The revisor of statutes shall change the terms "office of attorney general," "attorney general," or similar terms to "office of administrative hearings," "chief administrative law judge," "administrative law judge," or similar terms in Minnesota Rules, chapter 2010, to reflect the intent of the legislature to transfer the attorney general's rule review functions in the manner provided in this act.

Sec. 47. [REPEALER.]

(a) Minnesota Statutes 1994, sections 3.846; 14.12; 14.1311; and 14.235, are repealed.

(b) Minnesota Statutes 1994, sections 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; and 14.36, are repealed.

(c) Minnesota Statutes 1994, sections 14.10, 14.11; 14.115; and 17.83, are repealed.

Sec. 48. [EFFECTIVE DATE.]

Sections 1 to 4; 6; 7; 10; 15; 26; 31; 47, paragraph (c); and the rulemaking authority granted in sections 25 and 29 are effective the day following final enactment. Section 11 applies to laws authorizing or requiring rulemaking that are finally enacted after January 1, 1996. Section 30 is effective for costs incurred after June 30, 1995. Section 44 is effective July 1, 1995. The remainder of the act is effective January 1, 1996."

Delete the title and insert:

"A bill for an act relating to state government; administrative rulemaking; revising the procedures for the adoption and review of agency rules; appropriating money; amending Minnesota Statutes 1994, sections 3.842, subdivisions 2, 4, and by adding a subdivision; 14.04; 14.05, subdivision 2, and by adding a subdivision; 14.06; 14.08; 14.09; 14.131; 14.14, subdivision 1a; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.24; 14.25; 14.26; 14.365; 14.48; 14.51; 16A.1285, subdivision 2; 17.84; 43A.04, by adding a subdivision; 62N.05, by adding a subdivision; and 84.027, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 14; and 97A; repealing Minnesota Statutes 1994, sections 3.846; 14.10; 14.11; 14.115; 14.12; 14.1311; 14.235; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; and 17.83."

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 Governmental Operations and Veterans, to which was referred**

**S.F. No. 872:** A bill for an act relating to state government; administrative rulemaking; revising the procedures for the adoption and review of agency rules; appropriating money; amending Minnesota Statutes 1994, sections 3.842, subdivisions 2, 4, and by adding a subdivision; 14.04; 14.05, subdivision 2, and by adding a subdivision; 14.06; 14.08; 14.09; 14.131; 14.14, subdivision 1a; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.24; 14.25; 14.26; 14.365; 14.48; 14.51; 16A.1285, subdivision 2; 17.84; 43A.04, by adding a subdivision; 62N.05, by adding a subdivision; and 84.027, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 14; and 97A; repealing Minnesota Statutes 1994, sections 3.846; 14.10; 14.11; 14.115; 14.12; 14.1311; 14.235; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; and 17.83.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 3.842, subdivision 2, is amended to read:

Subd. 2. [JURISDICTION.] The jurisdiction of the commission includes all rules as defined in

section 14.02, subdivision 4. The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with ~~section~~ sections 14.38, subdivisions 5, 6, 7, 8, 9, and 11 ~~or~~ were filed with the secretary of state in accordance with the provisions of section 14.38, subdivisions 5 to 9, which were in effect on the date the rules were filed, 14.386; and 14.388.

The commission may periodically review statutory exemptions to the rulemaking provisions of this chapter.

Sec. 2. Minnesota Statutes 1994, section 3.842, subdivision 4, is amended to read:

Subd. 4. [SUSPENSIONS.] (a) The commission may, on any of the grounds listed in paragraph (b) and on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of section 3.844 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session, the rule is effective upon adjournment of the session unless the agency has repealed it. If the bill is enacted, the rule is repealed.

(b) A rule suspension under paragraph (a) must be based on one or more of the following reasons:

- (1) an absence of statutory authority;
- (2) an emergency relating to public health, safety, or welfare;
- (3) a failure to comply with legislative intent;
- (4) a conflict with state law;
- (5) a change in circumstances since enactment of the earliest law upon which the rule is based;
- (6) arbitrariness and capriciousness, or imposition of an undue hardship.

(c) This section authorizes the commission to suspend a rule only when the vote to suspend is taken, and the effective date of the suspension occurs, at a time when the legislature could not enact a bill to repeal the rule.

Sec. 3. Minnesota Statutes 1994, section 3.842, is amended by adding a subdivision to read:

Subd. 4a. [OBJECTIONS TO RULES.] (a) If the legislative commission to review administrative rules objects to all or some portion of a rule because the commission considers it to be beyond the procedural or substantive authority delegated to the agency, including a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the commission may file that objection in the office of the secretary of state. The filed objection must contain a concise statement of the commission's reasons for its action. An objection to a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed before the rule is adopted.

(b) The secretary of state shall affix to each objection a certification of the date and time of its filing and as soon after the objection is filed as practicable shall transmit a certified copy of it to the agency issuing the rule in question and the revisor of statutes. The secretary of state shall also maintain a permanent register open to public inspection of all objections by the commission.

(c) The legislative commission to review administrative rules shall publish and index an objection filed under this section in the next issue of the State Register. The revisor of statutes shall indicate its existence adjacent to the rule in question when that rule is published in Minnesota Rules.

(d) Within 14 days after the filing of an objection by the commission to a rule, the issuing agency shall respond in writing to the commission. After receipt of the response, the commission may withdraw or modify its objection.

(e) After the filing of an objection by the commission that is not subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review or for enforcement of the rule to establish that the whole or portion of the rule objected to is valid.

(f) The failure of the commission to object to a rule is not an implied legislative authorization of its validity.

(g) Pursuant to sections 14.44 and 14.45, the commission may petition for a declaratory judgment to determine the validity of any rule objected to by the commission.

This action must be started within two years after an objection is filed in the office of the secretary of state.

(h) The commission may intervene in litigation arising from agency action. For purposes of this paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

Sec. 4. Minnesota Statutes 1994, section 14.04, is amended to read:

14.04 [AGENCY ORGANIZATION; GUIDEBOOK.]

To assist interested persons dealing with it, each agency shall, in a manner prescribed by the commissioner of administration, prepare a description of its organization, stating the process whereby general course and method of its operations and where and how the public may obtain information or make submissions or requests. The commissioner of administration shall publish these descriptions at least once every four years commencing in 1981 in a guidebook of state agencies. Notice of the publication of the guidebook shall be published in the State Register and given in newsletters, newspapers, or other publications, or through other means of communication.

Sec. 5. Minnesota Statutes 1994, section 14.05, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY TO MODIFY PROPOSED RULE.] (a) An agency may modify a proposed rule in accordance with the procedures of the administrative procedure act. However, an agency may not modify a proposed rule so that it is substantially different from the proposed rule in the notice of intent to adopt rules or notice of hearing.

(b) A modification does not make a proposed rule substantially different if:

(1) the differences are within the scope of the matter announced in the notice of intent to adopt or notice of hearing and are in character with the issues raised in that notice;

(2) the differences are a logical outgrowth of the contents of the notice of intent to adopt or notice of hearing and the comments submitted in response to the notice; and

(3) the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question.

(c) In determining whether the notice of intent to adopt or notice of hearing provided fair warning that the outcome of that rulemaking proceeding could be the rule in question the following factors must be considered:

(1) the extent to which persons who will be affected by the rule should have understood that the rulemaking proceeding on which it is based could affect their interests;

(2) the extent to which the subject matter of the rule or issues determined by the rule are different from the subject matter or issues contained in the notice of intent to adopt or notice of hearing; and

(3) the extent to which the effects of the rule differ from the effects of the proposed rule contained in the notice of intent to adopt or notice of hearing.

Sec. 6. Minnesota Statutes 1994, section 14.05, is amended by adding a subdivision to read:

Subd. 5. [REVIEW AND REPEAL OF RULES.] By December 1 of each year, an agency shall submit a list of all the rules of the agency to the governor, the legislative commission to review administrative rules, and the revisor of statutes. The list must identify any rules that are obsolete and should be repealed. The list must also include an explanation of why the rule is obsolete and the agency's timetable for repeal.

Sec. 7. Minnesota Statutes 1994, section 14.06, is amended to read:

14.06 [REQUIRED RULES.]

(a) Each agency shall adopt rules, in the form prescribed by the revisor of statutes, setting forth the nature and requirements of all formal and informal procedures related to the administration of official agency duties to the extent that those procedures directly affect the rights of or procedures available to the public.

(b) Upon the request of any person, and as soon as feasible and to the extent practicable, each agency shall adopt rules to supersede those principles of law or policy lawfully declared by the agency as the basis for its decisions in particular cases it intends to rely on as precedents in future cases.

Sec. 8. Minnesota Statutes 1994, section 14.08, is amended to read:

14.08 [~~REVISOR OF STATUTES~~ APPROVAL OF RULE AND RULE FORM; COSTS.]

(a) Two copies of a rule adopted pursuant to ~~the provisions of section 14.26 or 14.32~~ shall be submitted by the agency to the ~~attorney general~~ chief administrative law judge. The ~~attorney general~~ chief administrative law judge shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 ~~or 14.32~~. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the ~~attorney general~~ chief administrative law judge or notify the ~~attorney general~~ chief administrative law judge and the agency that the form of the rule will not be approved.

If the ~~attorney general~~ chief administrative law judge disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the ~~attorney general~~ chief administrative law judge who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

(d) The ~~attorney general~~ chief administrative law judge shall assess an agency for the ~~attorney general's~~ 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~~ assessments. Receipts from the assessment must be deposited in the ~~state treasury and credited to the general fund~~ administrative hearings account created in section 14.54.

Sec. 9. Minnesota Statutes 1994, section 14.09, is amended to read:

14.09 [PETITION FOR ADOPTION OF RULE.]

Any interested person may petition an agency requesting the adoption, ~~suspension,~~ amendment, or repeal of any rule. The petition shall be specific as to what action is requested and the need for the action. Upon receiving a petition an agency shall have 60 days in which to make a specific and detailed reply in writing as to its planned disposition of the request and the reasons for its planned disposition of the request. If the agency states its intention to hold a public hearing on the subject of the request, it shall proceed according to sections 14.05 to 14.36 ~~14.28~~. The ~~attorney general~~ chief administrative law judge shall prescribe by rule the form for all petitions under this section and may prescribe further procedures for their submission, consideration, and disposition.

Sec. 10. [14.101] [ADVICE ON POSSIBLE RULES.]

Subdivision 1. [REQUIRED NOTICE.] In addition to seeking information by other methods

designed to reach persons or classes of persons who might be affected by the proposal, an agency, before publication of a notice of intent to adopt or a notice of hearing, shall solicit comments from the public on the subject matter of a possible rulemaking proposal under active consideration within the agency by causing notice to be published in the State Register. The notice must include a description of the subject matter of the proposal, the types of groups and individuals likely to be affected, and indicate where, when, and how persons may comment on the proposal and whether and how drafts of any proposal may be obtained from the agency.

Subd. 2. [ADVISORY COMMITTEES.] Each agency may also appoint committees to comment, before publication of a notice of intent to adopt or a notice of hearing, on the subject matter of a possible rulemaking under active consideration within the agency. The membership of those committees must be published at least annually in the State Register.

Subd. 3. [EFFECT OF GOOD FAITH COMPLIANCE.] If an agency has made a good faith effort to comply with this section, a rule may not be invalidated on the grounds that the contents of this notice are insufficient or inaccurate.

Sec. 11. [14.125] [TIME LIMIT ON AUTHORITY TO ADOPT, AMEND, OR REPEAL RULES.]

An agency shall publish a notice of intent to adopt rules or a notice of hearing within 18 months of the effective date of the law authorizing or requiring rules to be adopted, amended, or repealed. If the notice is not published within the time limit imposed by this section, the authority for the rules expires. The agency shall not use other law in existence at the time of the expiration of rulemaking authority under this section as authority to adopt, amend, or repeal these rules.

An agency that publishes a notice of intent to adopt rules or a notice of hearing within the time limit specified in this section may subsequently amend or repeal the rules without additional legislative authorization.

Sec. 12. Minnesota Statutes 1994, section 14.131, is amended to read:

14.131 [STATEMENT OF NEED AND REASONABLENESS.]

Before the agency orders the publication of a rulemaking notice required by section 14.14, subdivision 1a, the agency must prepare, review, and make available for public review a statement of the need for and reasonableness of the rule ~~and a fiscal note if required by section 3.982~~. The statement of need and reasonableness must be prepared under rules adopted by the chief administrative law judge, and must include the following:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(5) the probable costs of complying with the proposed rule; and

(6) an assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.

For rules setting, adjusting, or establishing regulatory, licensure, or other charges for goods and services, the statement of need and reasonableness must include the comments and recommendations of the commissioner of finance and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285.

The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rule or must explain why these efforts were not made.

The agency shall send a copy of the statement of need and reasonableness to the legislative commission to review administrative rules when it becomes available for public review.

Sec. 13. Minnesota Statutes 1994, section 14.14, subdivision 1a, is amended to read:

Subd. 1a. [NOTICE OF RULE HEARING.] Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule ~~hearings~~ proceedings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to adopt rules by United States mail to all persons on its list, and by publication in the State Register. 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. Each agency may, at its own discretion, also contact persons not on its list ~~and may give~~ who may be affected by the rule being proposed. In addition, each agency shall make reasonable efforts to notify persons or classes of persons who may be affected by the rule being proposed by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. The notice in the State Register must include the proposed rule or an amended rule in the form required by the revisor under section 14.07, together with a citation to the most specific statutory authority for the proposed rule, a statement of the place, date, and time of the public hearing, a statement that persons may register with the agency for the purpose of receiving notice of rule proceedings and notice that a rule has been adopted, and other information as required by law or rule. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the citation to the rule to be repealed in the notice.

Sec. 14. Minnesota Statutes 1994, section 14.15, subdivision 3, is amended to read:

Subd. 3. [FINDING OF SUBSTANTIAL ~~CHANGE~~ DIFFERENCE.] If the report contains a finding that a rule has been modified in a way which makes it substantially different, as determined under section 14.05, subdivision 2, from that which was originally proposed, or that the agency has not met the requirements of sections 14.131 to 14.18, it shall be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves the finding of the administrative law judge, the chief administrative law judge shall advise the agency and the revisor of statutes of actions which will correct the defects. The agency shall not adopt the rule until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

Sec. 15. Minnesota Statutes 1994, section 14.15, subdivision 4, is amended to read:

Subd. 4. [NEED OR REASONABLENESS NOT ESTABLISHED.] If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established pursuant to section 14.14, subdivision 2, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to ~~delay adoption longer~~ wait for the commission's advice for more than 30 60 days after the commission has received the agency's submission. ~~Advice of the commission shall not be binding on the agency.~~

Sec. 16. Minnesota Statutes 1994, section 14.16, subdivision 1, is amended to read:

Subdivision 1. [REVIEW OF MODIFICATIONS.] If the report of the administrative law judge finds no defects, the agency may proceed to adopt the rule. After receipt of the administrative law judge's report, if the agency makes any modifications to the rule other than those recommended by the administrative law judge, it must return the rule to the chief administrative law judge for a review on the issue of ~~substantial change~~ whether the rule as modified is substantially different, as

determined under section 14.05, subdivision 2, from the rule as originally proposed. If the chief administrative law judge determines that the modified rule is substantially different from that which was originally proposed, the chief administrative law judge shall advise the agency of actions which will correct the defects. The agency shall not adopt the modified rule until the chief administrative law judge determines that the defects have been corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule.

The agency shall give notice to all persons who requested to be informed that the rule has been adopted and filed with the secretary of state. This notice shall be given on the same day that the rule is filed.

Sec. 17. Minnesota Statutes 1994, section 14.19, is amended to read:

14.19 [DEADLINE TO COMPLETE RULEMAKING.]

The agency shall, within 180 days after issuance of the administrative law judge's report, submit its notice of adoption, amendment, ~~suspension~~, or repeal to the State Register for publication. If the agency has not submitted its notice to the State Register within 180 days, the rule is automatically withdrawn. The agency shall not adopt the withdrawn rules without again following the procedures of sections 14.05 to 14.36. It shall report to the legislative commission to review administrative rules, other appropriate committees of the legislature, and the governor its failure to adopt rules and the reasons for that failure. The 180-day time limit of this section does not include any days used for review by the chief administrative law judge, ~~the attorney general~~, or the legislative commission to review administrative rules if the review is required by law.

Sec. 18. Minnesota Statutes 1994, section 14.22, subdivision 1, is amended to read:

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. Each agency may, at its own discretion, also contact persons not on its list who may be affected by the rule being proposed. In addition, each agency shall make reasonable efforts to notify persons or classes of persons who may be affected by the rule by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. 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, a statement that persons may register with the agency for the purpose of receiving notice of rule proceedings and notice that a rule has been submitted to the chief administrative law judge, and other information as required by law or 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 of the requirements contained in section 14.25 relating to a written request for a public hearing, and that the requester is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and propose any change proposed desired;~~

(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 chief administrative law judge 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.

Sec. 19. Minnesota Statutes 1994, section 14.23, is amended to read:

14.23 [STATEMENT OF NEED AND REASONABLENESS.]

Before the date of the section 14.22 notice, the agency shall prepare a statement of need and reasonableness which shall be available to the public. The statement of need and reasonableness must include the analysis required in section 14.131 and the comments and recommendations of the commissioner of finance, and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285. The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rules or must explain why these efforts were not made. For at least 30 days following the notice, the agency shall afford all interested persons the public an opportunity to request a public hearing and to submit data and views on the proposed rule in writing.

The agency shall send a copy of the statement of need and reasonableness to the legislative commission to review administrative rules when it becomes available to the public.

Sec. 20. Minnesota Statutes 1994, section 14.24, is amended to read:

14.24 [MODIFICATIONS OF PROPOSED RULE.]

The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change substantially different rule, as determined under section 14.05, subdivision 2, from the rule as originally proposed. An agency may adopt a substantially different rule after satisfying the rule requirements for the adoption of a substantially different rule.

Sec. 21. Minnesota Statutes 1994, section 14.25, is amended to read:

14.25 [PUBLIC HEARING REQUIRED.]

Subdivision 1. [REQUESTS FOR HEARING.] If, during the 30-day period allowed for comment, 25 or more persons submit to the agency a written request for a public hearing of the proposed rule, the agency shall proceed under the provisions of sections 14.14 to 14.20. The written request must include: (1) the name and address of the person requesting the public hearing; and (2) the portion or portions of the rule to which the person objects or a statement that the person opposes the entire rule. A notice of the public hearing must be published in the State Register and mailed to those persons who submitted a written request for the public hearing. Unless the agency has modified the proposed rule, the notice need not include the text of the proposed rule but only a citation to the State Register pages where the text appears.

A written request for a public hearing that does not comply with the requirements of this section is invalid and must not be counted by the agency for purposes of determining whether a public hearing must be held.

Subd. 2. [WITHDRAWAL OF HEARING REQUESTS.] If a request for a public hearing has been withdrawn, the agency must give written notice of that fact to all persons who have requested the public hearing. The notice must explain why the request is being withdrawn, and must include a description of any action the agency has taken or will take that affected or may have affected the decision to withdraw the request. The notice must also invite persons to submit written comments to the agency relating to the withdrawal. The notice and any written comments received by the agency is part of the rulemaking record submitted to the administrative law judge under section 14.14 or 14.26. The administrative law judge shall review the notice and any comments received and determine whether the withdrawal is consistent with section 14.001, clauses (2), (4), and (5).

Sec. 22. Minnesota Statutes 1994, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL ADMINISTRATIVE LAW JUDGE.]

Subdivision 1. [SUBMISSION.] If no hearing is required, the agency shall submit to the ~~attorney general~~ an administrative law judge assigned by the chief administrative law judge 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~~ administrative law judge. 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~~ administrative law judge 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~~ administrative law judge reviews the rule, if the ~~attorney general~~ administrative law judge 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.] (a) The ~~attorney general~~ administrative law judge shall, within 14 days, approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the ~~issue~~ issues of substantial change whether the rule if modified is substantially different, as determined under section 14.05, subdivision 2, from the rule as originally proposed, 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~~ administrative law judge 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~~ administrative law judge shall state in writing the reasons and make recommendations to ~~overcome the deficiencies, and defects.~~

(b) The written disapproval must be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves of the findings of the administrative law judge, the chief administrative law judge shall send the statement of the reasons for disapproval of the rule to the agency, the legislative commission to review administrative rules, and the revisor of statutes and advise the agency and the revisor of statutes of actions that will correct the defects. ~~The rule shall not be filed in the office of the secretary of state, nor published until the deficiencies~~ chief administrative law judge determines that the defects have been ~~overcome~~ corrected or, if applicable, that the agency has satisfied the rule requirements for the adoption of a substantially different rule. ~~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.~~

(c) If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to wait for the commission's advice for more than 60 days after the commission has received the agency's submission.

(d) The ~~attorney general~~ administrative law judge 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~~ 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.

Subd. 4. [COSTS.] The ~~attorney-general~~ office of administrative hearings 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~~ administrative hearings account created in section 14.54.

Sec. 23. Minnesota Statutes 1994, section 14.365, is amended to read:

14.365 [OFFICIAL RULEMAKING RECORD.]

The agency shall maintain the official rulemaking record for every rule adopted pursuant to sections 14.05 to ~~14.36~~ 14.28. The record shall be available for public inspection. The record required by this section constitutes the official and exclusive agency rulemaking record with respect to agency action on or judicial review of the rule. The record shall contain:

- (1) copies of all publications in the State Register pertaining to the rule;
- (2) all written petitions, requests, submissions, or comments received by the agency, or the administrative law judge, ~~or the attorney-general~~ pertaining to the rule;
- (3) the statement of need and reasonableness for the rule, ~~if any;~~
- (4) the official transcript of the hearing if one was held, or the tape recording of the hearing if a transcript was not prepared;
- (5) the report of the administrative law judge, if any;
- (6) the rule in the form last submitted to the administrative law judge under sections 14.14 to 14.20 or first submitted to the ~~attorney-general~~ administrative law judge under sections 14.22 to 14.28;
- (7) the ~~attorney-general's~~ administrative law judge's written statement of required modifications and of approval or disapproval by the chief administrative law judge, if any;
- (8) any documents required by applicable rules of the office of administrative hearings ~~or of the attorney-general;~~
- (9) the agency's order adopting the rule;
- (10) the revisor's certificate approving the form of the rule; and
- (11) a copy of the adopted rule as filed with the secretary of state.

Sec. 24. [14.366] [PUBLIC RULEMAKING DOCKET.]

- (a) Each agency shall maintain a current, public rulemaking docket.
- (b) The rulemaking docket must contain a listing of the precise subject matter of each possible proposed rule currently under active consideration within the agency for proposal, the name and address of agency personnel with whom persons may communicate with respect to the matter, and an indication of its present status within the agency.
- (c) The rulemaking docket must list each pending rulemaking proceeding. A rulemaking proceeding is pending from the time it is begun, by publication of the notice of solicitation, the notice of intent to adopt, or notice of hearing, to the time it is terminated, by publication of a notice of withdrawal or the rule becoming effective. For each rulemaking proceeding, the docket must indicate:

- (1) the subject matter of the proposed rule;
- (2) a citation to all published notices relating to the proceeding;
- (3) where written comments on the proposed rule may be inspected;
- (4) the time during which written comments may be made;
- (5) the names of persons who have made written requests for a public hearing, where those requests may be inspected, and where and when the hearing will be held;
- (6) the current status of the proposed rule and any agency determinations with respect to the rule;
- (7) any known timetable for agency decisions or other action in the proceeding;
- (8) the date of the rule's adoption;
- (9) the date the rule was filed with the secretary of state; and
- (10) when the rule will become effective.

Sec. 25. [14.386] [PROCEDURE FOR ADOPTING EXEMPT RULES; DURATION.]

(a) A rule adopted, amended, or repealed by an agency, under a statute authorizing or requiring rules to be adopted but excluded from the rulemaking provisions of chapter 14 or from the definition of a rule, has the force and effect of law only if:

- (1) the revisor of statutes approves the form of the rule by certificate;
- (2) the office of administrative hearings approves the rule as to its legality within 14 days after the agency submits it for approval and files two copies of the rule with the revisor's certificate in the office of the secretary of state; and
- (3) a copy is published by the agency in the State Register.

(b) A rule adopted under this section is effective for a period of two years from the date of publication of the rule in the State Register. The authority for the rule expires at the end of this two-year period.

(c) The chief administrative law judge shall adopt rules relating to the rule approval duties imposed by this section and section 14.388, including rules establishing standards for review.

(d) This section does not apply to rules adopted, amended, or repealed under section 14.388.

This section also does not apply to:

- (1) rules implementing emergency powers pursuant to sections 12.31 to 12.37;
- (2) rules of agencies directly in the legislative or judicial branches;
- (3) rules of the regents of the University of Minnesota;
- (4) rules of the department of military affairs;
- (5) rules of the comprehensive health association provided in section 62E.10;
- (6) rules of the tax court provided by section 271.06;
- (7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;
- (8) 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;

(9) 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;

(10) opinions of the attorney general;

(11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(13) the occupational safety and health standards provided in section 182.655;

(14) revenue notices and tax information bulletins of the commissioner of revenue; or

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09.

Sec. 26. [14.387] [LEGAL STATUS OF EXISTING EXEMPT RULES.]

A rule adopted on or before the day following final enactment of this section, and which was not adopted under sections 14.05 to 14.36 or their predecessor provisions, does not have the force and effect of law on and after July 1, 1997, and the authority for the rule expires on that date.

This section does not apply to:

(1) rules implementing emergency powers under sections 12.31 to 12.37;

(2) rules of agencies directly in the legislative or judicial branches;

(3) rules of the regents of the University of Minnesota;

(4) rules of the department of military affairs;

(5) rules of the comprehensive health association provided in section 62E.10;

(6) rules of the tax court provided by section 271.06;

(7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;

(8) 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;

(9) 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;

(10) opinions of the attorney general;

(11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(13) the occupational safety and health standards provided in section 182.655;

(14) revenue notices and tax information bulletins of the commissioner of revenue; or

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09.

Sec. 27. [14.388] [GOOD CAUSE EXEMPTION.]

If an agency for good cause finds that the rulemaking provisions of this chapter are unnecessary, impracticable, or contrary to the public interest when adopting, amending, or repealing a rule to:

- (1) address a serious and immediate threat to the public health, safety, or welfare;
  - (2) comply with a court order or a requirement in federal law in a manner that does not allow for compliance with sections 14.14 to 14.28;
  - (3) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or
  - (4) make changes that do not alter the sense, meaning, or effect of a rule,
- the agency may adopt, amend, or repeal the rule after satisfying the requirements of section 14.386, paragraph (a), clauses (1) to (3). The agency shall incorporate its findings and a brief statement of its supporting reasons in its order adopting, amending, or repealing the rule.

In review of the rule under section 14.386, the office of administrative hearings shall determine whether the agency has provided adequate justification for its use of this section.

Rules adopted, amended, or repealed under clauses (1) and (2) are effective for a period of two years from the date of publication of the rule in the State Register.

Rules adopted, amended, or repealed under clause (3) or (4) are effective upon publication in the State Register.

Sec. 28. Minnesota Statutes 1994, section 14.48, is amended to read:

14.48 [CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS; CHIEF ADMINISTRATIVE LAW JUDGE APPOINTED; OTHER ADMINISTRATIVE LAW JUDGES APPOINTED.]

A state office of administrative hearings is created. The office shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066. The chief administrative law judge may hear cases and shall appoint additional administrative law judges and compensation judges to serve in the office as necessary to fulfill the duties prescribed in ~~sections 14.48 to 14.56~~ chapters 14 and ~~chapter~~ 176. The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. All administrative law judges and compensation judges shall be in the classified service except that the chief administrative law judge shall be in the unclassified service, but may be removed only for cause. All administrative law judges shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.

Sec. 29. Minnesota Statutes 1994, section 14.51, is amended to read:

14.51 [PROCEDURAL RULES FOR HEARINGS.]

The chief administrative law judge shall adopt rules to govern: (1) the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings, contested case hearings, and workers' compensation hearings, and to govern the conduct of voluntary mediation sessions for rulemaking and contested cases other than those within the jurisdiction of the bureau of mediation services. ~~Temporary rulemaking authority is granted to the chief administrative law judge for the purpose of implementing Laws 1981, chapter 346, sections 2 to 6, 103 to 122, 127 to 135, and 141;~~ and (2) the review of rules adopted without a public hearing. The procedural rules

~~for hearings shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules for hearings shall include in addition to normal procedural matters provisions relating to recessing and reconvening new hearings the procedure to be followed when the proposed final rule of an agency is substantially different, as determined under section 14.05, subdivision 2, from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief administrative law judge to determine whether or not a new hearing is required because on the issue of substantial changes whether the proposed final rule of the agency is substantially different than that which was proposed or failure of the agency to meet the requirements of sections 14.131 to 14.18 chapter 14. The rules must also provide an expedited procedure, consistent with section 14.001, clauses (1) to (5), for the adoption of substantially different rules by agencies. Upon the chief administrative law judge's own initiative or upon written request of an interested party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.~~

Sec. 30. Minnesota Statutes 1994, section 16A.1285, subdivision 2, is amended to read:

Subd. 2. [POLICY.] Unless otherwise provided by law, specific charges falling within definitions stipulated in subdivision 1 must be set in the manner prescribed in this subdivision provided that: (1) agencies, when setting, adjusting, or authorizing any charge for goods or services that are of direct, immediate, and primary benefit to an individual, business, or other nonstate entity, shall set the charges at a level that neither significantly over recovers nor under recovers costs, including overhead costs, involved in providing the services; or (2) that agencies, when setting, adjusting, or establishing regulatory, licensure, or other charges that are levied, in whole or in part, in the public interest shall recover, but are not limited to, the costs involved in performance and administration of the functions involved.

In setting, adjusting, or authorizing charges that in whole or in part recover previously unrecovered costs, recovery is limited to those unrecovered costs incurred during the two fiscal years immediately preceding the setting, adjustment, or authorization.

Sec. 31. Minnesota Statutes 1994, section 17.84, is amended to read:

#### 17.84 [DUTIES OF THE COMMISSIONER.]

Within 30 days of the receipt of the ~~notices~~ notice provided in section 17.82 ~~or 17.83~~, the commissioner shall review the agency's proposed action, shall negotiate with the agency, and shall recommend to the agency in writing the implementation either of the action as proposed or an alternative. In making recommendations, the commissioner shall follow the statement of policy contained in section 17.80. ~~If the proposed agency action is the adoption of a rule, the recommendation of the commissioner shall be made a part of the record in the rule hearing.~~ If the agency receives no response from the commissioner within 30 days, it shall be deemed a recommendation that the agency take the action as proposed.

Sec. 32. Minnesota Statutes 1994, section 43A.04, is amended by adding a subdivision to read:

Subd. 11. [TRAINING FOR AGENCY RULEMAKING STAFF.] The commissioner, in cooperation with the office of administrative hearings, the attorney general, and the revisor of statutes, shall provide training to agency staff involved in rulemaking, including training on the use of professional negotiators and mediators in rulemaking proceedings.

The commissioner may charge agency staff a registration fee for attending this training. The fee must be set at a level that permits the commissioner to recover the costs, excluding costs of staff time for staff positions funded through general fund appropriations, of providing this training.

The office of administrative hearings, the administrative rules counsel, the attorney general, and the revisor of statutes shall not assess the commissioner for the cost of staff time to conduct the training provided under this subdivision.

Sec. 33. Minnesota Statutes 1994, section 62N.05, is amended by adding a subdivision to read:

Subd. 4. [RECOVERY OF COSTS.] The provisions of section 16A.1285, subdivision 2, limiting recovery of costs to the two fiscal years immediately preceding the setting, adjustment, or authorization of fees do not apply to fees charged to entities licensed under this chapter. This subdivision expires June 30, 1999.

Sec. 34. Minnesota Statutes 1994, section 84.027, is amended by adding a subdivision to read:

Subd. 13. [GAME AND FISH RULES.] (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game, to prohibit or allow taking of wild animals to protect a species, and to prohibit or allow importation, transportation, or possession of a wild animal; and

(2) sections 84.093, 84.14, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas.

Clause (2) does not limit or supersede the commissioner's authority to establish opening dates, days, and hours of the wild rice harvesting season under section 84.14, subdivision 3.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the legislative commission to review administrative rules, complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

(1) the commissioner of natural resources determines that an emergency exists;

(2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 35. [97A.0451] [AUTHORITY FOR USE OF EMERGENCY RULES PROCEDURE; EXPIRATION OF AUTHORITY.]

Subdivision 1. [WHEN TO USE EMERGENCY RULEMAKING.] When the commissioner is directed by statute, federal law, or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28, or if the commissioner is expressly required or authorized by statute to adopt emergency rules, the commissioner shall adopt emergency rules in accordance with sections 97A.0451 to 97A.0459.



Subd. 2. [180-DAY TIME LIMIT.] Unless the commissioner is directed by federal law or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 97A.0451 to 97A.0459, the commissioner may not adopt an emergency rule later than 180 days after the effective date of the statutory authority, except as provided in section 84.027, subdivision 13. If emergency rules are not adopted within the time allowed, the authority for the rules expires. The time limit of this section does not include any days used for review by the attorney general. If the 180-day period expires while the attorney general is reviewing the rule and the attorney general disapproves the rule, the commissioner may resubmit the rule to the attorney general after taking corrective action. The resubmission must occur within five working days after the commissioner receives written notice of disapproval. If the rule is again disapproved by the attorney general, it is withdrawn.

**Sec. 36. [97A.0452] [NOTICE OF PROPOSED ADOPTION OF EMERGENCY RULE.]**

The proposed emergency rule must be published with a notice of intent to adopt emergency rules in the State Register, and the same notice must be mailed to all persons registered with the commissioner to receive notice of any rulemaking proceedings. The notice must include a statement advising the public that a free copy of the proposed rule is available on request from the commissioner 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 commissioner 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. 37. [97A.0453] [NOTICE TO COMMITTEES FOR FEES FIXED BY RULE.]**

Before the commissioner submits notice to the State Register of intent to adopt emergency rules that establish or adjust fees, the commissioner shall comply with section 16A.128, subdivision 2a.

**Sec. 38. [97A.0454] [MODIFICATIONS OF PROPOSED EMERGENCY RULE.]**

The proposed emergency rule may be modified if the modifications are supported by the data and views submitted to the commissioner.

**Sec. 39. [97A.0455] [SUBMISSION OF PROPOSED EMERGENCY RULE TO ATTORNEY GENERAL.]**

Subdivision 1. [SUBMISSION.] The commissioner shall submit to the attorney general the proposed emergency rule as published, with any modifications. On the same day that it is submitted, the commissioner 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 must state that fact, and must state that a free copy of the proposed emergency rule, as modified, is available upon request from the commissioner.

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 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 commissioner. The attorney general shall send a statement of reasons for disapproval of the rule to the commissioner, the chief administrative law judge, the legislative commission to review administrative rules, and the revisor of statutes.

The attorney general shall disregard any error or defect in the proceeding due to the commissioner'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 commissioner 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. 3. [COSTS.] The attorney general shall assess the commissioner for the actual cost of processing rules under this section. The commissioner shall include in the department's 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. 40. [97A.0456] [EFFECTIVE DATE OF EMERGENCY RULE.]

The emergency rule takes effect five working days after approval by the attorney general. The attorney general shall file two copies of the approved emergency rule with the secretary of state. The secretary of state shall forward one copy of each approved and filed emergency rule to the revisor of statutes. Failure of the attorney general to approve or disapprove a proposed emergency rule within ten working days is approval.

Sec. 41. [97A.0457] [PUBLICATION OF APPROVAL.]

As soon as practicable, notice of the attorney general's decision must be published in the State Register and the adopted rule must be published in the manner as provided for adopted rules in section 14.18.

Sec. 42. [97A.0458] [EFFECTIVE PERIOD OF EMERGENCY RULE.]

Emergency rules adopted under sections 97A.0451 to 97A.0459 shall be effective for the period stated in the notice of intent to adopt emergency rules which may not be longer than 180 days. The emergency rules may be continued in effect for an additional period of up to 180 days if the commissioner gives notice of continuation by publishing notice in the State Register and mailing the same notice to all persons registered with the commissioner to receive notice of any rulemaking proceedings. The continuation is not effective until these notices have been mailed. No emergency rule may remain in effect on a date 361 days after its original effective date. The emergency rules may not be continued in effect after 360 days without following the procedure of sections 14.14 to 14.28.

Sec. 43. [97A.0459] [APPROVAL OF FORM OF EMERGENCY RULE.]

No approved emergency rule shall be filed with the secretary of state or published in the State Register unless the revisor of statutes has certified that the emergency rule's form is approved.

Sec. 44. [APPROPRIATION.]

(a) \$35,000 is appropriated from the general fund to the administrative hearings account in Minnesota Statutes, section 14.54, for the purposes of section 45. The appropriation is available until spent. The approved complement of the office of administrative hearings is increased by three positions in the classified service.

(b) The office of the attorney general shall transfer \$15,000 in fiscal year 1996 to the office of administrative hearings.

(c) \$78,000 is appropriated from the general fund to the legislative commission to review administrative rules for fiscal year 1996.

Sec. 45. [TRANSFER OF RULE REVIEW AUTHORITY.]

(a) The rule review duties of the office of the attorney general are transferred to the office of administrative hearings on January 1, 1996. Minnesota Statutes, section 15.039, does not apply to this transfer.

(b) Proposed rules for which a notice under Minnesota Statutes, section 14.22 or 14.30, has been published in the State Register before January 1, 1996, shall continue to be reviewed by the attorney general under the rule review authority transferred by this act and are governed by Minnesota Statutes 1994, chapter 14, and Minnesota Rules, chapter 2010.

(c) Except as otherwise provided in paragraph (b), Minnesota Rules, chapter 2010, shall be enforced by the office of administrative hearings until it is amended or repealed by that office.

Sec. 46. [REVISOR INSTRUCTION.]

The revisor of statutes shall correct or remove the references in Minnesota Statutes and Minnesota Rules to the statutory sections repealed in this act.

The revisor of statutes shall change the terms "office of attorney general," "attorney general," or similar terms to "office of administrative hearings," "chief administrative law judge," "administrative law judge," or similar terms in Minnesota Rules, chapter 2010, to reflect the intent of the legislature to transfer the attorney general's rule review functions in the manner provided in this act.

Sec. 47. [REPEALER.]

(a) Minnesota Statutes 1994, sections 3.846; 14.12; 14.1311; and 14.235, are repealed.

(b) Minnesota Statutes 1994, sections 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; and 14.36, are repealed.

(c) Minnesota Statutes 1994, sections 14.10, 14.11; 14.115; and 17.83, are repealed.

Sec. 48. [EFFECTIVE DATE.]

Sections 1 to 4; 6; 7; 10; 15; 26; 31; 47, paragraph (c); and the rulemaking authority granted in sections 25 and 29 are effective the day following final enactment. Section 11 applies to laws authorizing or requiring rulemaking that are finally enacted after January 1, 1996. Section 30 is effective for costs incurred after June 30, 1995. Section 44 is effective July 1, 1995. The remainder of the act is effective January 1, 1996."

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 Governmental Operations and Veterans, to which was referred**

**S.F. No. 1103:** A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after the period, insert "The employees of the department of education are transferred to the department of children, families, and learning under section 15.039, subdivision 7."

Page 1, line 19, after "state" insert "funded and locally"

Page 2, after line 23, insert:

"Subd. 4. [LOCAL GRANTEE.] "Local grantee" means a local unit of government or an agency or organization that receives funds under section 119A.04."

Page 2, line 27, before the period, insert "with the advice and consent of the senate"

Page 3, line 33, delete everything after the first period

Page 3, delete lines 34 to 36

Page 4, delete lines 1 to 3

Page 4, line 4, delete everything before the headnote

Page 4, line 7, delete ", subdivisions 1 to 6"

Page 4, line 26, delete "3" and insert "2"

Page 4, line 29, delete the third comma

Page 4, line 30, delete "subdivisions 1 to 6"

Page 6, line 16, delete "4" and insert "3"

Page 6, line 19, delete the third comma

Page 6, line 20, delete "subdivisions 1 to 6"

Page 7, line 10, delete "5" and insert "4"

Page 7, lines 14, 26, and 31, delete ", subdivisions 1 to 6"

Page 7, line 23, delete "6" and insert "5"

Page 7, line 28, delete "7" and insert "6"

Page 8, line 5, delete "include or"

Page 8, line 6, delete "local"

Page 8, line 8, after the period, insert "County boards, school boards, or governing boards of other grantees may elect not to consolidate funding for a program."

Page 8, line 9, before "The" insert "For grantees electing consolidation,"

Page 8, line 16, after the period, insert "Funding to a local grantee must be determined according to the funding formulas or allocation rules governing the individual programs listed in section 119A.04."

Page 8, line 29, after "participation" insert "by counties and schools"

Page 9, line 4, after "a" insert "description of the" and delete "mechanism" and insert "structure"

Page 9, line 15, delete "contract" and insert "written agreement" and delete the comma and insert "and"

Page 9, line 16, delete everything before "setting" and insert "grantees"

Page 9, line 19, delete "COLLABORATION" and insert "GEOGRAPHIC AREA"

Page 9, line 20, delete "a county area,"

Page 9, line 21, delete "or" and before the period, insert ", or, with the approval of the county board and commissioner, a subcounty area"

Page 10, line 8, delete "local government" and insert "county boards, school boards"

Page 12, line 15, delete "11" and insert "13"

Page 12, after line 20, insert:

"Sec. 10. [WORKER PROVISIONS.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds that the reorganization of state agencies, including the abolishment of agencies or their functions and the merger of agency functions to the extent possible, makes the best use of affected agency employees and improves the direct service capabilities of state employees to provide public services to citizens of the state and to customers of the agency. To assure that quality services are delivered to citizens of Minnesota, appointing authorities shall comply with this section.

Subd. 2. [RESTRUCTURING PROVISIONS.] The restructuring of agencies required by this act must be conducted in accordance with Minnesota Statutes, sections 15.039 and 43A.045.

Subd. 3. [WORKER PARTICIPATION COMMITTEES.] (a) After the commissioner-designate of children, families, and learning has been appointed, before the restructuring of executive branch agencies under this act, a labor and management committee including representatives of employees and employers must be established and given adequate time to perform the activities prescribed by paragraph (b). Each exclusive representative of employees shall select a committee member from each of its bargaining units in each affected agency. The head of each agency shall select an employee member from each unit of employees not represented by an exclusive representative. The agency head shall also appoint one or more committee members to represent the agency. The number of members appointed by the agency head, however, may not exceed the total number of members selected by exclusive representatives. The labor and management committee must be participatory and nonauthoritarian. Exclusive representatives must be directly involved in the work of the committee.

(b) The committee established under paragraph (a) shall:

(1) in cooperation with the commissioner of education and the commissioner-designate, review and reevaluate the powers and duties of the department of education and identify those that are consistent with the purpose and goals of the department of children, families, and learning;

(2) identify tasks related to agency reorganization and adopt plans for addressing those tasks;

(3) identify other employer and employee issues related to reorganization and adopt plans for addressing those issues;

(4) adopt plans for implementing this act, including detailed plans for providing retraining for affected employees; and

(5) guide the implementation of the reorganization.

Subd. 4. [EMPLOYEE JOB SECURITY.] The head of an agency that is scheduled to be restructured shall meet and negotiate with the exclusive representatives of affected employees of the agency in the event that employees are at risk of being laid off due to restructuring or significant change in the activities of the agency. Bargaining under this subdivision must have as its purpose the achievement of the highest possible degree of public service delivery to the citizens of Minnesota and the provision of appropriate incentives to state employees. Incentives may include, but are not limited to, early retirement incentives, negotiated options in place of layoff, methods to mitigate layoffs and the effect of layoffs, job training and retraining opportunities, and enhanced severance.

Subd. 5. [EMPLOYEE TRAINING AND RETRAINING.] The legislature recognizes that a well-trained and well-educated work force is needed to provide effective and efficient public service delivery and that training and retraining of state employees is a priority when merger and reorganization of state agencies occur. The labor and management committee required by subdivision 3 shall determine the employee training and retraining required because of agency reorganization. Employees whose job duties are affected by reorganization must be given the opportunity to take part in training or retraining for the new job duties. Existing employees must be trained or retrained for agency positions before new hiring takes place.

Sec. 11. [APPOINTMENT; TRANSFERS OF EDUCATION FUNCTIONS.]

By July 1, 1995, the governor shall appoint a commissioner-designate of the department of children, families, and learning. The person appointed becomes the governor's appointee as commissioner on the effective date of Minnesota Statutes, sections 119A.01, subdivision 2, and 119A.03. The commissioner-designee, in cooperation with the commissioner of education, shall review and reevaluate the powers and duties of the department of education and identify those that are consistent with the purpose and goals of the department of children, families, and learning. The functions identified by the commissioner-designate are transferred to the department of children, families, and learning under Minnesota Statutes, section 15.039, effective October 1, 1995."

Page 12, line 30, delete "10" and insert "12"

Page 12, line 31, delete "Section" and insert "Sections" and delete "is" and insert "and 10 (Worker Provisions) are" and after the period, insert "Section 11 (Appointment; Transfers of Education Functions) is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Family Services.  
Amendments adopted. Report adopted.

**Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred**

**S.F. No. 418:** A bill for an act relating to education; authorizing special projects and programs to combat truancy; denying driving privileges for certain truant students; imposing parental liability for truant behavior and for failure to exercise reasonable control; requiring the attorney general to report on the effectiveness of school safety programs; increasing school levy authority for crime prevention activities; requiring school districts to adopt gun-free policies; providing a fee exception for school uniforms; requiring criminal history background checks for teachers; clarifying authority to deny teacher licenses; modifying reporting requirements; modifying offender rehabilitation exceptions; providing for school security; clarifying access to data; limiting school liability for certain security measures; establishing grants for school safety programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 120.101, subdivision 1; 120.14; 120.73, by adding a subdivision; 124.912, subdivision 6; 125.05, by adding a subdivision; 125.09, subdivision 1; 127.20; 171.04, subdivision 1; 260.131, by adding a subdivision; 260.132, subdivisions 1 and 4; 260.161, subdivision 3; 260.191, subdivision 1; 260.315; 299A.33, subdivision 3; 364.09; 466.03, by adding a subdivision; and 609.605, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 8; 123; and 127; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, section 126.25; and Laws 1994, chapter 576, section 1.

Report the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
TRUANCY

Section 1. Minnesota Statutes 1994, section 120.14, is amended to read:

120.14 [ATTENDANCE OFFICERS.]

The board of any district may authorize the employment of attendance officers, who shall investigate truancy or nonattendance at school, make complaints, serve notice and process, and attend to the enforcement of all laws and district rules regarding school attendance. When any attendance officer learns of any case of habitual truancy or continued nonattendance of any child required to attend school the officer shall immediately notify the person having control of such child to forthwith send to and keep the child in school. The attendance officer or designee shall send or convey the notice required by section 260A.03 for a child who is a continuing truant. The officer shall act under the general supervision of the district superintendent.

Sec. 2. Minnesota Statutes 1994, section 171.04, subdivision 1, is amended to read:

Subdivision 1. [PERSONS NOT ELIGIBLE.] The department shall not issue a driver's license hereunder:

(1) To any person who is under the age of 16 years; to any person under 18 years unless such person shall have successfully completed a course in driver education, including both classroom and behind-the-wheel instruction, approved by the state board of education for courses offered through the public schools, or, in the case of a course offered by a private, commercial driver education school or institute, by the department of public safety; except when such person has completed a course of driver education in another state or has a previously issued valid license from another state or country; nor to any person under 18 years unless the application of license is approved by either parent when both reside in the same household as the minor applicant,

otherwise the parent or spouse of the parent having custody or with whom the minor is living in the event there is no court order for custody, or guardian having the custody of such minor, or in the event a person under the age of 18 has no living father, mother or guardian, the license shall not be issued to such person unless the application therefor is approved by the person's employer. Driver education courses offered in any public school shall be open for enrollment to persons between the ages of 15 and 18 years residing in the school district or attending school therein. Any public school offering driver education courses may charge an enrollment fee for the driver education course which shall not exceed the actual cost thereof to the public school and the school district. The approval required herein shall contain a verification of the age of the applicant;

(2) To any person whose license has been suspended during the period of suspension except that a suspended license may be reinstated during the period of suspension upon the licensee furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act;

(3) To any person whose license has been revoked except upon furnishing proof of financial responsibility in the same manner as provided in the Minnesota no-fault automobile insurance act and if otherwise qualified;

(4) To any person who is a drug dependent person as defined in section 254A.02, subdivision 5;

(5) To any person who has been adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, and has not been restored to capacity, unless the department is satisfied that such person is competent to operate a motor vehicle with safety to persons or property;

(6) To any person who is required by this chapter to take an examination, unless such person shall have successfully passed such examination;

(7) To any person who is required under the provisions of the Minnesota no-fault automobile insurance act of this state to deposit proof of financial responsibility and who has not deposited such proof;

(8) To any person when the commissioner has good cause to believe that the operation of a motor vehicle on the highways by such person would be inimical to public safety or welfare;

(9) To any person when, in the opinion of the commissioner, such person is afflicted with or suffering from such physical or mental disability or disease as will affect such person in a manner to prevent the person from exercising reasonable and ordinary control over a motor vehicle while operating the same upon the highways; nor to a person who is unable to read and understand official signs regulating, warning, and directing traffic;

(10) To a child for whom a court has ordered denial of driving privileges under section 260.191, subdivision 1, or 260.195, subdivision 3a, until the period of denial is completed; or

(11) To any person whose license has been canceled, during the period of cancellation.

Sec. 3. Minnesota Statutes 1994, section 260.131, is amended by adding a subdivision to read:

Subd. 1b. [CHILD IN NEED OF PROTECTION OR SERVICES; HABITUAL TRUANT.] If there is a county attorney mediation program operating in the child's school district, a petition alleging that a child is in need of protection or services as a habitual truant under section 260.015, subdivision 2a, clause (2), may not be filed until the applicable procedures under section 260A.05 have been exhausted.

Sec. 4. Minnesota Statutes 1994, section 260.132, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] When a peace officer, or attendance officer in the case of a habitual truant, has probable cause to believe that a child:

(1) is in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12);

(2) is a juvenile petty offender; or

(3) has committed a delinquent act that would be a petty misdemeanor or misdemeanor if committed by an adult;

the officer may issue a notice to the child to appear in juvenile court in the county in which the child is found or in the county of the child's residence or, in the case of a juvenile petty offense, or a petty misdemeanor or misdemeanor delinquent act, the county in which the offense was committed. If there is a county attorney mediation program operating in the child's school district, a notice to appear in juvenile court for a habitual truant may not be issued until the applicable procedures under section 260A.05 have been exhausted. The officer shall file a copy of the notice to appear with the juvenile court of the appropriate county. If a child fails to appear in response to the notice, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Sec. 5. Minnesota Statutes 1994, section 260.132, subdivision 4, is amended to read:

Subd. 4. [TRUANT.] When a peace officer or probation officer has probable cause to believe that a child is currently under age 16 and absent from school without lawful excuse, the officer may transport the child to the child's home and deliver the child to the custody of the child's parent or guardian, transport the child to the child's school of enrollment and deliver the child to the custody of a school superintendent or teacher or transport the child to a truancy service center under section 260A.04, subdivision 3. ~~For purposes of this subdivision, a truancy service center is a facility that receives truant students from peace officers or probation officers and takes appropriate action including one or more of the following:~~

- ~~(1) assessing the truant's attendance situation;~~
- ~~(2) assisting in coordinating intervention efforts where appropriate;~~
- ~~(3) contacting the parents or legal guardian of the truant and releasing the truant to the custody of the parent or guardian; and~~
- ~~(4) facilitating the truant's earliest possible return to school.~~

Sec. 6. Minnesota Statutes 1994, 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 local social services agency 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 local social services agency.

In placing a child whose custody has been transferred under this paragraph, the agencies shall follow the order of preference stated in section 260.181, subdivision 3;

(3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or



(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license or instruction permit be canceled, the court may ~~recommend to order the commissioner of public safety that to cancel the child's license be canceled or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner is authorized to, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, recommend to order the commissioner of public safety that to allow the child be authorized to apply for a new license or permit, and the commissioner may shall so authorize; or~~

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

(c) If a child is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a county attorney mediation program under section 260A.05, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), until the child's 18th birthday.

Sec. 7. [260A.01] [TRUANCY PROGRAMS AND SERVICES.]

The programs in this chapter are designed to provide a continuum of intervention and services

to support families and children in keeping children in school and combating truancy and educational neglect. School districts, county attorneys, and law enforcement may establish the programs and coordinate them with other community-based truancy services in order to provide the necessary and most effective intervention for children and their families. This continuum of intervention and services involves progressively intrusive intervention, beginning with strong service-oriented efforts at the school and community level and involving the court's authority only when necessary.

**Sec. 8. [260A.02] [DEFINITIONS.]**

Subdivision 1. [SCOPE.] The definition in this section applies to this chapter.

Subd. 2. [CONTINUING TRUANT.] "Continuing truant" means a child who is subject to the compulsory instruction requirements of section 120.101 and is absent from instruction in a school, as defined in section 120.05, without valid excuse within a single school year for:

(1) three days if the child is in elementary school; or

(2) four or more class periods on three days if the child is in middle school, junior high school, or high school.

Nothing in this section shall prevent a school district from notifying a truant child's parent or legal guardian of the child's truancy or otherwise addressing a child's attendance problems prior to the child becoming a continuing truant.

**Sec. 9. [260A.03] [NOTICE TO PARENT OR GUARDIAN WHEN CHILD IS A CONTINUING TRUANT.]**

Upon a child's initial classification as a continuing truant, the school attendance officer or other designated school official shall notify the child's parent or legal guardian, by first-class mail or other reasonable means, of the following:

(1) that the child is truant;

(2) that the parent or guardian should notify the school if there is a valid excuse for the child's absences;

(3) that the parent or guardian is obligated to compel the attendance of the child at school pursuant to section 120.101 and parents or guardians who fail to meet this obligation may be subject to prosecution under section 127.20;

(4) that this notification serves as the notification required by section 127.20;

(5) that alternative educational programs and services may be available in the district;

(6) that the parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the child's truancy;

(7) that if the child continues to be truant, the parent and child may be subject to juvenile court proceedings under chapter 260;

(8) that if the child is subject to juvenile court proceedings, the child may be subject to suspension, restriction, or delay of the child's driving privilege pursuant to section 260.191; and

(9) that it is recommended that the parent or guardian accompany the child to school and attend classes with the child for one day.

**Sec. 10. [260A.04] [COMMUNITY-BASED TRUANCY PROJECTS AND SERVICE CENTERS.]**

Subdivision 1. [ESTABLISHMENT.] (a) Community-based truancy projects and service centers may be established to:

(1) provide for identification of students with school attendance problems;

(2) facilitate the provision of services geared to address the underlying issues that are contributing to a student's truant behavior; and

(3) provide facilities to receive truant students from peace officers and probation officers.

(b) Truancy projects and service centers may provide any of these services and shall provide for referral of children and families to other appropriate programs and services.

Subd. 2. [COMMUNITY-BASED ACTION PROJECTS.] Schools, community agencies, law enforcement, parent associations, and other interested groups may cooperate to provide coordinated intervention, prevention, and educational services for truant students and their families. Services may include:

(1) assessment for underlying issues that are contributing to the child's truant behavior;

(2) referral to other community-based services for the child and family, such as individual or family counseling, educational testing, psychological evaluations, tutoring, mentoring, and mediation;

(3) transition services to integrate the child back into school and to help the child succeed once there;

(4) culturally sensitive programming and staffing; and

(5) increased school response, including in-school suspension, better attendance monitoring and enforcement, after-school study programs, and in-service training for teachers and staff.

Subd. 3. [TRUANCY SERVICE CENTERS.] (a) Truancy service centers may be established as facilities to receive truant students from peace officers and probation officers and provide other appropriate services. A truancy service center may:

(1) assess a truant student's attendance situation, including enrollment status, verification of truancy, and school attendance history;

(2) assist in coordinating intervention efforts where appropriate, including checking with juvenile probation and children and family services to determine whether an active case is pending and facilitating transfer to an appropriate facility, if indicated; and evaluating the need for and making referral to a health clinic, chemical dependency treatment, protective services, social or recreational programs, or other school or community-based services and programs described in subdivision 2;

(3) contact the parents or legal guardian of the truant student and release the truant student to the custody of the parents or guardian; and

(4) facilitate the student's earliest possible return to school.

(b) Truancy service centers may not accept:

(1) juveniles taken into custody for criminal violations;

(2) intoxicated juveniles;

(3) ill or injured juveniles; or

(4) juveniles older than mandatory school attendance age.

(c) Truancy service centers may expand their service capability in order to receive curfew violators and take appropriate action, such as coordination of intervention efforts, contacting parents, and developing strategies to ensure that parents assume responsibility for their children's curfew violations.

Sec. 11. [260A.05] [COUNTY ATTORNEY TRUANCY MEDIATION PROGRAM.]

Subdivision 1. [ESTABLISHMENT; REFERRALS.] A county attorney may establish a truancy mediation program for the purpose of resolving truancy problems without court action. A

student may be referred to the county attorney by the school district or law enforcement if the student continues to be truant after the parent or guardian has been sent or conveyed the notice under section 260A.03.

Subd. 2. [MEETING; NOTICE.] The county attorney may request the parent or legal guardian and the child referred under subdivision 1 to attend a meeting in the county attorney's office to discuss the possible legal consequences of the minor's truancy. The notice of the meeting must be served personally or by certified mail at least five days before the meeting on each person required to attend the meeting. The notice must include:

- (1) the name and address of the person to whom the notice is directed;
- (2) the date, time, and place of the meeting;
- (3) the name of the minor classified as a truant;
- (4) the basis for the referral to the county attorney; and

(5) a warning that a criminal complaint may be filed against the parents or guardians pursuant to section 127.20 for failure to compel the attendance of the minor at school or that action may be taken in juvenile court.

Subd. 3. [PROCEDURE.] At the beginning of the meeting under this section, the county attorney shall advise the parents or guardians and the child that any statements they make could be used against them in subsequent court proceedings. After the meeting the county attorney may file a petition or issue a citation under chapter 260 if the county attorney determines that available community resources cannot resolve the truancy problem, or if the student or the parent or guardian fail to cooperate or respond to services provided or to the directives of the school or the county attorney.

#### Sec. 12. [TRUANCY REDUCTION GRANT PILOT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A truancy reduction grant pilot program is established to help school districts, county attorneys, and law enforcement officials work collaboratively to improve school attendance and to reduce truancy.

Subd. 2. [EXPECTED OUTCOMES.] Grant recipients shall use the funds for programs designed to assist truant students and their families in resolving attendance problems without court intervention. Recipient programs must be designed to reduce truancy and educational neglect, and improve school attendance rates, by:

- (1) providing early intervention and a continuum of intervention;
- (2) supporting parental involvement and responsibility in solving attendance problems;
- (3) working with students, families, school personnel, and community resources to provide appropriate services that address the underlying causes of truancy; and
- (4) providing a speedy and effective alternative to juvenile court intervention in truancy cases.

Subd. 3. [GRANT ELIGIBILITY, APPLICATIONS, AND AWARDS.] A county attorney, together with a school district or group of school districts and law enforcement, may apply for a truancy reduction grant. The commissioner of public safety, in collaboration with the commissioner of education, shall prescribe the form and manner of applications by July 1, 1995, and shall award grants to applicants likely to meet the outcomes in subdivision 2. Grants must be awarded for the implementation of programs in the 1995-96 school year. At minimum, each applicant group must have a plan for implementing an early intervention truancy program at the school district or building level, as well as a county attorney truancy mediation program under section 11.

Subd. 4. [EVALUATION.] The attorney general shall make a preliminary report on the effectiveness of the pilot programs as part of its 1996 annual report under article 2, section 1, and a final report as part of its 1997 annual report under article 2, section 1.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [TRUANCY REDUCTION PILOT PROGRAMS.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety for the purpose of making grants for truancy reduction pilot programs under section 12.

Subd. 2. [TRUANCY SERVICE CENTERS.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety to make grants to local law enforcement jurisdictions to develop three truancy service centers under Minnesota Statutes, section 260A.04. Applicants must provide a one-to-one funding match. If the commissioner has received applications from fewer than three counties by the application deadline, the commissioner may make unallocated funds from this appropriation available to an approved grantee that can provide the required one-to-one funding match for the additional funds.

Sec. 14. [REPEALER.]

Minnesota Statutes 1994, section 126.25, is repealed.

Laws 1994, chapter 576, section 1, is repealed.

ARTICLE 2

SCHOOL SAFETY

Section 1. [8.36] [ANNUAL REPORT ON SCHOOL SAFETY.]

On or before January 15 of each year, the attorney general shall prepare a report on safety in secondary and post-secondary schools. The report must include an assessment and evaluation of the impact of existing laws and programs on school safety and antiviolenace and include recommendations for changes in law or policy that would increase the safety of schools and curb violence. The report must be submitted to the chairs of the senate and house of representatives committees with jurisdiction over education and crime issues.

Sec. 2. Minnesota Statutes 1994, section 120.73, is amended by adding a subdivision to read:

Subd. 2b. [SCHOOL UNIFORMS.] Notwithstanding section 120.74, a school board may require students to furnish or purchase clothing that constitutes a school uniform if the board has adopted a uniform requirement or program for the student's school. In adopting a uniform requirement, the board shall promote student, staff, parent, and community involvement in the program and account for the financial ability of students to purchase uniforms.

Sec. 3. [123.953] [SCHOOL DISTRICT EMPLOYEES; BACKGROUND CHECKS.]

Subdivision 1. [BACKGROUND CHECK REQUIRED.] A school district shall request a criminal history background check from the superintendent of the bureau of criminal apprehension on all individuals who are offered employment in the school district. In order to be eligible for employment, an individual who is offered employment must provide an executed criminal history consent form and a money order or cashier's check payable to the bureau of criminal apprehension for the fee for conducting the criminal history background check. A school district may charge a person offered employment an additional fee of up to \$2 to cover the school district's costs under this section. The superintendent shall perform the background check by retrieving criminal history data maintained in the criminal justice information system computers.

Subd. 2. [CONDITIONAL HIRING; DISCHARGE.] A school district may hire an individual pending completion of a background check under subdivision 1 but shall notify the individual that the individual's employment may be terminated based on the result of the background check. A school district is not liable for failing to hire or for terminating an individual's employment based on the result of a background check under this section.

Sec. 4. Minnesota Statutes 1994, section 125.05, is amended by adding a subdivision to read:

Subd. 8. [BACKGROUND CHECKS.] (a) The board of teaching and the state board of education shall request a criminal history background check from the superintendent of the bureau of criminal apprehension on all applicants for initial licenses under their jurisdiction. An application for a license under this section must be accompanied by:

(1) an executed criminal history consent form, including fingerprints; and

(2) a money order or cashier's check payable to the bureau of criminal apprehension for the fee for conducting the criminal history background check, plus an additional fee of \$2 payable to the board of teaching or the state board of education, as applicable.

(b) The superintendent of the bureau of criminal apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data maintained in the criminal justice information system computers and shall also conduct a search of the national criminal records repository, including the criminal justice data communications network. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

Sec. 5. Minnesota Statutes 1994, section 125.09, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS FOR REVOCATION, SUSPENSION, OR DENIAL.] The board of teaching or the state board of education, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, ~~or of a teacher organization, or of any other interested person,~~ which complaint shall specify the nature and character of the charges, refuse to issue, refuse to renew, suspend, or revoke such a teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;
- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or
- (5) Fraud or misrepresentation in obtaining a license.

For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses under the jurisdiction of the state board of education.

Sec. 6. [127.282] [EXPULSION FOR POSSESSION OF FIREARM.]

Notwithstanding the time limitation in section 127.27, subdivision 5, a school board must expel for a period of at least one year a pupil who is determined to have brought a firearm to school except the board may modify this expulsion requirement for a pupil on a case-by-case basis. For the purposes of this section, firearm is as defined in United States Code, title 18, section 921.

Sec. 7. [127.47] [SCHOOL LOCKER POLICY.]

Subdivision 1. [POLICY.] It is the policy of the state of Minnesota that:

"School lockers are the property of the school district. At no time does the school district relinquish its exclusive control of lockers provided for the convenience of students. Inspection of the interior of lockers may be conducted by school authorities for any reason at any time, without notice, without student consent, and without a search warrant. The personal possessions of students within a school locker may be searched only when school authorities have reasonable grounds to suspect that the search will uncover evidence of a violation of law or school rules."

Subd. 2. [DISSEMINATION.] The locker policy must be disseminated to parents and students in the way that other policies of general application to students are disseminated. A copy of the policy must be provided to a student the first time after the policy is effective that the student is given the use of a locker.

Sec. 8. Minnesota Statutes 1994, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept

separate from records of persons 18 years of age or older and are private data but shall be disseminated: (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 or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as otherwise provided in this subdivision. 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. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(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, case supervision by parole agents, 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, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, 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.

(e) A law enforcement agency shall notify the principal or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 1b, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult, regardless of whether the victim is a student or staff member of the school.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. Notwithstanding section 138.17, data from a notice received from a law enforcement agency under this paragraph must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier. For purposes of this paragraph, "school" means a public or private elementary, middle, or secondary school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile

prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social service agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

Sec. 9. Minnesota Statutes 1994, section 260.315, is amended to read:

260.315 [CONTRIBUTING TO NEED FOR PROTECTION OR SERVICES OR DELINQUENCY; PARENT'S DUTY TO EXERCISE CONTROL.]

(a) Any person who by act, word, or omission encourages, causes, or contributes to the need for protection or services or delinquency of a child, or to a child's status as a juvenile petty offender, is guilty of a misdemeanor. This section does not apply to licensed social service agencies and outreach workers who, while acting within the scope of their professional duties, provide services to runaway children.

(b) A parent or legal guardian to any person under the age of 18 years has the duty to exercise reasonable care, supervision, protection, and control over the minor child. This duty requires a good faith effort by a parent or legal guardian to exercise this care, supervision, protection, and control. A parent or legal guardian grossly negligent in carrying out this duty is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1994, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (h); 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 school bus driver endorsements; or to eligibility for special transportation service endorsements. This chapter also shall not apply to eligibility for a license issued or renewed by the board of teaching or state board of education 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 or to eligibility for a license issued or renewed by the board of teaching or the state board of education.

(c) Nothing in this section 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. 11. Minnesota Statutes 1994, section 466.03, is amended by adding a subdivision to read:

Subd. 18. [SCHOOL BUILDING SECURITY.] Any claim based on injury arising out of a decision by a school or school district to obtain a fire code variance for purposes of school building security, if the decision was made in good faith and in accordance with applicable law governing variances.

Sec. 12. Minnesota Statutes 1994, section 609.605, subdivision 4, is amended to read:

Subd. 4. [TRESPASSES ON SCHOOL PROPERTY.] (a) It is a misdemeanor for a person to enter or be found in a public or nonpublic elementary, middle, or secondary school building unless the person:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;



(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

(b) It is a gross misdemeanor for a group of three or more persons to enter or be found in a public or nonpublic elementary, middle, or secondary school building unless one of the persons:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;

(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

(c) It is a misdemeanor for a person to enter or be found on school property within six months after being told by the school principal or the principal's designee to leave the property and not to return, unless the principal or the principal's designee has given the person permission to return to the property. As used in this paragraph, "school property" has the meaning given in section 152.01, subdivision 14a, clauses (1) and (3).

(d) A school principal or a school employee designated by the school principal to maintain order on school property, who has reasonable cause to believe that a person is violating this subdivision may detain the person in a reasonable manner for a reasonable period of time pending the arrival of a peace officer. A school principal or designated school employee is not civilly or criminally liable for any action authorized under this paragraph if the person's action is based on reasonable cause.

(e) A peace officer may arrest a person without a warrant if the officer has probable cause to believe the person violated this subdivision within the preceding four hours. The arrest may be made even though the violation did not occur in the peace officer's presence.

### Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [SCHOOL LIAISON OFFICERS.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety for the purpose of making grants to local law enforcement agencies for law enforcement officers assigned to schools. The grants may be used to expand the assignment of law enforcement officers to middle school and junior high schools or to fund new positions in high schools that do not currently have a law enforcement officer assigned to them. The grants may be used to provide the local share required for eligibility for federal funding for these positions. The amount of the state grant must be matched by at least an equal amount of money from nonstate sources.

Subd. 2. [STUDENT IDENTIFICATION SYSTEM.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety for the purpose of providing grants to a school district for a photographic identification system for school district staff and junior and senior high school students. The amount of the state grant must be matched by at least an equal amount of money from nonstate sources.

Subd. 3. [DRUG ABUSE RESISTANCE EDUCATION.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety for the purpose of making grants under Minnesota Statutes, section 299A.33, subdivision 1.

Subd. 4. [SCHOOL UNIFORM PROGRAM.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety for the purpose of making grants to school districts for implementation of a school uniform program. The amount of the state grant must be matched by at least an equal amount of money from nonstate sources.

Subd. 5. [CONFLICT RESOLUTION AND PEER MEDIATION.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of public safety for the purpose of making incentive grants to school districts to encourage the development and enhancement of conflict resolution and peer mediation programs for students.

Subd. 6. [ALTERNATIVE PROGRAMMING FOR RISK STUDENTS.] \$..... is appropriated from the general fund in fiscal year 1996 to the commissioner of education for the purpose of making a grant to a school district for alternative programming for at-risk and in-risk students.

Sec. 14. [REPEALER.]

Section 1 is repealed effective August 1, 1997.

Sec. 15. [EFFECTIVE DATE.]

Section 8 is effective beginning with the 1995-1996 school year."

Delete the title and insert:

"A bill for an act relating to education; authorizing special projects and programs to combat truancy; denying driving privileges for certain truant students; imposing parental liability for failure to exercise reasonable control; requiring the attorney general to report on the effectiveness of school safety programs; increasing school levy authority for crime prevention activities; providing for expulsion of students for possession of a firearm; providing a fee exception for school uniforms; requiring criminal history background checks for teachers and other school district personnel; clarifying authority to deny teacher licenses; modifying offender rehabilitation exceptions; providing for school security; clarifying access to data; limiting school liability for certain security measures; establishing grants for school safety programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 120.14; 120.73, by adding a subdivision; 125.05, by adding a subdivision; 125.09, subdivision 1; 171.04, subdivision 1; 260.131, by adding a subdivision; 260.132, subdivisions 1 and 4; 260.161, subdivision 3; 260.191, subdivision 1; 260.315; 364.09; 466.03, by adding a subdivision; and 609.605, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 8; 123; and 127; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, section 126.25; and Laws 1994, chapter 576, section 1."

And when so amended the bill do pass and be re-referred to the Committee on Transportation and Public Transit. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 999, 1247, 605, 830, 873 and 644 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. No. 812 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.

**Mr. Vickerman introduced--**

**S.F. No. 1417:** A bill for an act relating to health; occupations and professions; modifying provisions relating to the office of mental health practice; licensing of chemical dependency counselors and hearing instrument dispensers; establishing an advisory council; providing penalties; amending Minnesota Statutes 1994, sections 148B.66, subdivisions 1 and 2, and by adding a subdivision; 148B.68, subdivision 1; 148B.70, subdivision 3; 148C.01; 148C.02;

148C.03, subdivision 1, and by adding a subdivision; 148C.04, subdivisions 2, 3, and 4; 148C.05; 148C.06; 148C.07; 148C.08; 148C.09; 148C.10; 148C.11; 153A.13; 153A.14; 153A.15, subdivisions 1 and 2; 153A.17; 153A.18; 153A.19; 214.01, subdivision 2; 214.10, subdivision 8; and 214.103, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 148C; and 153A; repealing Minnesota Statutes 1994, sections 148B.62; 148C.01, subdivision 8; 148C.03, subdivisions 2 and 3; 148C.035; 148C.09, subdivision 3; and 153A.19, subdivision 1; Minnesota Rules, chapters 4692; and 4745.

Referred to the Committee on Health Care.

**Ms. Ranum introduced--**

**S.F. No. 1418:** A bill for an act relating to education; modifying teacher training and experience index; modifying training and experience revenue; renaming training and experience revenue, levy, and aid as teacher compensation revenue, levy, and aid; amending Minnesota Statutes 1994, sections 124A.04, subdivision 2; 124A.22, subdivisions 1, 4, 4a, 4b, 8a, and 9; 124A.23, subdivisions 3 and 4; and 124A.24.

Referred to the Committee on Education.

**Messrs. Novak and Johnson, D.J. introduced--**

**S.F. No. 1419:** A bill for an act relating to taxation; corporate franchise tax; modifying the sales factor for leases of certain mobile equipment; amending Minnesota Statutes 1994, section 290.191, subdivisions 5 and 6.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Piper, Messrs. Sams, Betzold, Ms. Berglin and Mr. Samuelson introduced--**

**S.F. No. 1420:** A bill for an act relating to health; establishing provisions for mobile health care providers; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Messrs. Vickerman, Lessard, Merriam, Mses. Johnston and Robertson introduced--**

**S.F. No. 1421:** A bill for an act relating to local government; providing civil and criminal immunity to persons who operate or use ranges; protecting ranges from planning and zoning laws and ordinances; limiting closings of ranges and providing for relocation costs; proposing coding for new law in Minnesota Statutes, chapter 500; proposing coding for new law as Minnesota Statutes, chapter 87A.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Mondale and Cohen introduced--**

**S.F. No. 1422:** A bill for an act relating to taxation; requiring certification of nonprofit sponsorship of events as a qualification for sales tax exemption; providing for use of the proceeds of the reduced tax expenditure for grants to arts organizations; amending Minnesota Statutes 1994, sections 297A.25, subdivision 24; and 297A.44, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Kroening introduced--**

**S.F. No. 1423:** A bill for an act relating to human services; providing for a pilot project to coordinate community violence prevention programs for African-American children; appropriating money.

Referred to the Committee on Family Services.

**Mr. Kroening introduced--**

**S.F. No. 1424:** A bill for an act relating to economic security; funding and conditions of Minnesota Youthbuild grants; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Sams; Johnson, D.J.; Belanger; Hottinger and Ms. Reichgott Junge introduced--**

**S.F. No. 1425:** A bill for an act relating to taxation; providing for assessment of platted land in certain municipalities; amending Minnesota Statutes 1994, section 273.11, subdivision 14.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Oliver and Stevens introduced--**

**S.F. No. 1426:** A bill for an act relating to consumer protection; regulating prize notices and solicitations; prohibiting the imposition of shipping or handling fees or other fees or charges to obtain or use a prize; amending Minnesota Statutes 1994, section 325F.755, subdivision 2, and by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Limmer, Terwilliger, Solon, Samuelson and Ms. Berglin introduced--**

**S.F. No. 1427:** A bill for an act relating to health; providing a grant for sudden infant death syndrome; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Messrs. Oliver, Belanger and Limmer introduced--**

**S.F. No. 1428:** A bill for an act relating to insurance; automobile; increasing the minimum required coverage for property damage liability; amending Minnesota Statutes 1994, section 65B.49, subdivision 3.

Referred to the Committee on Commerce and Consumer Protection.

**Mrs. Pariseau, Messrs. Kramer, Dille, Mses. Lesewski and Olson introduced--**

**S.F. No. 1429:** 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 Jobs, Energy and Community Development.

**Mr. Limmer, Ms. Ranum, Messrs. Knutson, Neuville and Ms. Robertson introduced--**

**S.F. No. 1430:** A bill for an act relating to public safety; requiring school hiring authorities to conduct background checks of teachers and other professional school staff; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

**Messrs. Morse and Vickerman introduced--**

**S.F. No. 1431:** A bill for an act relating to pollution control; permitting local governments to

exercise certain feedlot regulatory authority; amending Minnesota Statutes 1994, section 116.07, subdivision 7.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Betzold introduced--**

**S.F. No. 1432:** A bill for an act relating to automobile insurance; basic economic loss benefits; providing compensation for in-home nursing care; amending Minnesota Statutes 1994, section 65B.44, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Dille and Ms. Johnston introduced--**

**S.F. No. 1433:** A bill for an act relating to health; modifying provisions relating to nursing home moratorium exceptions to provide for the transfer of 16 nursing home beds from a previously approved moratorium exception project in Minneapolis to Watertown; amending Minnesota Statutes 1994, section 144A.071, subdivision 4a.

Referred to the Committee on Health Care.

**Mr. Morse, Mses. Anderson and Piper introduced--**

**S.F. No. 1434:** A bill for an act relating to health; establishing health risk values for pollutants in ambient air; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

**Ms. Runbeck, Messrs. Belanger, Oliver and Ms. Robertson introduced--**

**S.F. No. 1435:** A bill for an act relating to taxation; reducing property tax class rates; amending Minnesota Statutes 1994, sections 273.13, subdivisions 22, 23, 24, 25, and 31; and 273.1398, subdivision 1; repealing Minnesota Statutes 1994, section 273.13, subdivision 32.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Limmer introduced--**

**S.F. No. 1436:** A bill for an act relating to crimes; requiring modifications to the sentencing guidelines to raise the severity level for crimes involving the failure to stop and give notification at the site of a traffic accident.

Referred to the Committee on Crime Prevention.

**Mr. Limmer introduced--**

**S.F. No. 1437:** A bill for an act relating to crimes; mandating license plate impoundment and vehicle forfeiture for multiple DWI-related offenses or certain offenses of driving without a driver's license; amending Minnesota Statutes 1994, sections 168.042, subdivision 2; and 169.1217, subdivision 1.

Referred to the Committee on Crime Prevention.

**Messrs. Dille and Bertram introduced--**

**S.F. No. 1438:** A bill for an act relating to taxation; providing a temporary partial exemption for the value of certain newly constructed commercial, industrial, or agricultural buildings; proposing coding for new law in Minnesota Statutes, chapter 272.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Laidig introduced--**

**S.F. No. 1439:** A bill for an act relating to education; discontinuing the referendum allowance reduction; amending Minnesota Statutes 1994, sections 124.2725, subdivision 16; 124A.22, subdivision 8; and 298.28, subdivision 4; repealing Minnesota Statutes 1994, section 124A.03, subdivision 3b.

Referred to the Committee on Education.

**Ms. Berglin introduced--**

**S.F. No. 1440:** A bill for an act relating to human services; adding to definition of base level funding; adding provisions for local children's mental health collaborative; changing provisions for integrated fund task force; requiring approval for a collaborative's integrated service system; amending Minnesota Statutes 1994, sections 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; and 256B.0625, subdivision 37; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health Care.

**Messrs. Pogemiller and Vickerman introduced--**

**S.F. No. 1441:** A bill for an act relating to public funds; regulating the deposit and investment of these funds, and agreements related to these funds; proposing coding for new law as Minnesota Statutes, chapter 118A; repealing Minnesota Statutes 1994, sections 118.005; 118.01; 118.02; 118.08; 118.09; 118.10; 118.11; 118.12; 118.13; 118.14; 118.16; 124.05; 471.56; 475.66; and 475.76.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Chandler, Limmer, Ms. Anderson and Mr. Novak introduced--**

**S.F. No. 1442:** A bill for an act relating to energy; allowing a St. Paul district heating cogeneration facility that utilizes metropolitan waste wood as a fuel source to count toward satisfying a biomass mandate.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Scheevel, Kramer and Kleis introduced--**

**S.F. No. 1443:** A bill for an act relating to education; providing funding for the Minnesota Homework Helpline; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

**Messrs. Solon; Johnson, D.J. and Chmielewski introduced--**

**S.F. No. 1444:** A bill for an act relating to state lands; providing for the sale of certain tax-forfeited lands in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Ourada introduced--**

**S.F. No. 1445:** A bill for an act relating to education; modifying the procedure of the state board to adopt the graduation rule; amending Minnesota Statutes 1994, section 121.11, subdivision 7c.

Referred to the Committee on Education.

**Ms. Kiscaden, Messrs. Price and Belanger introduced--**

**S.F. No. 1446:** A resolution memorializing Congress to amend the Jenkins Act, Public Law Number 363, 81st Congress, to require any person who makes or offers to make certain sales or transfers of tobacco products in interstate commerce for profit to file information reports with the state tobacco tax administrator; and, as supported by the Federation of Tax Administrators, to increase the penalty from a misdemeanor to a gross misdemeanor.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Dille, Ms. Johnston, Messrs. Langseth, Chmielewski and Ms. Hanson introduced--**

**S.F. No. 1447:** A bill for an act relating to transportation; requiring motor vehicle dealers to disclose limitations of safety equipment; making seat belt violation a primary offense; allowing licensed drivers to voluntarily submit to driver's license examination; requiring annual report concerning highway safety projects; increasing gasoline excise tax rate; establishing state trunk highway safety program; amending Minnesota Statutes 1994, sections 169.686, subdivision 1; 171.13, by adding a subdivision; 174.03, subdivision 4; and 296.02, subdivision 1b, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 161; and 169.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Morse and Cohen introduced--**

**S.F. No. 1448:** A bill for an act relating to state government; providing for the protection of state agency intellectual property; appropriating money; amending Minnesota Statutes 1994, section 16B.483; repealing Minnesota Statutes 1994, section 16B.405.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Vickerman introduced--**

**S.F. No. 1449:** A bill for an act relating to education; extending availability of a planning grant for facility needs for certain districts acting as a joint powers agreement.

Referred to the Committee on Education.

**Mr. Scheevel, Ms. Robertson and Mr. Knutson introduced--**

**S.F. No. 1450:** A bill for an act relating to education; providing for a referendum to fund extracurricular activities; amending Minnesota Statutes 1994, section 124A.03, by adding a subdivision.

Referred to the Committee on Education.

**Ms. Berglin, Mr. Pogemiller, Ms. Flynn and Mr. Spear introduced--**

**S.F. No. 1451:** A bill for an act relating to the city of Minneapolis; authorizing the city to establish special service districts within the city; amending Laws 1985, chapter 302, section 2, subdivision 1, as amended.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnson, J.B.; Mr. Samuelson, Mses. Piper, Berglin and Mr. Stevens introduced--**

**S.F. No. 1452:** A bill for an act relating to services for persons with developmental disabilities; establishing an integrated network of campus and community services in the catchment area served by the Cambridge regional human services center; requiring a redevelopment plan;

authorizing sale of state property; reallocating bond proceeds; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16B; and 252.

Referred to the Committee on Health Care.

**Ms. Olson, Mr. Belanger, Mses. Flynn, Reichgott Junge and Mr. Bertram introduced--**

**S.F. No. 1453:** A bill for an act relating to taxation; property; excepting property subject to probate from accrual of penalties and tax delinquency; amending Minnesota Statutes 1994, section 279.01, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Johnson, D.E. introduced--**

**S.F. No. 1454:** A bill for an act relating to taxation; authorizing certain municipalities to establish tax abatement districts; proposing coding for new law in Minnesota Statutes, chapter 272.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Merriam introduced--**

**S.F. No. 1455:** A bill for an act relating to game and fish; form of licenses; reports by licensees; amending Minnesota Statutes 1994, sections 97A.045, subdivision 5; and 97B.061.

Referred to the Committee on Environment and Natural Resources.

**Mr. Merriam introduced--**

**S.F. No. 1456:** A bill for an act relating to data practices; medical records; prohibiting a charge for copies of records required for a Social Security Act claim; amending Minnesota Statutes 1994, section 144.335, subdivision 5.

Referred to the Committee on Judiciary.

**Ms. Anderson, Messrs. Spear, Laidig, Merriam and Ms. Ranum introduced--**

**S.F. No. 1457:** A bill for an act relating to crime prevention; removing the repeal of the lengthened school year; requiring state departments and agencies to enact violence prevention plans and prepare impact statements; expanding the home health visiting program; establishing a grant program to develop parenting curriculum; broadening the scope of parental leave for school conferences and activities; requiring violence prevention training for physicians and nurses; requiring health care coverage for abuse counseling; forbidding lottery revenues from being used for advertising; establishing pilot project neighborhood centers for youth; establishing a statewide computerized record system on persons granted a permit to purchase or carry a pistol or semiautomatic military-style assault weapon and on transfers of these firearms; permitting the information to be used for law enforcement purposes only; appropriating money; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 15.86, by adding a subdivision; 62A.152, subdivision 2; 62D.102; 145A.15; 181.9412; 214.12, by adding a subdivision; and 349A.10, subdivision 3; Laws 1993, chapter 224, article 12, section 32; proposing coding for new law in Minnesota Statutes, chapters 299A; and 624.

Referred to the Committee on Crime Prevention.

**Mr. Pogemiller introduced--**

**S.F. No. 1458:** A bill for an act relating to taxation; sales and use tax; exempting construction material used in building certain low- and moderate-income housing; amending Minnesota Statutes 1994, sections 297A.15, by adding a subdivision; and 297A.25, by adding a subdivision.



Referred to the Committee on Taxes and Tax Laws.

**Messrs. Stumpf, Langseth, Vickerman, Bertram and Sams introduced--**

**S.F. No. 1459:** A bill for an act relating to employment; modifying provisions relating to prevailing wages; amending Minnesota Statutes 1994, sections 177.42, subdivisions 4 and 6; 177.43, subdivisions 1 and 3; and 471.345, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Cohen, Kelly, Mses. Anderson and Runbeck introduced--**

**S.F. No. 1460:** A bill for an act relating to juvenile violence; authorizing the county of Ramsey to establish a juvenile violence prevention task force; appropriating money.

Referred to the Committee on Crime Prevention.

**Messrs. Morse, Oliver, Frederickson, Ms. Johnson, J.B. and Mr. Merriam introduced--**

**S.F. No. 1461:** A bill for an act relating to the environment; changing the name and duties of the environmental quality board; establishing a Minnesota sustainable development roundtable; establishing principles of sustainable development; amending Minnesota Statutes 1994, sections 116C.01; 116C.02, subdivision 2, and by adding a subdivision; 116C.03, subdivisions 1 and 2; 116C.04, subdivisions 2, 3, and 7; 116C.06, subdivisions 1 and 2; 116D.02, by adding a subdivision; and 116D.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 116C; repealing Minnesota Statutes 1994, sections 116C.04, subdivision 11; 116D.10; and 116D.11.

Referred to the Committee on Environment and Natural Resources.

**Mr. Price and Ms. Pappas introduced--**

**S.F. No. 1462:** A bill for an act relating to education; creating a year-round school pilot program; appropriating money; amending Minnesota Statutes 1994, sections 124.223, subdivision 8; and 124.243, subdivision 2.

Referred to the Committee on Education.

**Messrs. Finn, Knutson and Ms. Ranum introduced--**

**S.F. No. 1463:** A bill for an act relating to juveniles; prescribing treatment of certain information on juveniles by schools; amending Minnesota Statutes 1994, sections 13.32, subdivision 7; and 260.161, subdivision 1b.

Referred to the Committee on Judiciary.

**Mr. Ourada introduced--**

**S.F. No. 1464:** A bill for an act relating to water; requiring the commissioner of natural resources to allow the water level of Lake Pulaski to be lowered.

Referred to the Committee on Environment and Natural Resources.

**Mr. Larson introduced--**

**S.F. No. 1465:** A bill for an act relating to education; providing for a service fee levy for school districts that have operated a technical college; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

**Mses. Runbeck, Krentz and Mr. Knutson introduced--**

**S.F. No. 1466:** A bill for an act relating to education; providing for courses for fees, unlicensed teaching of students during teacher preparation time, and a cash flow waiver for school districts in statutory operating debt status; amending Minnesota Statutes 1994, sections 120.73, by adding a subdivision; and 124.195, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

**Mr. Cohen, Ms. Pappas, Messrs. Kleis and Pogemiller introduced--**

**S.F. No. 1467:** A bill for an act relating to economic development; requiring the department of trade and economic development to conduct a study assessing the benefits of public civic and convention centers.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Johnson, D.J.; Solon; Lessard; Chmielewski and Janezich introduced--**

**S.F. No. 1468:** A bill for an act relating to taxation; allocating \$1,000,000 annually from the occupation taxes paid by taconite companies to the Natural Resources Research Institute of the University of Minnesota, to be used for certain purposes; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 298.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Metzen, Solon, Janezich, Belanger and Ms. Olson introduced--**

**S.F. No. 1469:** A bill for an act relating to financial institutions; regulating savings banks; modifying and clarifying statutory provisions relating to the structure and functions of savings banks; making technical changes; amending Minnesota Statutes 1994, sections 9.031, subdivision 8; 46.047, subdivision 2; 47.01, subdivisions 2 and 3; 47.015, subdivision 1; 47.02; 47.10, subdivision 1; 47.12; 47.20, subdivisions 1 and 9; 47.201, subdivision 1; 47.205, subdivision 1; 47.209, subdivision 1; 47.27, subdivision 2; 47.29, subdivision 1; 47.30, subdivisions 1, 2, 3, 4, and 6; 47.51; 47.62, subdivision 4; 47.64, subdivision 1; 47.65, subdivisions 1 and 2; 48.01, subdivision 2; 49.42; 50.01; 50.03; 50.04; 50.05; 50.06; 50.11; 50.13; 50.14, subdivisions 1, 5, 7, and 8; 50.145; 50.146; 50.1465; 50.148; 50.155; 50.17; 50.175, subdivision 1; 50.19; 50.21; 50.22; 50.23; 50.245; 50.25; 51A.02, subdivisions 26 and 40; 51A.21, by adding a subdivision; 51A.385, subdivisions 2 and 3; 61A.09, subdivision 3; 62B.02, by adding a subdivision; 62B.04, subdivisions 1 and 2; and 300.20; proposing coding for new law in Minnesota Statutes, chapters 46; 47; and 50; repealing Minnesota Statutes 1994, sections 47.095; 47.67; 48.153, subdivisions 3a, 4, and 5; 48.26; 50.02; 50.07; 50.08; 50.09; 50.10; 50.12; 50.15; and 50.16.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Runbeck introduced--**

**S.F. No. 1470:** A bill for an act relating to education; increasing the general education formula allowance; adding more local control to the class size reduction program; limiting reserved revenue for staff development programs to one percent of the formula allowance; restoring transportation inflation factors; modifying the debt service equalization aid program; repealing the referendum reduction; amending Minnesota Statutes 1994, sections 124.225, subdivisions 7b and 7d; 124.2725, subdivision 16; 124.95, subdivisions 3 and 4; 124A.22, subdivisions 2 and 8; 124A.225, subdivision 4; 124A.29, subdivision 1; and 298.28, subdivision 4; repealing Minnesota Statutes 1994, section 124A.03, subdivision 3b.

Referred to the Committee on Education.

**Ms. Ranum introduced--**

**S.F. No. 1471:** A bill for an act relating to human services; providing for a Minnesota community services directory; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Education.

**Mr. Stumpf introduced--**

**S.F. No. 1472:** A bill for an act relating to drainage; allowing an outlet fee to be charged for use of an established drainage system in Red Lake county as an outlet for drainage originating in Polk county.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Stumpf introduced--**

**S.F. No. 1473:** A bill for an act relating to state lands; authorizing the conveyance of certain state land in Roseau county.

Referred to the Committee on Environment and Natural Resources.

**Ms. Runbeck, Messrs. Kramer, Hottinger, Beckman and Ms. Olson introduced--**

**S.F. No. 1474:** A bill for an act relating to taxation; prohibiting use of tax increment subsidies to certain employers; amending Minnesota Statutes 1994, section 469.176, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Runbeck, Messrs. Kramer and Hottinger introduced--**

**S.F. No. 1475:** A bill for an act relating to taxation; property; requiring that certain information about the taxing authority's highest paid employees be made available at the proposed property tax hearing; amending Minnesota Statutes 1994, section 275.065, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Beckman, Ms. Olson, Mr. Janezich and Ms. Krentz introduced--**

**S.F. No. 1476:** A bill for an act relating to education; modifying the youth works grant program; establishing a statewide education and employment transitions system; establishing the governor's workforce development council; modifying the youth apprenticeship program; establishing local education and employment transitions partnerships; establishing system standards; establishing a youth employer grant program; establishing a career magnet grant program; appropriating money; amending Minnesota Statutes 1994, sections 121.702, by adding a subdivision; 121.705; 121.706; 121.707, subdivisions 4, 6, and 7; 121.708; 121.709; 121.710; 124C.45, subdivision 1; 124C.46, subdivision 2; 124C.48, subdivision 1; 126B.01; 126B.03; 126B.04; and 126B.05; Laws 1993, chapter 146, article 5, section 1, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1994, sections 121.702, subdivision 9; 121.703; 126B.02; and 268.9755.

Referred to the Committee on Education.

**Mr. Beckman introduced--**

**S.F. No. 1477:** A bill for an act relating to tax increment financing; exempting a tax increment financing district in the city of Fairmont from the state aid offset.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Pappas introduced--**

**S.F. No. 1478:** A bill for an act relating to local government; requiring certain distributions from the areawide pool to be approved by the board of government innovation and cooperation; amending Minnesota Statutes 1994, section 473F.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473F.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Anderson, Flynn, Pappas and Berglin introduced--**

**S.F. No. 1479:** A bill for an act relating to consumer protection; providing warranties for new assistive devices; providing enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce and Consumer Protection.

**Ms. Pappas, Mr. Pogemiller, Ms. Flynn, Messrs. Hottinger and Price introduced--**

**S.F. No. 1480:** A bill for an act relating to education; providing for revenue for reducing school district class size ratios; appropriating money; amending Minnesota Statutes 1994, sections 124A.225, by adding a subdivision; and 297A.02, subdivision 5.

Referred to the Committee on Education.

**Mr. Mondale introduced--**

**S.F. No. 1481:** A bill for an act relating to taxation; property; providing for deferment of taxes of senior citizens who meet certain income requirements; appropriating money; amending Minnesota Statutes 1994, sections 275.065, subdivision 3; and 276.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Oliver, Mondale, Terwilliger and Ms. Robertson introduced--**

**S.F. No. 1482:** A bill for an act relating to economic development and redevelopment; establishing the metropolitan revitalization fund; providing funding for housing and urban development in the metropolitan area; authorizing a special jobs opportunity program for AFDC recipients; providing for a sales tax refund for certain construction materials; creating an urban homesteading program; providing funding for affordable housing that is related to community economic development and redevelopment; providing for a sales tax refund for certain construction materials; appropriating money; amending Minnesota Statutes 1994, sections 290.01, subdivision 19b; 297A.15, by adding a subdivision; 297A.25, by adding a subdivision; 462A.201, by adding a subdivision; 462A.222, subdivision 3; 477A.011, subdivision 37; 477A.013, subdivisions 8, 9, and by adding subdivisions; and 477A.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256; and 473; repealing Minnesota Statutes 1994, sections 504.33; 504.34; and 504.35.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1483:** A bill for an act relating to education; providing a grant for a pilot year-round school program in independent school district No. 911, Cambridge; appropriating money.

Referred to the Committee on Education.

**Messrs. Merriam, Hottinger, Riveness and Scheevel introduced--**

**S.F. No. 1484:** A bill for an act relating to agriculture; repealing the commissioner of agriculture's authority over the inspection, grading, weighing, sampling, and analysis of grain in the state; abolishing the grain inspection division of the department of agriculture; proposing coding for new law in Minnesota Statutes, chapter 235; repealing Minnesota Statutes 1994, sections 17B.01; 17B.02; 17B.03; 17B.04; 17B.041; 17B.0451; 17B.048; 17B.05; 17B.06; 17B.07; 17B.10; 17B.11; 17B.12; 17B.13; 17B.14; 17B.15; 17B.16; 17B.17; 17B.18; 17B.20; 17B.21; 17B.22; 17B.23; 17B.24; 17B.25; 17B.26; 17B.27; 17B.28; and 17B.29.

Referred to the Committee on Agriculture and Rural Development.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

**MOTIONS AND RESOLUTIONS**

Mr. Moe, R.D. moved that S.F. No. 1290 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Mr. Riveness moved that S.F. No. 999, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

**MEMBERS EXCUSED**

Mr. Kelly was excused from the Session of today from 10:00 to 11:00 a.m. Mr. Samuelson was excused from the Session of today from 10:00 to 10:30 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:45 a.m., Wednesday, March 29, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



**THIRTY-FIRST DAY**

St. Paul, Minnesota, Wednesday, March 29, 1995

The Senate met at 9:45 a.m. and was called to order by the President.

**CALL OF THE SENATE**

Mr. Betzold 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 Saure Breckenridge.

The roll was called, and the following Senators answered to their names:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

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 24, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
64		12	2:30 p.m. March 20	March 20
323		13	2:32 p.m. March 20	March 20
	749	14	11:20 a.m. March 22	March 22
	362	15	11:14 a.m. March 22	March 22

Sincerely,  
Joan Anderson Growe  
Secretary of State

March 27, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

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. 50, 181, 182 and 318.

Warmest regards,  
Arne H. Carlson, Governor

March 28, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	125	16	2:20 p.m. March 27	March 27
	435	17	2:21 p.m. March 27	March 27
	231	18	2:23 p.m. March 27	March 27
50		19	2:28 p.m. March 27	March 27
181		20	2:28 p.m. March 27	March 27
182		21	2:30 p.m. March 27	March 27
	887	22	2:25 p.m. March 27	March 27
	95	23	2:27 p.m. March 27	March 27
318		24	2:35 p.m. March 27	March 27

Sincerely,  
Joan Anderson Growe  
Secretary of State



**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

**S.F. No. 335:** A bill for an act relating to the organization and operation of state government; providing supplemental appropriations for certain purposes.

There has been appointed as such committee on the part of the House:

Girard, Solberg and Luther.

Senate File No. 335 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 27, 1995

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. 214:** A bill for an act relating to crime prevention; providing an exception to the prohibition on concealing identity; amending Minnesota Statutes 1994, section 609.735.

Senate File No. 214 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 27, 1995

**CONCURRENCE AND REPASSAGE**

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 214 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 214 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Ranum
Beckman	Frederickson	Krentz	Morse	Reichgott Junge
Belanger	Hanson	Kroening	Murphy	Robertson
Berg	Hottinger	Laidig	Neuville	Runbeck
Berglin	Johnson, D.E.	Larson	Novak	Sams
Bertram	Johnson, D.J.	Lesewski	Oliver	Samuelson
Betzold	Johnson, J.B.	Lessard	Olson	Scheevel
Chandler	Johnston	Limmer	Ourada	Spear
Cohen	Kelly	Marty	Pappas	Stevens
Day	Kiscaden	Merriam	Pariseau	Stumpf
Dille	Kleis	Metzen	Piper	Terwilliger
Finn	Knutson	Moe, R.D.	Price	Wiener

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. 527, 528, 843, 1015, 1018, 1060, 1211, 1256, 1399, 446 and 1105.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 27, 1995

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time and referred to the committees indicated.

**H.F. No. 527:** A bill for an act relating to telecommunications; requiring for persons with communication impairments to be eligible to receive communication devices through the TACIP board, that they must be able to use the equipment; amending Minnesota Statutes 1994, section 237.53, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 528:** A bill for an act relating to telecommunications; restricting eligibility for communication device for communication-impaired person in a residential care facility when the facility already provides or is required to provide comparable telephone service; amending Minnesota Statutes 1994, section 237.53, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 843:** A bill for an act relating to insurance; health; requiring coverage for hospitalization and anesthesia coverage for dental procedures; requiring coverage for general anesthesia and treatment for covered medical conditions rendered by a dentist; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health Care.

**H.F. No. 1015:** A bill for an act relating to the environment; environmental quality board; modifying the environmental review program; amending Minnesota Statutes 1994, section 116D.04, subdivisions 1a, 2a, 2b, and 5a.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 1018:** A bill for an act relating to the environment; conforming state regulation of chlorofluorocarbons to federal law; amending Minnesota Statutes 1994, sections 116.731, subdivisions 2, 4, and 4a; and 116.735.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 1060:** A bill for an act relating to local government; excluding certain fire and police department employees from civil service in the city of South St. Paul.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 1211:** A bill for an act relating to public contractors' performance bonds; exempting certain manufacturers from requirements for posting bonds; amending Minnesota Statutes 1994, section 574.26, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 1256:** A bill for an act relating to energy; adopting federal energy standards for air conditioners, certain gas-burning equipment, lamps, showerheads, and faucets; amending Minnesota Statutes 1994, section 216C.19, subdivisions 13, 14, 16, and 19.

Referred to the Committee on Jobs, Energy and Community Development.

**H.F. No. 1399:** A bill for an act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention.

**H.F. No. 446:** A bill for an act relating to occupations and professions; establishing licensure for acupuncture practitioners by the board of medical practice; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 147B.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 1105:** A bill for an act relating to paternity; eliminating a presumption for husbands in certain cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; 257.57, subdivision 2; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 626, now on General Orders.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1103. The motion prevailed.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 649:** A bill for an act relating to insurance; regulating trade practices; prohibiting certain insurance agent quotas; amending Minnesota Statutes 1994, section 72A.20, 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. [60A.178] [LIFE OR HEALTH INSURANCE POLICY QUOTAS.]

No insurer, its officers, or managers shall require licensed property and casualty agents to sell a specified number of life or health insurance policies or a specified dollar amount of life and health insurance as a condition of selling property-casualty insurance. No insurer, its officers, or managers may reduce or restrict an agent's underwriting authority on property-casualty insurance policies based upon the sale of life or health insurance. The provisions of this section do not apply to agents who are directly employed by the insurer or who write 80 percent or more of their gross annual insurance business for one company or any or all of its subsidiaries."

Amend the title as follows:

Page 1, line 3, delete "amending"

Page 1, delete line 4

Page 1, line 5, delete "subdivision" and insert "proposing coding for new law in Minnesota Statutes, chapter 60A"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1146:** A bill for an act relating to licensing; electricians; eligibility requirement for applicant for master electrician licensure; amending Minnesota Statutes 1994, section 326.242, subdivision 1.

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. [CLASS A MASTER ELECTRICIAN'S LICENSE; APPLICATION.]

Notwithstanding Minnesota Statutes, section 326.242, or other law, the board of electricity shall consider an applicant for a class A master electrician's license eligible for the class A license exam if the applicant has had at least ten years of supervised or unsupervised experience in planning for, laying out, supervising, and installing wiring, apparatus, or equipment for electrical light, heat, and power, holds an adult vocational education license issued by the state board of technical colleges, and has had at least ten years experience as an instructor of a maintenance electrician course."

Amend the title as follows:

Page 1, line 4, delete everything after "licensure"

Page 1, line 5, delete everything before the period

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1033:** A bill for an act relating to insurance; solvency; regulating disclosures, reinsurance, capital stock, managing general agents, and contracts issued on a variable basis; amending Minnesota Statutes 1994, sections 60A.03, subdivision 9; 60A.07, subdivision 10; 60A.09, subdivision 5; 60A.093, subdivision 2; 60A.705, subdivision 8; 60A.75; 60H.02, subdivision 4; 60H.05, subdivision 1; 60H.08; 61A.19; 67A.231; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1994, section 13.71, is amended by adding a subdivision to read:

Subd. 18. [MATERIAL TRANSACTION REPORTS.] Reports required to be filed by insurers regarding certain material transactions are classified under section 60A.135, subdivision 4."

Page 1, line 26, delete "confidential" and insert "as nonpublic data as defined in section 13.02,"

Page 3, line 22, delete "and retirement of"

Pages 3 and 4, delete section 3

Page 5, after line 9, insert:

"Sec. 5. Minnesota Statutes 1994, section 60A.11, subdivision 18, is amended to read:

Subd. 18. [STOCKS AND LIMITED PARTNERSHIPS.] (a) Stocks issued or guaranteed by any corporation incorporated under the laws of the United States of America or any state, commonwealth, or territory of the United States, including the District of Columbia, or the laws of the Dominion of Canada or any province or territory of Canada, or stocks or stock equivalents, including American Depository Receipts or unit investment trusts, listed or regularly traded on a national securities exchange on the following conditions:

(1) A company may not invest more than a total of 25 percent of its total admitted assets in

stocks, stock equivalents, and convertible issues. Not more than ten percent of a company's total admitted assets may be invested in stocks, stock equivalents, and convertible issues not traded or listed on a national securities exchange or designated or approved for designation upon notice of issuance on the NASDAQ/National Market System. This limitation does not apply to investments under clause (4);

(2) A company may not invest in more than two percent of its total admitted assets in preferred stocks of any corporation which are traded on a national securities exchange and may also invest in other preferred stocks if the issuer has qualified net earnings and if current or cumulative dividends are not then in arrears;

(3) A company may not invest in more than two percent of its total admitted assets in common stocks, common stock equivalents, or securities convertible into common stock or common stock equivalents of any corporation or business trust which are traded on a national securities exchange or designated or approved for designation upon notice of issuance on the NASDAQ/National Market System, and may also invest in other common stocks, stock equivalents, and convertible issues subject to the limitations specified in clause (1);

(4) A company may organize or acquire and hold voting control of a corporation or business trust through its ownership of common stock, common stock equivalents, or other securities, provided the corporation or business trust is: (a) a corporation providing investment advisory, banking, management or sale services to an investment company or to an insurance company, (b) a data processing or computer service company, (c) a mortgage loan corporation engaged in the business of making, originating, purchasing or otherwise acquiring or investing in, and servicing or selling or otherwise disposing of loans secured by mortgages on real property, (d) a corporation if its business is owning and managing or leasing personal property, (e) a corporation providing securities underwriting services or acting as a securities broker or dealer, (f) a real property holding, developing, managing, brokerage or leasing corporation, (g) any domestic or foreign insurance company, (h) any alien insurance company, if the organization or acquisition and the holding of the company is subject to the prior approval of the commissioner of commerce, which approval must be given upon good cause shown and is deemed to have been given if the commissioner does not disapprove of the organization or acquisition within 30 days after notification by the company, (i) an investment subsidiary to acquire and hold investments which the company could acquire and hold directly, if the investments of the subsidiary are considered direct investments for purposes of this chapter and are subject to the same percentage limitations, requirements and restrictions as are contained herein, or (j) any corporation whose business has been approved by the commissioner as complementary or supplementary to the business of the company. A company may invest up to an aggregate of ten percent of its total admitted assets under subclauses (a) to (e) of this clause. The diversification requirement of subdivision 12, paragraph (b), does not apply to this clause;

(5) A company may invest in warrants and rights granted by an issuer to purchase securities of the issuer if that security of the issuer, at the time of the acquisition of the warrant or right to purchase, would qualify as an investment under paragraph (a), clause (2) or (3), whichever is applicable, provided that security meets the standards prescribed in the clause at the time of acquisition of the securities; and

(6)(i) A company may invest in the securities of any face amount certificate company, unit investment trust, or management type investment company, registered or in the process of registration under the Investment Company Act of 1940 as from time to time amended, provided that the aggregate of all these investments other than in securities of money market mutual funds or mutual funds investing primarily in United States government securities, determined at cost, shall not exceed five percent of its total admitted assets; investments may be made under this clause without regard to the percentage limitations applicable to investments in voting securities.

(ii) A company may invest in any proportion of the shares or investment units of an investment company or investment trust, whether or not registered under the Investment Company Act of 1940, which is managed by an insurance company, member bank, trust company regulated by state or federal authority or an investment manager or adviser registered under the Investment Advisers Act of 1940 or qualified to manage the investments of an investment company registered under the Investment Company Act of 1940, provided that the investments of the investment

company or investment trust are qualified investments made under this section and that the articles of incorporation, bylaws, trust agreement, investment management agreement, or some other governing instrument limits its investments to investments qualified under this section.

(b) A company may invest in or otherwise acquire and hold a limited partnership interest in any limited partnership formed under the laws of any state, commonwealth, or territory of the United States or under the laws of the United States of America. A company may invest in or otherwise acquire and hold a member interest in any limited liability company formed under the laws of any state, commonwealth, or territory of the United States or under the laws of the United States. No limited partnership or limited liability company member interest shall be acquired if the investment, valued at cost, exceeds two percent of the admitted assets of the company or if the investment, plus the book value on the date of the investment of all limited partnership and limited liability company interests then held by the company and held under the authority of this subdivision, exceeds ten percent of the company's admitted assets. Limited partnership and limited liability company interests traded on a national securities exchange must be classified as stock equivalents and are not subject to the percentage limitations contained in this paragraph.

Sec. 6. Minnesota Statutes 1994, section 60A.11, subdivision 20, is amended to read:

Subd. 20. [REAL ESTATE.] (a) Except as provided in paragraphs (b) to (d), a company may only acquire, hold, and convey real estate which:

(1) has been mortgaged to it in good faith by way of security for loans previously contracted, or for money due;

(2) has been conveyed to it in satisfaction of debts previously contracted in the course of its dealings;

(3) has been purchased at sales on judgments, decrees or mortgages obtained or made for the debts; and

(4) is subject to a contract for deed under which the company holds the vendor's interest to secure the payments the vendee is required to make thereunder.

All the real estate specified in clauses (1) to (3) must be sold and disposed of within five years after the company has acquired title to it, or within five years after it has ceased to be necessary for the accommodation of the company's business, and the company must not hold this property for a longer period unless the company elects to hold the real estate under another section, or unless it procures a certificate from the commissioner of commerce that its interest will suffer materially by the forced sale thereof, in which event the time for the sale may be extended to the time the commissioner directs in the certificate. The market value of real estate specified in clauses (1) to (3) must be established by the written certification of a licensed real estate appraiser. The appraisal is required at the time the company elects to hold the real estate under clauses (1) to (3).

(b) A company may acquire and hold real estate for the convenient accommodation of its business.

(c) A company may acquire real estate or any interest in real estate, including oil and gas and other mineral interests, as an investment for the production of income, and may hold, improve or otherwise develop, subdivide, lease, sell and convey real estate so acquired directly or as a joint venture or through a limited, limited liability, or general partnership in which the company is a partner or through a limited liability company in which the company is a member.

(d) A company may also hold real estate (1) if the purpose of the acquisition is to enhance the sale value of real estate previously acquired and held by the company under this section, and (2) if the company expects the real estate so acquired to qualify under paragraph (b) or (c) above within five years after acquisition.

(e) A company may, after securing the approval of the commissioner, acquire and hold real estate for the purpose of providing necessary living quarters for its employees. The company must dispose of the real estate within five years after it has ceased to be necessary for that purpose unless the commissioner agrees to extend the holding period upon application by the company.

(f) A company may not invest more than 25 percent of its total admitted assets in real estate. The cost of any parcel of real estate held for both the accommodation of business and for the production of income must be allocated between the two uses annually. No more than ten percent of a company's total admitted assets may be invested in real estate held under paragraph (b). No more than 15 percent of a company's total admitted assets may be invested in real estate held under paragraph (c). No more than three percent of its total admitted assets may be invested in real estate held under paragraph (e). Upon application by a company, the commissioner of commerce may increase any of these limits up to an additional five percent."

Page 5, line 25, delete the colon

Page 5, delete line 26

Page 5, line 27, delete everything before "the"

Page 5, line 30, delete "given confidential treatment" and insert "held as nonpublic data as defined in section 13.02"

Page 7, line 23, before "No" insert "(a)"

Page 7, line 30, delete "as such," and insert "by a property and casualty insurer" and after "affects" insert ":

(i)"

Page 7, line 31, delete "and" and insert "or

(ii) more than 50 percent of the insurer's total ceded indemnity and loss adjustment reserves; and"

Page 7, delete line 36

Page 8, delete lines 1 to 27 and insert:

"(b) With respect to either property and casualty or life, annuity, and accident and health business, either of the following events constitute a material revision that must be reported under section 60A.135:

(1) an authorized reinsurer representing more than ten percent of a total cession is replaced by one or more unauthorized reinsurers; or

(2) previously established collateral requirements have been reduced or waived for one or more unauthorized reinsurers representing collectively more than ten percent of a total cession.

(c) Notwithstanding paragraphs (a) and (b), no filing is required:

(1) for property and casualty business, including accident and health business written by a property and casualty insurer if the insurer's total ceded written premium represents, on an annualized basis, less than ten percent of its total written premium for direct and assumed business; or

(2) for life, annuity, and accident and health business if the total reserve credit taken for business ceded represents, on an annualized basis, less than ten percent of the statutory reserve requirement before any cession."

Page 8, line 28, delete "3" and insert "2"

Page 10, lines 9 to 19, reinstate the stricken language and delete the new language

Page 10, line 21, delete "material noncompliance" and insert "violation"

Page 10, line 29, delete "not materially"

Page 10, line 30, delete "complied with" and insert "violated"

Page 12, lines 27 to 33, reinstate the stricken language and delete the new language

Page 13, line 1, delete the new language

Page 13, line 3, delete "material noncompliance" and insert "violation"

Page 13, line 11, delete everything after "has" and insert "violated"

Page 13, line 12, delete "with"

Page 14, after line 12, insert:

"Sec. 16. Minnesota Statutes 1994, section 61A.31, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF PROPERTY.] Any domestic life insurance company may:

(a) acquire real property or any interest in real property, including oil and gas and other mineral interests, in the United States or any state thereof, or in the Dominion of Canada or any province thereof, as an investment for the production of income, and hold, improve or otherwise develop, and lease, sell, and convey the same either directly or as a joint venturer or through a limited, limited liability, or general partnership in which the company is a partner or through a limited liability company in which the company is a member. A company may not invest in any real property asset other than property held for the convenience and accommodation of its business if the investment causes: (1) the company's aggregate investments in the real property assets to exceed ten percent of its admitted assets; or (2) the company's investment in any single parcel of real property to exceed one-half of one percent of its admitted assets;

(b) acquire personal property in the United States or any state thereof, or in the Dominion of Canada or any province thereof, under lease or leases or commitment for lease or leases if: (1) either the fair value of the property exceeds the company's investment in it or the lessee, or at least one of the lessees, or a guarantor, or at least one of the guarantors, of the lease is a corporation with a net worth of \$1,000,000 or more; and (2) the lease provides for rent sufficient to amortize the investment with interest over the primary term of the lease or the useful life of the property, whichever is less. A company may not invest in the personal property if the investment causes the company's aggregate investments in the personal property to exceed three percent of its admitted assets;

(c) acquire and hold real estate (1) if the purpose of the acquisition is to enhance the sale value of real estate previously acquired and held by the company under this section and (2) if the company expects the real estate so acquired to qualify and be held by the company under paragraph (a) within five years after acquisition; and

(d) not acquire real property under paragraphs (a) to (c) if the property is to be used primarily for agricultural, horticultural, ranch, mining, or church purposes.

All real property acquired or held under this subdivision must be carried at a value equal to the lesser of (1) cost plus the cost of capitalized improvements, less normal depreciation, or (2) market value."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before "60A.03" insert "13.71, by adding a subdivision;" and delete "60A.09,"

Page 1, line 7, delete "subdivision 5;" and after "2;" insert "60A.11, subdivisions 18 and 20;"

Page 1, line 9, after "61A.19;" insert "61A.31, subdivision 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**



**H.F. No. 673:** A bill for an act relating to insurance; regulating risk-based capital for insurers; enacting the model act of the National Association of Insurance Commissioners; amending Minnesota Statutes 1994, section 13.71, by adding a subdivision; 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. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**H.F. No. 150:** A bill for an act relating to liquor; term of temporary on-sale licenses; amending Minnesota Statutes 1994, sections 340A.404, subdivision 10; and 340A.410, subdivision 10.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 704:** A bill for an act relating to insurance; prohibiting zip code rating in homeowner's and automobile insurance; amending Minnesota Statutes 1994, section 72A.20, subdivisions 13 and 23.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 866:** A bill for an act relating to local government; authorizing home rule charter and statutory cities to make grants to nonprofit community food shelves; proposing coding for new law in Minnesota Statutes, chapter 465.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, after "amount" insert "to be determined by the governing body"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1275:** A bill for an act relating to metropolitan transit; appropriating money for security measures on metropolitan council transit vehicles.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, delete "\$354,000" and insert "\$....."

Page 1, line 10, delete "plexiglass" and insert "plexiglas"

And when so amended the bill do pass and be re-referred to the Committee on Transportation and Public Transit. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1144:** A bill for an act relating to highway traffic regulations; authorizing the Minneapolis city council to delegate to the city engineer certain authority over traffic and parking.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, after "any" insert "other" and delete "or" and insert a comma and after "provision," insert "or ordinance to the contrary,"

Page 1, line 15, after the period, insert paragraph coding

Page 1, after line 22, insert:

"Sec. 2. [CONTRACTING AUTHORITY; PROFESSIONAL SERVICES.]

Notwithstanding any other law, charter provision, or ordinance to the contrary, the authority to enter into professional services agreements may be delegated by the Minneapolis city council to heads of departments of the city of Minneapolis, subject to whatever conditions and limitations the city council may establish by ordinance. The agreements may be executed by the heads of the city departments on behalf of the city but shall not exceed the amount established under Minnesota Statutes, section 471.345, for which competitive bids are required."

Page 1, line 23, delete "2" and insert "3"

Page 1, line 24, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 2, delete "highway traffic regulations" and insert "the city of Minneapolis"

Page 1, line 4, before the period, insert "; authorizing the council to delegate certain authority to contract for professional services"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 823:** A bill for an act relating to local government; authorizing Hennepin county to lease hospital or nursing home facilities under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "sections" and insert "section" and delete "to 447.50" and insert ", subdivision 1,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1200:** A bill for an act relating to crime prevention; requiring county sheriffs to be licensed as peace officers before taking office; amending Minnesota Statutes 1994, sections 204B.06, by adding a subdivision; 387.01; and 626.846, subdivision 6.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1300:** A bill for an act relating to the metropolitan airports commission; providing for the detachment of intermediate airport land from cities or school districts; amending Minnesota Statutes 1994, section 473.625.

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 Care, to which was referred**

**S.F. No. 1440:** A bill for an act relating to human services; adding to definition of base level

funding; adding provisions for local children's mental health collaborative; changing provisions for integrated fund task force; requiring approval for a collaborative's integrated service system; amending Minnesota Statutes 1994, sections 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; and 256B.0625, subdivision 37; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, strike "1993" and insert "1995"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 1336:** A bill for an act relating to health; modifying provisions relating to drug dispensing; amending Minnesota Statutes 1994, section 152.11, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 17, insert:

"Sec. 2. Minnesota Statutes 1994, section 152.11, subdivision 2, is amended to read:

Subd. 2. No person may dispense a controlled substance included in schedule III or IV of section 152.02 without a written or oral prescription from a doctor of medicine, a doctor of osteopathy licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, or a doctor of veterinary medicine, lawfully licensed to prescribe in this state or a state bordering Minnesota, and having a current federal drug enforcement administration registration number. Such prescription may not be dispensed or refilled except with the written or verbal consent of the prescriber, and in no event more than six months after the date on which such prescription was issued and no such prescription may be refilled more than five times."

Amend the title as follows:

Page 1, line 4, delete "subdivision 1" and insert "subdivisions 1 and 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 135:** A bill for an act relating to health occupations and professions; board of psychology; eliminating the written declaration of intent filing requirement for persons with a master's degree who are seeking licensure as a licensed psychologist; amending Minnesota Statutes 1994, section 148.921, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 1088:** A bill for an act relating to courts; civil actions; modifying the requirements for an application to proceed in forma pauperis; allowing the court to dismiss an action for false allegations of poverty or if it is frivolous or malicious; providing for a hearing; providing for the payment of fees and costs by inmates; providing for the disposition of damages recovered by an inmate; requiring disciplinary rules on false claims or evidence by an inmate; amending Minnesota Statutes 1994, sections 243.23, subdivision 3; and 563.01, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 243; 244; and 563.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner ~~may promulgate rules for the disbursement of~~ shall make deductions from funds earned under subdivision 1, or other funds in an inmate account, and section 243.88, subdivision 2. The commissioner shall first make deductions for the following expenses in the following order of priority:

(1) federal and state taxes;

(2) repayment of advances;

(3) gate money as provided in section 243.24; and,

(4) where applicable, mandatory savings as provided by United States Code, title 18, section 1761, as amended. ~~The commissioner's rules may then provide for disbursements to be made in the following order of priority:~~

(1) for the;

(5) support of families and dependent relatives of the respective inmates;

~~(2) for the~~ (6) payment of court-ordered restitution;

~~(3) for~~ (7) payment of fees and costs in a civil action commenced by an inmate;

(8) payment of fines, surcharges, or other fees assessed or ordered by a court;

~~(4) for~~ (9) contribution to any programs established by law to aid victims of crime provided that the contribution shall not be more than 20 percent of an inmate's gross wages;

~~(5) for the~~ (10) payment of restitution to the commissioner ordered by prison disciplinary hearing officers for damage to property caused by an inmate's conduct; and

~~(6)~~ (11) for the discharge of any legal obligations arising out of litigation under this subdivision.

The commissioner may authorize the payment of court-ordered restitution from an inmate's wages when the restitution was ordered by the court as a sanction for the conviction of an offense which is not the offense of commitment, including offenses which occurred prior to the offense for which the inmate was committed to the commissioner. An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for the inmate's detention in a local detention facility convenient to the place of the hearing when the inmate is not engaged in preparation and defense.

Sec. 2. [243.241] [CIVIL ACTION MONEY DAMAGES.]

Money damages recovered in a civil action by an inmate confined in a state correctional facility or released from a state correctional facility under section 244.065 or 244.07 shall be deposited in the inmate account fund and disbursed according to the priorities in section 243.23, subdivision 3.

Sec. 3. [244.035] [SANCTIONS RELATED TO LITIGATION.]

The commissioner shall develop disciplinary sanctions to provide infraction penalties for an inmate who submits a frivolous or malicious claim or who testifies falsely or submits false evidence to a court. Infraction penalties may include loss of privileges, isolation or punitive segregation, loss of good time, or adding discipline confinement time.

Sec. 4. Minnesota Statutes 1994, section 563.01, subdivision 3, is amended to read:

Subd. 3. Any court of the state of Minnesota or any political subdivision thereof may authorize the commencement or defense of any civil action, or appeal therein, without prepayment of fees,

costs and security for costs by a natural person who makes affidavit stating (a) the nature of the action, defense or appeal, (b) a belief that affiant is entitled to redress, and (c) that affiant is financially unable to pay the fees, costs and security for costs.

Upon a finding by the court that the action is not of a frivolous nature, the court shall allow the person to proceed in forma pauperis if the affidavit is substantially in the language required by this subdivision and is not found by the court to be untrue. Persons meeting the requirements of this subdivision include, but are not limited to, a person who is receiving public assistance, who is represented by an attorney on behalf of a civil legal services program or a volunteer attorney program based on indigency, or who has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), except as otherwise provided by section 563.02.

Sec. 5. [563.02] [INMATE LIABILITY FOR FEES AND COSTS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "inmate" means a person convicted of a felony who is committed to the custody of the commissioner of corrections and is:

- (1) confined in a state correctional facility; or
- (2) released from a state correctional facility under section 244.065 or 244.07.

Subd. 2. [INMATE REQUEST TO PROCEED IN FORMA PAUPERIS.] (a) An inmate who wishes to commence a civil action by proceeding in forma pauperis must meet the following requirements, in addition to the requirements of section 563.01, subdivision 3:

(1) exhaust the inmate complaint procedure developed under the commissioner of corrections policy and procedure before commencing a civil action against the department, and state in the application to proceed in forma pauperis that the inmate has done so; and

(2) include the following information in an affidavit submitted under section 563.01:

(i) a statement that the inmate's claim is not substantially similar to a previous claim brought by the inmate against the same party and arising from the same operative facts;

(ii) complete information on the inmate's identity, the nature and amount of the inmate's income, spouse's income, if available to the inmate, real property owned by the inmate, and the inmate's bank accounts, debts, monthly expenses, and number of dependents; and

(iii) the most recent monthly statement provided by the commissioner of corrections showing the balance in the inmate's inmate account.

The inmate shall also attach a written authorization for the court to obtain at any time during pendency of the present action, without further authorization from the inmate, a current statement of the inmate's inmate account balance, if needed to determine eligibility to proceed with bringing a civil action in forma pauperis. An inmate who has no funds in an inmate account satisfies the requirement of section 563.01, subdivision 3, clause (c).

(b) An inmate who seeks to proceed as a plaintiff in forma pauperis and who is not represented by counsel must file with the court the affidavit under this section and the complaint in the action before serving the complaint on an opposing party.

(c) An inmate who has funds in an inmate account may only proceed as a plaintiff in a civil action by paying the lesser of:

(i) the applicable court filing fee; or

(ii) 50 percent of the balance shown in the inmate's account according to the statement filed with the court under this subdivision, consistent with the requirements of section 243.23, subdivision 3.

If an inmate elects to proceed under this paragraph, the court shall notify the commissioner of corrections to withdraw from the inmate's inmate account the amount required under this paragraph and forward it to the court administrator in the county where the action was

commenced. The court shall also notify the commissioner of corrections of the amount of the filing fee remaining unpaid. The commissioner shall continue making withdrawals from the inmate's account and forwarding the amounts withdrawn to the court administrator at intervals as the applicable funds in the inmate's account equal at least \$10, until the entire filing fee and any costs have been paid in full.

Subd. 3. [DISMISSAL OF ACTION.] (a) The court may, as provided by this subdivision, dismiss, in whole or in part, an action in which an affidavit has been filed under section 563.01 by an inmate seeking to proceed as a plaintiff. The action shall be dismissed without prejudice on a finding that the allegation of financial inability to pay fees, costs, and security for costs is false. The action shall be dismissed with prejudice if it is frivolous or malicious. In determining whether an action is frivolous or malicious, the court may consider whether:

- (1) the claim has no arguable basis in law or fact; or
- (2) the claim is substantially similar to a previous claim that was brought against the same party and arises from the same operative facts.

An order dismissing the action or specific claims asserted in the action may be entered before or after service of process, and with or without holding a hearing.

If the court dismisses a specific claim in the action, it shall designate any issue and defendant on which the action is to proceed without the payment of fees and costs. An order under this subdivision is not subject to interlocutory appeal.

(b) To determine whether the allegation of financial inability to pay fees, costs, and security for costs is false or whether the claim is frivolous or malicious, the court may:

- (1) request the commissioner of corrections to file a report under oath responding to the issues described in paragraph (a), clause (1) or (2);
- (2) order the commissioner of corrections to furnish information on the balance in the inmate's inmate account, if authorized by the inmate under subdivision 2; or
- (3) hold a hearing at the correctional facility where the inmate is confined on the issue of whether the allegation of financial inability to pay is false, or whether the claim is frivolous, or malicious.

Subd. 4. [DEFENSE WITHOUT FEES OR COSTS.] A natural person who is named as a defendant in a civil action brought by an inmate may appear and defend the action, including any appeal in the action, without prepayment of the filing fee. If the natural person prevails in the action, the inmate is liable for the person's fees and costs, including reasonable attorney fees."

Delete the title and insert:

"A bill for an act relating to courts; civil actions; modifying the requirements for an application to proceed in forma pauperis by an inmate; allowing the court to dismiss an inmate's action for false allegations of poverty or if it is frivolous or malicious; providing for a hearing; providing for the payment of fees and costs by inmates; providing for the disposition of damages recovered by an inmate; allowing parties to defend certain actions brought by inmates without paying costs; requiring disciplinary rules on false claims or evidence by an inmate; amending Minnesota Statutes 1994, sections 243.23, subdivision 3; and 563.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 243; 244; and 563."

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 364:** A bill for an act relating to employment; establishing an obligation by certain employees to communicate certain threats; amending Minnesota Statutes 1994, section 268A.05, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete "OBLIGATION" and insert "AUTHORIZATION"

Page 2, line 4, delete everything after "employee" and insert "may"

Page 2, line 6, after the comma, insert "may"

Page 2, line 9, delete "monetary"

Page 2, line 13, delete "obligation" and insert "authorization"

Page 2, line 16, delete everything after the period

Page 2, delete lines 17 and 18

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 1042:** A bill for an act relating to partnerships; modifying name requirements; eliminating a filing requirement; clarifying when debts arise or accrue; amending Minnesota Statutes 1994, sections 319A.02, subdivision 7; 319A.07; 319A.08; 322B.12, subdivision 1; and 323.14, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 319A.02, subdivision 7, is amended to read:

Subd. 7. "Corporation" as used in this chapter includes a limited liability company organized under chapter 322B and a limited liability partnership. With respect to a limited liability company, references in this chapter to articles of incorporation, bylaws, directors, officers, shareholders and shares of stock shall refer to articles of organization, operating agreement, governors, managers, members and membership interests, respectively. With respect to a limited liability partnership and except as otherwise provided in section 319A.08, references in this chapter to articles of incorporation and bylaws refer to partnership agreement; references to directors, officers, and shareholders refer to partners; and references to shares of stock refer to partnership interests.

Sec. 2. Minnesota Statutes 1994, section 319A.07, is amended to read:

319A.07 [CORPORATE NAME.]

The corporate name of any corporation organized under sections 319A.01 to 319A.22 shall not be used to imply superiority and, in the case of a corporation, other than a limited liability company, shall end with the word "Chartered," or the word "Limited," or the abbreviation "Ltd.," or the words "Professional Association," or the abbreviation "P.A." The name of any limited liability company organized under sections 319A.01 to 319A.22 and chapter 322B shall end with the words "Professional Limited Liability Company," or the abbreviation "P.L.C.," or the words "Limited Liability Company," or the abbreviation "LLC." The name of any limited liability partnership organized under sections 319A.01 to 319A.22 and chapter 323 ~~must~~ shall end with the words "Professional Limited Liability Partnership," or the abbreviation "P.L.L.P.," or the words "Limited Liability Partnership," or the abbreviation "LLP."

Sec. 3. Minnesota Statutes 1994, section 319A.08, is amended to read:

319A.08 [PROFESSIONAL REGULATION.]

No professional corporation or foreign professional corporation shall begin to render

professional service in the state of Minnesota until it has filed with each board having jurisdiction of professional service of a type which the corporation is authorized to render a copy of its articles of incorporation, except that a limited liability company shall instead file a copy of its articles of organization and a limited liability partnership shall instead file a copy of its registration with the secretary of state pursuant to section 323.44. Except as provided in this section, nothing in sections 319A.01 to 319A.22 shall restrict or limit in any manner the authority or duty of a board with respect to persons rendering professional service within the jurisdiction of the board, even if the person is a shareholder, director, officer, employee or agent of a professional corporation or foreign professional corporation and renders professional service through such corporation.

Sec. 4. Minnesota Statutes 1994, section 322A.02, is amended to read:

322A.02 [NAME.]

(a) The name of each limited partnership as set forth in its certificate of limited partnership:

(1) shall contain ~~without abbreviation~~ the words "limited partnership" or the abbreviation "LP";

(2) may not contain the name of a limited partner unless (i) it is also the name of a general partner or the corporate name of a corporate general partner, or (ii) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) must be distinguishable from the name of a domestic corporation or limited partnership, whether profit or nonprofit, or a foreign corporation or limited partnership authorized or registered to do business in this state, whether profit or nonprofit, a limited liability company, whether domestic or foreign, or a name the right to which is reserved or provided for in the manner provided for in sections 302A.117, 322A.03, 322B.125, or 333.001 to 333.54, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuse, of the kind required by section 302A.115, subdivision 1, paragraph (d); and

(4) may not contain the following words: corporation, incorporated.

The secretary of state shall determine whether a name is "distinguishable" from another name for purposes of this section and section 322A.03. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 5.22.

Sec. 5. Minnesota Statutes 1994, section 322A.72, is amended to read:

322A.72 [NAME.]

(a) A foreign limited partnership may register with the secretary of state under any name (whether or not it is the name under which it is registered in its state of organization) that includes ~~without abbreviation~~ the words "limited partnership" or the abbreviation "LP" and that could be registered by a domestic limited partnership.

(b) A person doing business in this state may contest the subsequent registration of a name with the office of the secretary of state as provided in section 5.22.

Sec. 6. Minnesota Statutes 1994, section 322B.12, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS AND PROHIBITIONS.] The limited liability company name must:

(1) be in the English language or in any other language expressed in English letters or characters;

(2) contain the words "limited liability company," or must contain the abbreviation "LLC" or, in the case of an organization formed pursuant to section 319A.03, must ~~contain the words~~



"professional limited liability company," or the abbreviation "PLC" meet the requirements of section 319A.07 applicable to a limited liability company;

(3) not contain the word corporation or incorporated and must not contain the abbreviation of either or both of these words;

(4) not contain a word or phrase that indicates or implies that it is organized for a purpose other than a legal business purpose; and

(5) be distinguishable upon the records in the office of the secretary of state from the name of a domestic limited liability company, corporation, or limited partnership, whether profit or nonprofit, or a foreign limited liability company, corporation, or limited partnership authorized or registered to do business in this state, whether profit or nonprofit, or a name the right to which is, at the time of organization, reserved or provided for in sections 302A.117, 317A.117, 322A.03, 322B.125, or 333.001 to 333.54, unless there is filed with the articles of organization one of the following:

(i) the written consent of the domestic limited liability company, corporation, or limited partnership or foreign limited liability company, corporation, or limited partnership authorized or registered to do business in this state or the holder of a reserved name or a name filed by or registered with the secretary of state under sections 333.001 to 333.54 having a name that is not distinguishable;

(ii) a certified copy of a final decree of a court in this state establishing the prior right of the applicant to the use of the name in this state; or

(iii) the applicant's affidavit that the limited liability company, corporation, or limited partnership with the name that is not distinguishable has been organized, incorporated, or on file in this state for at least three years prior to the affidavit, if it is a domestic limited liability company, corporation, or limited partnership, or has been authorized or registered to do business in this state for at least three years prior to the affidavit, if it is a foreign limited liability company, corporation, or limited partnership, or that the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 filed or registered that name at least three years prior to the affidavit, and has not during the three-year period filed any document with the secretary of state; that the applicant has mailed written notice to the limited liability company, corporation, or limited partnership or the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 by certified mail, return receipt requested, properly addressed to the registered office of the limited liability company or corporation or in care of the agent of the limited partnership, or the address of the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54, shown in the records of the secretary of state, that the applicant intends to use a name that is not distinguishable and the notice has been returned to the applicant as undeliverable to the addressee limited liability company, corporation, or limited partnership or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54; that the applicant, after diligent inquiry, has been unable to find any telephone listing for the limited liability company, corporation, or limited partnership with the name that is not distinguishable in the county in which is located the registered office of the limited liability company or corporation shown in the records of the secretary of state or has been unable to find any telephone listing for the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 in the county in which is located the address of the holder shown in the records of the secretary of state; and that the applicant has no knowledge that the limited liability company, corporation, or limited partnership or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 is currently engaged in business in this state.

Sec. 7. Minnesota Statutes 1994, section 323.14, is amended by adding a subdivision to read:

Subd. 6. [WHEN DEBTS AND OBLIGATIONS ARISE AND ACCRUE.] For the purposes of this section and section 323.16:

(a) All partnership debts and obligations under or relating to a note, contract, or other agreement arise and accrue when the note, contract, or other agreement is entered into.

(b) An amendment, modification, extension, or renewal of a note, contract, or other agreement

does not affect the time at which a partnership debt or obligation under or relating to that note, contract, or other agreement arises and accrues, even as to a claim that relates to the subject matter of the amendment, modification, extension, or renewal.

This subdivision does not affect any law, rule, or period pertaining to any statute of limitations or statute of repose.

Sec. 8. Minnesota Statutes 1994, section 323.44, is amended by adding a subdivision to read:

Subd. 8. [LEGAL STATUS.] For purposes of holding title to or conveying an interest in real or personal property and for all other purposes except as otherwise provided in this chapter, a partnership formed under this chapter remains the same entity:

(1) whether the partnership obtains the status of a limited liability partnership under subdivision 1, paragraph (a);

(2) whether the status of the partnership as a limited liability partnership terminates by reason of expiration of registration under subdivision 1, paragraph (b), or by reason of voluntary withdrawal of status under subdivision 6;

(3) during dissolution of the partnership; and

(4) regardless of whether the words "a limited liability partnership," "a professional limited liability partnership," "a general partnership," or the designation "L.L.P.," "LLP," "P.L.L.P.," or "PLLP" are used in an instrument conveying an interest in real or personal property to or from the partnership or in any other writing.

Sec. 9. Minnesota Statutes 1994, section 323.45, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS; PROHIBITIONS.] The name of a limited liability partnership must meet all of the requirements of section 302A.115, subdivision 1, except that the acceptable words required by section 302A.115, subdivision 2, are "~~limited liability partnership~~" "Limited Liability Partnership" or the abbreviation "~~L.L.P.~~" "LLP."

Sec. 10. [EFFECTIVE DATE; APPLICATION.]

Section 7 is effective the day following final enactment and applies retroactively to all notes, contracts, other agreements, amendments, modifications, extensions, and renewals entered into before, on, or after the effective date."

Delete the title and insert:

"A bill for an act relating to limited liability organizations; modifying name requirements; eliminating a filing requirement; clarifying when debts arise or accrue for limited liability partnerships; amending Minnesota Statutes 1994, sections 319A.02, subdivision 7; 319A.07; 319A.08; 322A.02; 322A.72; 322B.12, subdivision 1; 323.14, by adding a subdivision; 323.44, by adding a subdivision; and 323.45, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**H.F. No. 228:** A bill for an act relating to occupations and professions; board of medical practice; reinstating certain advisory councils.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 947:** A bill for an act relating to state government; allocating certain appropriations to regional arts councils; amending Minnesota Statutes 1994, section 129D.01; proposing coding for new law in Minnesota Statutes, chapter 129D.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "organizations" and insert "organization"

Page 2, line 9, delete "shall" and insert "must"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 163:** A bill for an act relating to crimes; exempting the crime victim and witness advisory council from expiration; amending Minnesota Statutes 1994, section 611A.71, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, reinstate the stricken language

Page 1, lines 10 and 11, delete the new language and insert "1997"

Amend the title as follows:

Page 1, line 2, delete "exempting" and insert "changing expiration for"

Page 1, line 3, delete "from expiration"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 900:** A bill for an act relating to human services; defining interpretive guidelines; changing licensing requirements and reconsideration for foster care; assessing fines; adding provisions for drop-in child care programs; changing a definition; adding provisions for the Minnesota family preservation act; expanding eligibility for Indian child welfare grants; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivisions 2 and 4, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivision 6; 256.12, subdivision 14; 256.8711; 256D.02, subdivision 5; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; 257.3571, subdivision 1; 257.3572; and 257.3577, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1994, sections 256F.05, subdivisions 2a and 4a; and 256F.06, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 26, delete "13" and insert "12"

Page 17, delete section 16

Page 17, line 29, delete "12" and insert "11"

Page 17, line 32, delete "establish procedures" and insert "adopt rules"

Page 17, line 36, delete "13" and insert "12"

Page 39, line 26, delete "20" and insert "19"

Page 39, line 28, delete "21" and insert "20"

Page 39, line 29, delete "23 to 37" and insert "22 to 36"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Family Services. Amendments adopted. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 693:** A bill for an act relating to agriculture; changing limits for participation in certain rural finance authority loan programs; changing certain restrictions; providing for development of best management practices for feedlots; changing requirements for animal feedlot permits; prohibiting certain unfair practices; allowing composting of sheep carcasses; changing valuation of certain property for tax purposes; creating income tax credits; appropriating money; amending Minnesota Statutes 1994, sections 17.138, by adding a subdivision; 35.82, subdivision 2; 41B.03, subdivision 1; 41B.043, subdivisions 1b and 2; 41B.045, subdivision 2; 116.07, subdivision 7; 273.11, by adding a subdivision; 290.06, by adding a subdivision; and Laws 1994, chapter 619, section 11; proposing coding for new law in Minnesota Statutes, chapter 31B.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 2, line 34, after the period, insert "Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1."

Page 3, line 1, strike "1994 AND 1995" and insert "1996 AND 1997"

Page 3, line 3, strike "1994 and 1995" and insert "1996 and 1997"

Page 3, line 19, after "commissioner" insert "of the pollution control agency"

Page 3, lines 20 and 21, delete "of the pollution control agency"

Page 3, line 34, after the period, insert "A county board that has been delegated administrative responsibility under this section may, by resolution, elect to assume all enforcement duties of the feedlot permit program and enforce program requirements under section 394.37. The county board must provide written notification to the commissioner and the commissioner of natural resources of the action. After receipt of the notice by the commissioners, employees of the agency or the department of natural resources may not take enforcement action under this subdivision unless requested by the county."

Page 6, delete article 3

Page 8, after line 6, insert:

"(e) The board shall develop best management practices for dead animal disposal and publish them for distribution to livestock producers in the state.

#### ARTICLE 4

#### SEWAGE TREATMENT SYSTEMS

Section 1. Minnesota Statutes 1994, section 115.55, subdivision 2, is amended to read:

Subd. 2. [LOCAL ORDINANCES.] (a) Any ordinance adopted by a local unit of government to regulate individual sewage treatment systems must be in compliance with the individual sewage treatment system rules by January 1, ~~1996~~ 1998.

(b) A copy of each ordinance adopted under this subdivision must be submitted to the commissioner upon adoption.

Sec. 2. Minnesota Statutes 1994, section 115.56, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] (a) Except as provided in paragraph (b), after March 31,

1996, a person may not design, install, maintain, pump, or inspect an individual sewage treatment system without a license issued by the commissioner.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

(1) a qualified employee of state or local government who has passed the examination described in paragraph (d) or a similar examination;

(2) an individual who constructs an individual sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling; or

(3) a farmer who pumps and disposes of sewage waste from individual sewage treatment systems, holding tanks, and privies on land that is owned or leased by the farmer; or

(4) an individual who performs labor or services for a person licensed under this section in connection with the design, installation, maintenance, pumping, or inspection of an individual sewage treatment system at the direction and under the personal supervision of a person licensed under this section.

A person constructing an individual sewage treatment system under clause (2) must consult with a site evaluator or designer before beginning construction. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection.

(c) The commissioner, in conjunction with the University of Minnesota extension service or another higher education institution, shall ensure adequate training exists for individual sewage treatment system professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for licensing and shall issue documentation of licensing.

(e) Licenses may be issued only upon successful completion of the required examination and submission of proof of sufficient experience, proof of general liability insurance, and a corporate surety bond in the amount of at least \$10,000.

(f) Notwithstanding paragraph (e), the examination and proof of experience are not required for an individual sewage treatment system professional who, on the effective date of the rules adopted under subdivision 1, holds a certification attained by examination and experience under a voluntary certification program administered by the agency.

(g) Local units of government may not require additional local licenses for individual sewage treatment system professionals."

Page 8, delete section 1 and insert:

"Section 1. [272.027] [AGRICULTURAL BUILDINGS; NEW CONSTRUCTION EXEMPTION.]

Subdivision 1. [QUALIFIED PROPERTY.] (a) As used in this section, "qualified property" means buildings and structures that are classified as farm buildings and structures under section 273.13, subdivision 23, not including the farmhouse and garage, that constitute new construction.

(b) "New construction" means new buildings and structures and includes new buildings and structures that are constructed as additions to existing buildings and structures.

Subd. 2. [SCOPE OF EXEMPTION.] A portion of the market value of qualified property is exempt from taxation for a period of up to five years. If property ceases to be qualified property at any time during that period, the full amount of the market value of the property will be subject to taxation beginning with the first assessment year after the property ceases to be qualified property. The portion of the market value that is exempt for each assessment year following substantial completion of the new construction is as follows:

- (1) for the first year, 75 percent;
- (2) for the second year, 60 percent;
- (3) for the third year, 45 percent;
- (4) for the fourth year, 30 percent; and
- (5) for the fifth year, 15 percent.

If the exemption under this section is for new construction that constitutes complete replacement of an existing building or structure, the exemption may not reduce the market value of the property below its market value before commencement of the new construction.

Subd. 3. [APPLICATIONS.] The owner of property for which an exemption is sought under this section shall file an application with the assessor by January 2 of the assessment year following substantial completion of the new construction. The commissioner of revenue shall provide forms for the application, which must require the information necessary to determine whether property is eligible for the exemption."

Page 9, after line 27, insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1996, payable in 1997, and thereafter. Section 2 is effective for taxable years beginning after December 31, 1994."

Renumber the articles in sequence

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "permits" insert "and sewage treatment licenses"

Page 1, line 7, delete "prohibiting certain unfair practices;"

Page 1, line 9, after "creating" insert "property tax exemptions and"

Page 1, lines 12 and 13, delete "41B.03, subdivision 1;"

Page 1, line 14, after the first semicolon, insert "115.55, subdivision 2; 115.56, subdivision 2;" and delete "273.11, by"

Page 1, line 15, delete everything before "290.06,"

Page 1, line 17, delete "31B" and insert "272"

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. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1043:** A bill for an act relating to agriculture; modifying provisions related to farmed cervidae; amending Minnesota Statutes 1994, sections 17.451, subdivision 2; and 17.452, subdivisions 10 and 12.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1292:** A bill for an act relating to agriculture; establishing a pilot dairy education and technology transfer program; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 734:** A bill for an act relating to telecommunications; regulating the 911 system; imposing requirements on private switch telephone service; imposing a civil penalty; amending Minnesota Statutes 1994, sections 403.02, by adding subdivisions; 403.04; and 403.09.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, after "services" insert "with direct inward dial capabilities"

Page 2, line 36, delete everything after "call" and insert "within one year of"

Page 3, line 1, delete ", whichever"

Page 3, line 2, delete "is earlier"

Page 3, line 12, delete everything after "call" and insert "within one year of"

Page 3, line 13, delete "1998, or by" and delete the second comma

Page 3, line 14, delete "whichever is earlier"

Page 3, line 23, delete everything after "device"

Page 3, delete line 24

Page 3, line 25, delete everything before the period

Page 4, delete lines 8 to 19 and insert:

"Subd. 9. [WAIVER.] The department of administration may grant waivers to all or part of the requirements of subdivisions 3 to 8 based on technical, financial, or nature of service considerations. The department may adopt rules to implement this subdivision."

Pages 4 and 5, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after the first semicolon and insert "and 403.04."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1054:** A bill for an act relating to juveniles; clarifying jurisdiction, procedures, and dispositions; directing that rules be adopted; providing for educational programs and studies; establishing youth service centers and pilot projects; providing direction to courts for secure placement dispositions; authorizing secure treatment program administrators to make certain decisions regarding juveniles; appropriating money; amending Minnesota Statutes 1994, sections 120.17, subdivisions 5a, 6, and 7; 120.181; 124.18, by adding a subdivision; 124.32, subdivision 6; 242.31, subdivision 1; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.193, subdivision 4; 260.215, subdivision 1; 260.291, subdivision 1; 609.055, subdivision 2; and 641.14; proposing coding for new law in Minnesota Statutes, chapters 120; and 260; repealing Minnesota Statutes 1994, section 121.166.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, line 23, delete "A" and insert "An adjudicated"

Page 16, line 26, delete "facility and" and insert "secure portion of the facility"

Page 16, delete line 27

Page 16, line 28, delete everything before the period

Page 16, line 29, delete "these decisions" and insert "any movement of juveniles from secure portions of facilities. However, the court may, in its discretion, order that the juveniles be moved back to secure portions of the facility"

Page 16, line 35, delete "shall" and insert "may"

Page 17, line 22, before "A" insert "Prior to August 1, 1997,"

Page 17, line 25, delete the new language

Page 17, delete line 26

Page 17, line 27, delete the new language

Page 18, line 4, after "(b)" insert "After August 1, 1997, a court may not place a preadjudicated delinquent, an adjudicated delinquent, or a convicted extended jurisdiction juvenile in a residential or detention facility outside Minnesota unless the court determines that the specialized programmatic needs of the juvenile are not available in a facility within Minnesota and the out-of-state facility has been certified by the commissioner of corrections under paragraph (a), clauses (1) and (2). For purposes of this subdivision, "specialized programmatic needs" do not include concerns about security."

(c)"

Page 18, line 8, strike "(c)" and insert "(d)"

Page 18, line 26, after "169.121" insert "(drivers under the influence of alcohol or controlled substance)" and after "169.129" insert "(aggravated driving while intoxicated)"

Page 18, line 27, after "misdemeanor" insert "or gross misdemeanor"

Page 19, lines 25 and 35, delete "action" and insert "prosecution"

Page 20, after line 18, insert:

"Sec. 22. Minnesota Statutes 1994, section 611A.19, subdivision 1, is amended to read:

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court ~~may~~ shall use an order requiring a person, including adjudicated juveniles, convicted of a violent crime, as defined in section 609.152, or a juvenile adjudicated delinquent for 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~~ or

(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 in a manner which has been demonstrated epidemiologically to transmit the HIV virus.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.763, 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."



Page 20, delete line 36 and insert:

"(iii) the minor is 16 or 17 years old and has been indicted for murder in the first degree;"

Page 21, line 1, delete the new language and strike "and"

Page 21, line 2, before the period, insert "; and

(3) a minor under 18 years old and an extended jurisdiction juvenile 18 years old or older who is alleged to have violated the conditions of the stay of execution"

Page 21, line 28, delete everything after the period

Page 21, delete lines 29 to 36

Page 22, delete lines 1 and 2

Page 24, line 8, before the period, insert "to determine whether the parts are consistent with sound policy"

Page 24, line 15, delete "rule" and insert "rulemaking process"

Page 24, line 17, delete "CONTINUED FUNDING" and insert "LICENSING" and delete "Facilities" and insert "The commissioners of corrections and human services may not license facilities"

Page 24, line 18, delete "shall not be funded"

Page 24, line 31, after "juveniles" insert "convicted as extended jurisdiction juveniles and"

Page 26, line 11, delete "25" and insert "26"

Page 26, line 13, delete "26" and insert "27"

Page 26, line 15, delete "29" and insert "30"

Page 26, line 19, delete "27" and insert "28"

Page 26, line 23, delete "28" and insert "29"

Page 26, delete lines 24 to 32 and insert:

"Subd. 5. [EDUCATION AND HUMAN SERVICES.] \$..... is appropriated to the commissioners of education and human services for grants to family services collaboratives and mental health collaboratives to establish youth service center pilot projects for juveniles under the jurisdiction of the juvenile court. The centers may provide medical, educational, job-related, mental health, social services, and programs. Six pilot projects shall be developed with at least four located in the metropolitan area. A written report, detailing the impact of the projects, shall be presented to the legislature by January 1, 1997."

Page 26, line 33, before "\$....." insert "Subd. 6. [EDUCATION.]"

Page 26, line 36, delete "6" and insert "7"

Page 27, after line 5, insert:

"Sec. 34. [EFFECTIVE DATE.]

Sections 1 to 8, 10 to 23, 30, 32, and 33 are effective July 1, 1995. Sections 9, 24 to 29, and 31 are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring the state to pay the costs of certain educational programs;"

Page 1, line 7, after the semicolon, insert "restricting out-of-state placements of juveniles;"

Page 1, line 9, after the first semicolon, insert "requiring HIV testing of certain juveniles;"

Page 1, line 18, after the first semicolon, insert "611A.19, subdivision 1;"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 365** 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.
365	457				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 365 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 365 and insert the language after the enacting clause of S.F. No. 457; further, delete the title of H.F. No. 365 and insert the title of S.F. No. 457.

And when so amended H.F. No. 365 will be identical to S.F. No. 457, and further recommends that H.F. No. 365 be given its second reading and substituted for S.F. No. 457, 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 Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 845:** A bill for an act relating to health; MinnesotaCare; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily uninsured; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62D.181, subdivisions 2, 3, 6, and 9; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.48; 62J.55; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.25; 62Q.30; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a

subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivisions 3, 4, and by adding a subdivision; 256B.057, subdivision 3; 270.101, subdivision 1; 290.01, subdivision 19a; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62N.34; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; and 62Q.27; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 25, after the period, insert "In adopting rules under this subdivision, in addition to the statement of need and reasonableness required by section 14.131, the commissioner shall prepare a written regulatory analysis of each proposed rule. The regulatory analysis must contain:

(1) a description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) a description of the probable short-term and long-term quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of person;

(3) the probable costs to the department of the implementation and enforcement of the proposed rule;

(4) a comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction;

(5) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule; and

(6) a description of any alternative methods for achieving the purpose of the proposed rules that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule."

Page 33, line 35, after the period, insert "The commissioners shall also consider the exclusions recommended by the comprehensive health association under section 62E.10 and the health coverage reinsurance association under section 62L.13."

Page 34, after line 23, insert:

"Subd. 4. [STANDARD EXCLUSIONS ADDITIONS AND DELETIONS.] After January 1, 1996, the commissioner of health may make additions and deletions to the standard exclusions subject to the requirements of chapter 14."

Page 35, delete section 26

Page 35, line 21, delete "28" and insert "27"

Page 89, lines 35 and 36, delete the new language

Page 90, delete lines 1 to 14

Page 90, line 15, strike "(c)" and strike "paragraphs (a) and (b)" and insert "paragraph (a)"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Health Care. Amendments adopted. Report adopted.

**Mr. Metzgen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 467:** A bill for an act relating to metropolitan government; providing for coordination and consolidation of public safety radio communications systems; providing governance and finance of the state and regional elements of a regionwide public safety radio communication system; extending the public safety channel moratorium; authorizing the use of 911 emergency telephone service fees for costs of the regionwide public safety radio communication system; authorizing the issuance of bonds by the metropolitan council; 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 21, after line 33, insert:

"Sec. 16. [SUNSET PROVISIONS.]

The metropolitan radio board is abolished effective July 1, 1999. Effective on that date, its duties and responsibilities are transferred to the metropolitan council or an appropriate state agency, to be designated by statutory enactment based on the reports submitted by the metropolitan council under section 6, subdivision 3, of this act. The designated entity is the successor to all the property, interests, obligations, and rules of the metropolitan radio board."

Page 21, line 35, delete "Sections 1 to 15 apply" and insert "This act applies"

Page 22, line 2, delete "16" and insert "15, and 17"

Page 22, line 3, after the period, insert "Section 16 is effective July 1, 1999."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "abolishing the metropolitan radio board on a certain date and transferring its duties and responsibilities;"

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

**Ms. Piper from the Committee on Family Services, to which was re-referred**

**S.F. No. 1103:** A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "and"

Page 2, line 6, before the period, insert ";

(6) increasing the capacity of communities to respond to the whole child by improving the ability of families to gain access to services;

(7) encouraging all members of a community to nurture all the children in the community; and

(8) supporting parents in their dual roles as breadwinners and parents"

Page 6, line 13, delete "and"

Page 6, line 15, before the period, insert ";

(38) the children's subcommittee of the state advisory council on mental health; and

(39) the children's portion of the federal mental health block grant"

Page 7, line 7, delete "and"

Page 7, line 9, before the period, insert "; and"

(14) the youth intervention program under section 268.30"

Page 8, line 16, after "client" insert "protections," and after "process" insert a comma

Page 8, line 17, after "of" insert "clients, parents," and after "cultures" insert a comma

Page 8, line 27, after the comma, insert "after consultation with the partnership planning team and,"

Page 9, line 3, after "(2)" insert "document consultation by counties and schools with community action agencies and private industry councils;

(3)"

Page 9, line 16, delete "(3)" and insert "(4)"

Page 9, line 19, delete "(4)" and insert "(5)"

Page 9, line 21, after the period, insert "The agreement must state that the funds that are being locally consolidated will be used collectively only to achieve the objectives of the separate programs being locally consolidated. Funds being locally consolidated may not be used for purposes other than the collective purposes identified for the separate programs being locally consolidated."

Page 10, line 6, after "PARTNERSHIP" insert "PLANNING"

Page 10, line 10, after "partnership" insert "planning" and delete everything after "team"

Page 10, line 11, delete "1996" and after the period, insert "At least eight members must be parents and must represent a broad cross-section of income groups, racial and ethnic groups, and ages of children." and after "partnership" insert "planning"

Page 10, line 12, before "communities" insert "community-based organizations serving primarily"

Page 10, line 13, before "community-based" insert "community action agencies, private industry councils, and other" and delete ", and other affected state agencies"

Page 10, line 16, delete "labor, management, and physical location issues" and insert "structure of the department"

Page 10, line 18, after "(3)" insert "the appropriateness of specific applications for" and after "consolidation" insert "and the consistency of those applications with the purposes of chapter 119A"

Page 10, line 19, delete "federal"

Page 10, line 21, before the period, insert "and funding consolidation"

Page 11, line 12, before the first "and" insert "community action agencies, private industry councils,"

Page 12, line 19, delete "13" and insert "14"

Page 12, after line 24, insert:

"Sec. 10. [REPORT ON STRUCTURE OF AGENCIES.]

The commissioner of administration in separate consultation with the commissioners of the

departments of human services, health, economic security, corrections, public safety, housing finance, and the office of strategic and long-range planning shall prepare a report by February 15, 1996, examining the organization of programs remaining in those departments after transfer of the programs identified in this bill, and identifying alternative organizational structures that may be more effective and efficient than the organization prior to the transfer."

Page 12, delete lines 26 to 34

Page 14, line 17, delete "3" and insert "2"

Renumber the subdivisions in sequence

Page 15, line 11, delete "10" and insert "11"

Page 15, line 12, delete "11" and insert "12"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Mr. Samuelson 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. 273:** A bill for an act relating to water; providing for the classification of water supply systems and wastewater treatment facilities and certification of operators by the department of health and the pollution control agency; appropriating money; amending Minnesota Statutes 1994, sections 115.71, subdivisions 1, 4, 8, 10, and by adding subdivisions; 115.72; 115.73; 115.75; 115.76; 115.77; and 144.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 115.71, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] As used in sections 115.71 to ~~115.82~~ 115.77, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1994, section 115.71, subdivision 4, is amended to read:

Subd. 4. [COUNCIL.] "Council" means the water and wastewater treatment operators ~~certification~~ advisory council established by section ~~115.74~~ 115.741.

Sec. 3. Minnesota Statutes 1994, section 115.71, is amended by adding a subdivision to read:

Subd. 4a. [POPULATION EQUIVALENT.] "Population equivalent" means a number determined by dividing a daily pound load of five-day, 20-degree-centigrade carbonaceous biochemical oxygen demand (CBOD) of raw sewage by 0.17.

Sec. 4. Minnesota Statutes 1994, section 115.71, subdivision 8, is amended to read:

Subd. 8. [WASTEWATER TREATMENT FACILITY OPERATOR.] "Wastewater treatment facility operator" means a person who has direct responsibility for the operation of or operates a wastewater treatment facility.

Sec. 5. Minnesota Statutes 1994, section 115.71, is amended by adding a subdivision to read:

Subd. 9a. [WATER SUPPLY SYSTEM.] "Water supply system" means a public system providing pumped water for human consumption, if the system has at least 15 service connections or regularly serves at least 25 of the same persons over six months per year.

Sec. 6. Minnesota Statutes 1994, section 115.71, subdivision 10, is amended to read:

Subd. 10. [WATER SUPPLY SYSTEM OPERATOR.] "Water supply system operator" means a person who has direct responsibility for the operation of or operates a community water supply system or such parts of the system as would affect the quality and safety of the water.

Sec. 7. Minnesota Statutes 1994, section 115.72, is amended to read:

115.72 [CLASSIFICATION RULES.]

Subdivision 1. [COMMISSIONER OF HEALTH.] The commissioner of health shall classify adopt rules relating to the classification of all water supply systems actually used or intended for use by the public or by any considerable number of persons. The classes shall be based on the degree of hazard to public health together with, the type and loading of plant, and the population affected. The rules may be adopted jointly with the pollution control agency.

Subd. 2. [POLLUTION CONTROL AGENCY.] The ~~commissioner of the~~ pollution control agency shall classify adopt rules relating to the classification of all wastewater treatment facilities actually used or intended for use by the public or by any considerable number of persons. The classes shall be based on the degree of hazard to public health together with, the type and of unit process, the loading of the plant, and the population served or the average population equivalent of the sewage handled. The rules may be adopted jointly with the department of health.

Sec. 8. Minnesota Statutes 1994, section 115.73, is amended to read:

115.73 [CERTIFICATION REQUIRED.]

~~The commissioners of health and the pollution control agency shall certify water supply system operators and wastewater treatment facility operators, respectively, as to their qualifications to supervise the operation of water supply systems and wastewater treatment facilities based upon the recommendation of the council. A person may not operate a water supply system or wastewater treatment facility unless the system or facility maintains at least one person that:~~

- (1) is certified in a class equal to or higher than the class of the system or facility; and
- (2) has full and active responsibility for the daily on-site operation of the system or facility, or of a portion of the system or facility if an additional operator or operators with appropriate certification are responsible for the remaining portions.

Sec. 9. [115.733] [CERTIFICATION RULES.]

The commissioner of health and the agency shall adopt rules relating to the certification qualifications for each classification of water supply system operators and wastewater facility operators, respectively. The rules must provide for at least one examination for each class of certificate to be held each year.

Sec. 10. [115.741] [ADVISORY COUNCIL ON WATER SUPPLY SYSTEMS AND WASTEWATER TREATMENT FACILITIES.]

Subdivision 1. [PURPOSE; MEMBERSHIP.] The advisory council on water supply systems and wastewater treatment facilities shall advise the commissioners of health and the pollution control agency regarding classification of water supply systems and wastewater treatment facilities, qualifications and competency evaluation of water supply system operators and wastewater treatment facility operators, and additional laws, rules, and procedures that may be desirable for regulating the operation of water supply systems and of wastewater treatment facilities. The advisory council is composed of 11 voting members, of whom:

- (1) one member must be from the department of health, division of environmental health, appointed by the commissioner of health;
- (2) one member must be from the pollution control agency, water quality division, appointed by the commissioner of the pollution control agency;
- (3) three members must be certified water supply system operators, appointed by the commissioner of health;

(4) three members must be certified wastewater treatment facility operators, appointed by the commissioner of the pollution control agency;

(5) one member must be a representative from an organization representing municipalities, appointed by the commissioner of health with the concurrence of the commissioner of the pollution control agency; and

(6) two members must be members of the public who are not associated with water supply systems or wastewater treatment facilities. One must be appointed by the commissioner of health and the other by the commissioner of the pollution control agency.

Subd. 2. [GEOGRAPHIC REPRESENTATION.] At least one of the water supply system operators and at least one of the wastewater treatment facility operators must be from outside the seven-county metropolitan area and one wastewater operator must come from the metropolitan council wastewater services.

Subd. 3. [TERMS; COMPENSATION.] The terms of the appointed members and the compensation and removal of all members are governed by section 15.059. The council expires June 30, 2000.

Subd. 4. [OFFICERS.] When new members are appointed to the council, a chair must be elected at the next council meeting. The department of health representative shall serve as secretary of the council.

Sec. 11. Minnesota Statutes 1994, section 115.75, is amended to read:

115.75 [OPERATOR CERTIFICATES.]

Subdivision 1. The commissioners of health and the pollution control agency shall upon recommendation of the council issue certificates to water supply system operators and wastewater treatment facility operators, respectively, attesting to the competency of the operators who meet the requirements of the rules adopted under section 115.733. The Each certificate shall must indicate the classification of the system or facility which the operator is qualified to supervise operate.

Subd. 2. Certificates shall must be prominently displayed in the office of the operator or other appropriate place on the premises of the plant or treatment facility.

Subd. 3. Certificates shall continue in effect are valid for a period of three years unless revoked or suspended by the commissioner of health or the commissioner of the pollution control agency prior to that time. Certificates may be renewed upon application to the commissioner of health or the appropriate commissioner of the pollution control agency.

Subd. 4. The commissioners may revoke the certificate of any operator under their respective jurisdictions following a hearing before the commissioner of health or the commissioner of the pollution control agency or a representative designated by the commissioners of health or the pollution control agency, when it is found that the operator has practiced fraud, or deception; that the operator was guilty of gross negligence or misconduct in the performance of the operator's duties; or that the operator is incompetent or unable properly to perform those duties. [DENIAL, REFUSAL TO RENEW, REVOCATION, AND SUSPENSION.] The commissioner of health and the commissioner of the pollution control agency may deny, refuse to renew, revoke, or suspend the certification of a water supply system operator or a wastewater treatment facility operator, respectively, in accordance with section 144.99, subdivisions 8 to 10.

Subd. 5. The certificates of operators who terminate their employment at a water supply system or wastewater treatment facility will remain valid for the unexpired term of the certificate. Operators whose certificates expire under this section may be issued new certificates of a like classification provided appropriate proof of competency is presented to the council submitted to the appropriate commissioner. Successful completion of an examination may be required at the discretion of the council.

Subd. 6. [RECORDS.] The commissioner of health shall maintain records relating to certification of water supply system operators, and the commissioner of the pollution control agency shall maintain records relating to certification of wastewater treatment facility operators.



Sec. 12. Minnesota Statutes 1994, section 115.76, is amended to read:

115.76 [~~CERTIFICATES GIVEN WITHOUT EXAMINATION~~ RECIPROCITY.]

The commissioner of health, in the case of water supply system operators, and the commissioner of the pollution control agency, in the case of wastewater treatment facility operators, upon application therefor, ~~and recommendation of the council,~~ may issue certificates without examination, in a comparable classification to any person who holds a certificate in any state, territory, or possession of the United States or any country, providing the requirements for certification of operators under which the person's certificate was issued do not conflict with the provisions of sections 115.71 to ~~115.82~~ 115.77 and are of a standard not lower than that specified by rules adopted under sections 115.71 to ~~115.82~~ 115.77.

Sec. 13. Minnesota Statutes 1994, section 115.77, is amended to read:

115.77 [FEES.]

Subdivision 1. [~~ESTABLISHMENT OF FEE SCHEDULE~~ FEES ESTABLISHED.] ~~The council with the advice and approval of the state department of health and the Minnesota pollution control agency shall establish a schedule of fees for the filing of applications and the issuance of certificates by an appropriate rule promulgated in accordance with applicable state laws. The fees so established shall be reasonable and shall be related to the actual cost of the certification program. The following fees are established for the purposes indicated:~~

- (1) application for examination, \$32;
- (2) issuance of certificate, \$23;
- (3) reexamination resulting from failure to pass an examination, \$32;
- (4) renewal of certificate, \$23;
- (5) replacement certificate, \$10; and
- (6) reinstatement or reciprocity certificate, \$40.

Subd. 2. [~~FEES PAID TO STATE TREASURER.~~] All fees established pursuant to in subdivision 1 ~~shall~~ must be paid to the ~~state department commissioner~~ commissioner of health, in the case of water supply system operators, and to the ~~Minnesota commissioner~~ commissioner of the pollution control agency, in the case of wastewater treatment facility operators. ~~The fees received by these agencies shall~~ must be deposited in the state treasury and credited to the special revenue fund.

Sec. 14. Minnesota Statutes 1994, section 144.99, subdivision 1, is amended to read:

Subdivision 1. [~~REMEDIES AVAILABLE.~~] The provisions of chapters 103I and 157 and sections 115.71 to ~~115.82~~ 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.121; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.491; 144.495; 144.71 to 144.74; 144.871 to 144.878; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Sec. 15. [CONTINUATION OF RULES.]

Notwithstanding Minnesota Statutes, section 14.05, subdivision 1, the rules adopted under Minnesota Statutes, section 115.79, continue in effect until new rules are adopted under sections 7 and 9.

Sec. 16. [APPROPRIATION.]

\$44,000 is appropriated from the special revenue fund to the commissioner of health and \$82,000 to the commissioner of the pollution control agency for the biennium ending June 30, 1997, for the purposes of sections 1 to 14.

Sec. 17. [REPEALER.]

Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82, are repealed."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1362:** A bill for an act relating to natural resources; providing for coordination of efforts of public and private sectors in the sustainable management, use, development, and protection of Minnesota's forest resources; establishing a forest resources council and regional forest resource committees; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 89A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "89A.06" and insert "89A.07"

Page 3, line 2, delete "89A.06" and insert "89A.07"

Page 5, line 6, delete "89A.06" and insert "89A.07"

Page 6, line 5, delete "89A.05" and insert "89A.06"

Page 6, after line 11, insert:

"Sec. 5. [89A.05] [LANDSCAPE-LEVEL FOREST RESOURCE PLANNING AND COORDINATION.]

Subdivision 1. [FRAMEWORK.] The council shall establish a framework that will enable long-range strategic planning and landscape coordination to occur, to the extent possible, across all forested regions of the state and across all ownerships. Such a framework shall include:

(1) the identification of the landscapes within which long-range strategic planning of forest resources can occur. Such landscapes shall be delineated based on broadly defined ecological units and existing classification systems, yet recognize existing political and administrative boundaries and planning processes;

(2) a statement of principles and goals for landscape-based forest resource planning; and

(3) the identification of a general process by which landscape-based forest resource planning can occur. Such a process shall give considerable latitude to design planning processes that fit the unique needs and resources of each landscape; reflect a balanced consideration of the economic, social, and environmental conditions and needs of each landscape; and interface and establish formats that are compatible with other landscape-based forest resource plans.

Subd. 2. [REGIONAL FOREST RESOURCE COMMITTEES.] To foster landscape-based forest resource planning, the council shall establish regional forest resource committees. These regional committees shall:

(1) include representative interests in a particular region that are committed to and involved in landscape planning and coordination activities;

(2) serve as a forum for landowners, managers, and representative interests to discuss landscape forest resource issues;

(3) identify and implement an open and public process whereby landscape-based strategic planning of forest resources can occur;

(4) identify sustainable forest resource goals for the landscape and strategies to achieve those goals; and

(5) provide a regional perspective to the council with respect to council activities.

Subd. 3. [REGIONAL COMMITTEE OFFICERS AND STAFF.] The council chair shall appoint a chair of each regional committee. The council shall ensure regional committees have sufficient staff resources to carry out their mission as defined in this section.

Subd. 4. [REPORT.] Each regional committee shall report to the council its work activities and accomplishments."

Page 6, line 12, delete "89A.05" and insert "89A.06"

Page 7, after line 6, insert:

"Subd. 5. [CITIZEN CONCERNS.] The council shall establish a process whereby individuals witnessing what they believe to be negligent timber harvesting or forest management practices may file a complaint regarding the practices. The council shall also develop a process for handling the complaints."

Page 7, line 7, delete "89A.06" and insert "89A.07"

Page 7, line 17, after the semicolon, insert "and"

Page 7, delete lines 18 to 20

Page 7, line 21, delete "(6)" and insert "(5)"

Page 8, after line 28, insert:

"Sec. 8. [89A.08] [CONTINUING EDUCATION; CERTIFICATION.]

It is the policy of the state to encourage timber harvesters and forest resource professionals to establish voluntary certification and continuing education programs within their respective professions. The council shall, where appropriate, facilitate the development of these programs."

Re-number the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1314:** A bill for an act relating to the environment; modifying provisions relating to the voluntary investigation and cleanup program; creating a pilot program to encourage voluntary compliance with environmental requirements; limiting penalties for facilities that perform audits, report violations, and correct the violations in a timely manner; establishing a recognition program for facilities that voluntarily meet environmental requirements; amending Minnesota Statutes 1994, sections 115B.175, subdivisions 2, 3, and by adding a subdivision; and 115B.178, 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 1994, section 115B.03, is amended by adding a subdivision to read:

Subd. 8. [TRUSTEES.] A trustee who is not otherwise a responsible party for a release or threatened release of a hazardous substance from a facility is not a responsible person under this section solely because the facility is among the trust assets or solely because the trustee has the capacity to direct the operation of the facility.

Sec. 2. Minnesota Statutes 1994, section 115B.175, subdivision 2, is amended to read:

Subd. 2. [PARTIAL RESPONSE ACTION PLANS; CRITERIA FOR APPROVAL.] (a) The commissioner may approve a voluntary response action plan submitted under this section that does not require removal or remedy of all releases and threatened releases at an identified area of real property if the commissioner determines that all of the following criteria have been met:

(1) if reuse or development of the property is proposed, the voluntary response action plan provides for all response actions required to carry out the proposed reuse or development in a manner that protects public health and welfare and the environment, based on the location and proposed future use of the property;

(2) the response actions and the activities associated with any reuse or development proposed for the property will not aggravate or contribute to releases or threatened releases that are not required to be removed or remedied under the voluntary response action plan, and will not interfere with or substantially increase the cost of response actions to address the remaining releases or threatened releases; and

(3) the owner of the property agrees to cooperate with the commissioner or other persons acting at the direction of the commissioner in taking response actions necessary to address remaining releases or threatened releases, and to avoid any action that interferes with the response actions.

(b) Under paragraph (a), clause (3), an owner may be required to agree to any or all of the following terms necessary to carry out response actions to address remaining releases or threatened releases:

(1) to provide access to the property to the commissioner and the commissioner's authorized representatives;

(2) to allow the commissioner, or persons acting at the direction of the commissioner, to undertake activities at the property including placement of borings, wells, equipment, and structures on the property; and

(3) to grant easements or other interests in the property to the agency for any of the purposes provided in clause (1) or (2).

(c) An agreement under paragraph (a), clause (3), must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

Sec. 3. Minnesota Statutes 1994, section 115B.175, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION AND APPROVAL OF VOLUNTARY RESPONSE ACTION PLANS.] (a) A person shall submit a voluntary response action plan to the commissioner under section 115B.17, subdivision 14. The commissioner may provide assistance to review voluntary response action plans or supervise response action implementation under that subdivision.

(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.

(c) Response actions required in a voluntary response action plan under this section must ~~meet the same standards for protection of~~ be protective of public health and welfare and the environment ~~that apply to response actions taken or requested under section 115B.17, subdivision 1 or 2,~~ based on the location and proposed future use of the property.

(d) When the commissioner approves a voluntary response action plan, the commissioner may include in the approval an acknowledgment that, upon certification of completion of the response actions as provided in subdivision 5, the person submitting the plan will receive the protection from liability provided under this section.

Sec. 4. Minnesota Statutes 1994, section 115B.178, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION.] (a) The commissioner may issue determinations that certain actions proposed to be taken at real property subject to a release or threatened release of a hazardous substance or pollutant or contaminant will not constitute conduct associating the person with the release or threatened release for the purpose of section 115B.03, subdivision 3, clause (d). Proposed actions that may be covered by a determination under this section include response actions approved by the commissioner to address the release or threatened release, actions to improve or develop the real property, loans secured by the real property, or other similar actions. A determination may be subject to terms and conditions deemed reasonable by the commissioner. When a person takes actions in accordance with a determination issued under this subdivision, the actions do not associate the person with the release for the purpose of section 115B.03, subdivision 3, clause (d).

(b) ~~If a person requesting a determination proposes to take response actions at real property,~~ The commissioner may also issue a determination under paragraph (a) that certain actions taken in the past at the real property did not constitute conduct associating the person requesting the determination with the release or threatened release for purposes of section 115B.03, subdivision 3, clause (d). A person requesting a determination under this paragraph shall first conduct an investigation approved by the commissioner that identifies the nature and extent of the release or threatened release. Any such determination shall be limited to the represented facts of the past actions and shall not apply to actions that are not represented or disclosed. The determination may be subject to such other terms and conditions as the commissioner deems reasonable.

Sec. 5. [ENVIRONMENTAL IMPROVEMENT PILOT PROGRAM ESTABLISHED.]

The environmental improvement pilot program is established to promote voluntary compliance with environmental requirements.

Sec. 6. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 5 to 13, the terms defined in this section have the meanings given.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the pollution control agency.

Subd. 4. [ENVIRONMENTAL AUDIT.] "Environmental audit" means a systematic, documented, and objective review by a regulated entity of one or more facility operations and practices related to compliance with one or more environmental requirements and, if deficiencies are found, a plan for corrective action.

Subd. 5. [ENVIRONMENTAL REQUIREMENT.] "Environmental requirement" means a requirement in:

(1) a law administered by the agency, a rule adopted by the agency, a permit or order issued by the agency, an agreement entered into with the agency, or a court order issued pursuant to any of the foregoing; or

(2) an ordinance or other legally binding requirement imposed by a local governmental unit under authority granted by state law relating to environmental protection, including solid and hazardous waste management.

Subd. 6. [FACILITY.] "Facility" means all buildings, equipment, structures, and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person.

Subd. 7. [LOCAL GOVERNMENTAL UNIT.] "Local governmental unit" means a county, a statutory or home rule city, a town, a sanitary district, or the metropolitan council.

Subd. 8. [MAJOR FACILITY.] "Major facility" means an industrial or municipal wastewater

discharge major facility as defined in rules of the agency; a feedlot that is permitted for 1,000 or more animal units; a large quantity hazardous waste generator as defined in rules of the agency; a hazardous waste treatment, storage, or disposal facility that is required to have a permit under the federal Resource Conservation and Recovery Act, United States Code, title 42, section 6925; a major stationary air emission source as defined in rules of the agency; an air emission source that emits 50 or more tons per year of any air pollutant regulated under rules of the agency; or an air emission source that emits 75 tons or more per year of all air pollutants regulated under rules of the agency.

Subd. 9. [POLLUTION PREVENTION.] "Pollution prevention" means the elimination or reduction at the source of the use, generation, or release of pollutants.

Subd. 10. [REGULATED ENTITY.] "Regulated entity" means a public or private organization that is subject to environmental requirements.

Subd. 11. [SELF-EVALUATION.] "Self-evaluation" means a systematic, documented, and objective review by a regulated entity of one or more facility operations or practices related to compliance with one or more environmental requirements, based upon an evaluation form prescribed or approved by the commissioner.

Subd. 12. [STATE.] "State" means the pollution control agency, the attorney general, and all local governmental units.

#### Sec. 7. [AUDITS OR SELF-EVALUATIONS.]

Subdivision 1. [QUALIFICATION TO PARTICIPATE IN PROGRAM.] To qualify for participation in the environmental improvement program, a regulated entity must:

- (1) conduct an environmental audit or a self-evaluation;
- (2) for a major facility, prepare a pollution prevention plan and submit progress reports in accordance with Minnesota Statutes, sections 115D.07 to 115D.09;
- (3) for a facility that is not a major facility, include in the audit or self-evaluation an analysis of pollution prevention opportunities at the facility; and
- (4) submit a report in accordance with subdivision 2.

Subd. 2. [REPORT.] A regulated entity must submit a report to the commissioner within 45 days after the date of the final written report of findings for an environmental audit or within 45 days after the completion of a self-evaluation. The report must contain:

- (1) a certification by the owner or operator of the facility that the requirements of subdivision 1, clauses (1) to (3), have been met;
- (2) a disclosure of all violations of environmental requirements that were identified in the environmental audit or self-evaluation and a brief description of proposed actions to correct the violations;
- (3) a commitment signed by the owner or operator of the facility to correct the violations as expeditiously as possible under the circumstances;
- (4) if more than 90 days will be required to correct the violations, a performance schedule that identifies the time that will be needed to correct the violations and a brief statement of the reasons that support the time periods set out in the performance schedule; and
- (5) a description of the steps the owner or operator has taken or will take to prevent recurrence of the violations.

#### Sec. 8. [REVIEW OF PERFORMANCE SCHEDULES.]

(a) A reasonable performance schedule prepared under section 7, subdivision 2, clause (4), must be approved by the commissioner. In reviewing the reasonableness of a performance schedule, the commissioner shall take into account information supplied by the regulated entity,

any public comments, and information developed by agency staff. The decision about whether a performance schedule is reasonable must be based on the following factors:

- (1) the nature of the violations;
- (2) the environmental and public health consequences of the violations;
- (3) the economic circumstances of the facility;
- (4) the availability of equipment and material; and
- (5) the time needed to implement pollution prevention opportunities as an alternative to pollution control approaches to remedying the violations.

Information submitted to the commissioner by a regulated entity relating to the factors in clauses (3) to (5) are nonpublic data under Minnesota Statutes, chapter 13.

(b) In the event of a dispute over approval of the performance schedule, the regulated entity may request a hearing under the procedures in Minnesota Rules, parts 1400.8510 to 1400.8612. A performance schedule may be amended by written agreement between the commissioner and the regulated entity.

#### Sec. 9. [PUBLIC DISCLOSURE.]

The commissioner shall publish quarterly the names and locations of the facilities for which a report has been submitted under section 7, subdivision 2, and, if a performance schedule has been submitted, the proposed time period for completing performance.

#### Sec. 10. [ENFORCEMENT.]

Subdivision 1. [DEFERRED ENFORCEMENT.] The state must defer for at least 90 days any action to enforce an environmental requirement against the owner or operator of a facility if a report that meets the requirements of section 7, subdivision 2, has been submitted to the commissioner. If the report includes a performance schedule, and the performance schedule is approved under section 8, the state must defer enforcement for the term of the approved performance schedule unless the facility fails to meet an interim performance date contained in the schedule.

Subd. 2. [PENALTIES WAIVED.] (a) If, within 90 days after the report required in section 7, subdivision 2, is received by the commissioner or within the time specified in an approved performance schedule, the owner or operator of a facility corrects the violations identified in the audit or self-evaluation and certifies to the commissioner that the violations have been corrected:

- (1) the state may not impose any administrative, civil, or criminal penalties against the owner or operator of the facility for the reported violations; and
- (2) the petroleum tank release compensation board may not reduce the amount of reimbursement under Minnesota Statutes, section 115C.09, subdivision 3, based on the reported violations, except as provided in paragraph (b).

(b) The petroleum tank release compensation board may reduce the amount of reimbursement under Minnesota Statutes, section 115C.09, subdivision 3, based on violations identified in an environmental audit or self-evaluation that the commissioner determines contributed to a release.

Subd. 3. [EXCEPTIONS.] Notwithstanding subdivisions 1 and 2, the state may at any time bring:

(1) a criminal enforcement action against any person who commits a knowing violation under Minnesota Statutes, section 609.671;

(2) a civil enforcement action, which may include a penalty, under Minnesota Statutes, section 115.071 or 116.072, against the owner or operator of a facility if:

- (i) less than one year has elapsed since the final resolution of a notice of violation, an

administrative penalty order, or a civil or criminal lawsuit that resulted in an enforcement action being taken against the owner or operator of a facility for a violation of a requirement that was also shown as having been violated in the report required under section 7, subdivision 2; or

(ii) a violation caused serious harm to public health or the environment; or

(3) an action against the owner or operator of a facility to enjoin an imminent and substantial threat of serious harm to public health or the environment.

Subd. 4. [GOOD FAITH CONSIDERATION.] If the state finds that one of the conditions in subdivision 3 exists, the state must take into account the good faith efforts of the regulated entity to comply with environmental requirements in deciding whether to pursue an enforcement action, whether an enforcement action should be civil or criminal, and what, if any, penalty should be imposed. In determining whether the regulated entity has acted in good faith, the state must consider whether:

(1) when noncompliance was discovered, the regulated entity took corrective action that was timely under the circumstances;

(2) the regulated entity exercised reasonable care in attempting to prevent the violations and ensure compliance with environmental requirements;

(3) the noncompliance resulted in significant economic benefit to the regulated entity;

(4) prior to implementing the audit or self-evaluation program the regulated entity had a history of good faith efforts to comply with the environmental requirements; and

(5) the regulated entity demonstrated good faith efforts to achieve compliance since implementing an environmental auditing or self-evaluation program.

Subd. 5. [VIOLATIONS DISCOVERED BY THE STATE.] Nothing in this act precludes the state from taking any enforcement action the state is authorized to take with respect to violations discovered by the state prior to the time a facility has submitted to the commissioner a report that meets the requirements of section 7, subdivision 2.

#### Sec. 11. [GREEN STAR EMBLEM.]

A regulated entity that qualifies for participation in the environmental improvement program under section 7 may display at a facility a "green star" emblem designed by the commissioner if the regulated entity certifies that all violations that were identified in the audit or self-evaluation of the facility were corrected within 90 days or within the time specified in an approved performance schedule or certifies that no violations were identified in the audit or self-evaluation. The emblem may be displayed for a period of two years from the time that the regulated entity submits the certification to the commissioner. A facility that is subject to enforcement under section 9, subdivision 3, may not display the emblem.

#### Sec. 12. [ACCESS TO DOCUMENTS.]

Subdivision 1. [PUBLIC ACCESS.] The state may not request, inspect, or seize any documents relating to an environmental audit or self-evaluation, other than the report required in section 7, subdivision 2, except in accordance with the agency's policy on environmental auditing, as adopted by the agency on January 17, 1995.

Subd. 2. [THIRD-PARTY ACCESS.] After receipt by the commissioner of a report that complies with section 7, subdivision 2, any documents relating to the environmental audit or self-evaluation covered by the report are privileged as to all persons other than the state.

Subd. 3. [NONWAIVER OF PROTECTIONS.] Participation by a regulated entity in the environmental improvement program does not waive, minimize, reduce, or otherwise adversely affect the level of protection or confidentiality that exists, under current or developing common or statutory law, with respect to any other documents relating to an environmental audit or self-evaluation.



**Sec. 13. [REPORTING REQUIRED BY LAW.]**

Nothing in this chapter alters the obligation of any regulated entity to report releases, violations, or other matters that are required to be reported by state or federal law, rule, permit, or enforcement action.

**Sec. 14. [REPORT.]**

The commissioner, in consultation with the attorney general and after solicitation of public comment, shall submit a report to the chairs of the environment and natural resources committees of the senate and the house of representatives by December 31, 1998, that evaluates the effectiveness of the environmental improvement program and includes any recommendations for program changes.

**Sec. 15. [REPEALER.]**

Sections 5 to 14 are repealed effective July 1, 1999."

Delete the title and insert:

"A bill for an act relating to the environment; modifying provisions relating to the voluntary investigation and cleanup program; establishing the environmental improvement pilot program; amending Minnesota Statutes 1994, sections 115B.03, by adding a subdivision; 115B.175, subdivisions 2 and 3; and 115B.178, subdivision 1."

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. 649, 1146, 1033, 704, 1144, 1200, 1440, 1336, 135, 364, 1042, 947, 163, 1043 and 734 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 673, 150, 866, 823, 228 and 365 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Janezich moved that the name of Mr. Lessard be added as a co-author to S.F. No. 821. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 902. The motion prevailed.

Mr. Kelly moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 935. The motion prevailed.

Mr. Riveness moved that the name of Mr. Morse be added as a co-author to S.F. No. 999. The motion prevailed.

Ms. Pappas moved that the name of Ms. Ranum be added as a co-author to S.F. No. 1294. The motion prevailed.

Mr. Laidig moved that the name of Mr. Chandler be added as a co-author to S.F. No. 1360. The motion prevailed.

Mr. Langseth moved that the name of Mr. Larson be added as a co-author to S.F. No. 1372. The motion prevailed.

Ms. Hanson moved that her name be stricken as a co-author to S.F. No. 1447. The motion prevailed.

Mr. Dille moved that S.F. No. 1239 be withdrawn from the Committee on Governmental Operations and Veterans and returned to its author. The motion prevailed.

Mr. Dille moved that S.F. No. 1240 be withdrawn from the Committee on Agriculture and Rural Development and returned to its author. The motion prevailed.

**Ms. Reichgott Junge introduced--**

**Senate Resolution No. 44:** A Senate resolution congratulating Jane Rollin of New Hope, Minnesota, on being named Outstanding Young Woman of the Year.

Referred to the Committee on Rules and Administration.

**Mr. Stevens introduced--**

**Senate Resolution No. 45:** A Senate resolution recognizing Robert Miller, Goodwill Ambassador for the Muscular Dystrophy Association.

Referred to the Committee on Rules and Administration.

**Mr. Lessard introduced--**

**Senate Resolution No. 46:** A Senate resolution congratulating the International Falls High School boys hockey team on winning the 1995 State High School Class A Boys Hockey Tournament.

Referred to the Committee on Rules and Administration.

Ms. Krentz moved that S.F. No. 947, 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.

**Mses. Krentz, Flynn, Messrs. Spear and Neuville introduced--**

**S.F. No. 1485:** A bill for an act relating to alcoholic beverages; imposing civil third-party liability for damages caused by intoxication of persons under age 21; prohibiting certain subrogation claims; prohibiting certain exclusions from homeowner or renter insurance policies; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Judiciary.

**Mr. Betzold introduced--**

**S.F. No. 1486:** A bill for an act relating to health; providing medical assistance coverage for pediatric vaccines; amending Minnesota Statutes 1994, section 256B.0625, by adding a subdivision.

Referred to the Committee on Health Care.

**Mr. Vickerman introduced--**

**S.F. No. 1487:** A bill for an act relating to taxation; sales and use tax; exempting certain fertilizer and chemical application equipment; amending Minnesota Statutes 1994, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Metzen introduced--**

**S.F. No. 1488:** A bill for an act relating to highways; requiring the commissioner of transportation to construct the Wakota bridge-trunk highway 61 project in accordance with a specified schedule.

Referred to the Committee on Transportation and Public Transit.

**Mr. Kroening introduced--**

**S.F. No. 1489:** A bill for an act relating to game and fish; voiding certain action of the commissioner of natural resources in the border water angling dispute; appropriating money to challenge Canadian border waters angling restrictions; repealing Minnesota Statutes 1994, section 97A.531, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

**Ms. Berglin introduced--**

**S.F. No. 1490:** A bill for an act relating to health; increasing the fee to include a confirmatory testing and a follow-up system to track infants with inborn metabolic diseases; amending Minnesota Statutes 1994, section 144.125.

Referred to the Committee on Health Care.

**Mr. Beckman introduced--**

**S.F. No. 1491:** A bill for an act relating to motor vehicles; allowing retired firefighters to receive special firefighter license plates; amending Minnesota Statutes 1994, section 168.12, subdivision 2b.

Referred to the Committee on Transportation and Public Transit.

**Ms. Reichgott Junge introduced--**

**S.F. No. 1492:** A bill for an act relating to limited liability companies; making various technical and conforming changes; amending Minnesota Statutes 1994, sections 322B.105; 322B.115, subdivisions 2, 3, and 4; 322B.12, subdivision 1; 322B.125, subdivision 1; 322B.135, subdivision 3; 322B.145; 322B.15, subdivisions 1, 3, and 4; 322B.155; 322B.175; 322B.20, subdivision 2; 322B.313, subdivision 2; 322B.33, subdivisions 4 and 9; 322B.34, subdivisions 1 and 3; 322B.346, subdivision 2; 322B.36, subdivisions 2 and 3; 322B.363, subdivision 1; 322B.373, subdivision 2; 322B.376; 322B.383, subdivision 1; 322B.386, subdivisions 4 and 7; 322B.40, subdivision 6; 322B.42, subdivisions 2 and 4; 322B.54, subdivision 1; 322B.56, subdivision 1; 322B.60, subdivision 2; 322B.643, subdivision 3; 322B.646; 322B.653; 322B.666, subdivision 2; 322B.693, subdivision 1; 322B.699, subdivision 6; 322B.72, subdivisions 2 and 3; 322B.75, subdivision 1; 322B.77, subdivision 1; 322B.803, subdivisions 1 and 2; 322B.813, subdivision 5; 322B.833, subdivisions 1, 2, and 4.

Referred to the Committee on Judiciary.

**Mr. Metzen introduced--**

**S.F. No. 1493:** A bill for an act relating to gambling; abolishing the Minnesota racing commission, the gambling control board, and the state lottery board; creating the department of gambling and transferring the responsibilities of the abolished commission and boards to it; transferring the division of gambling enforcement from the department of public safety to the department of gambling; making conforming changes; amending Minnesota Statutes 1994, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.01; 15A.081, subdivision 1; 16B.54,

subdivision 2; 240.01, by adding subdivisions; 240.011; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivisions 3, 7, and 8; 240.07, subdivision 2; 240.08; 240.09, subdivision 3a; 240.155; 240.16; 240.18, subdivision 2; 240.21; 240.24; 240.28; 299L.01; 299L.02, subdivisions 2, 3, 4, and 5; 299L.03, subdivisions 1, 4, 5, and 7; 349.12, subdivision 10, and by adding subdivisions; 349.13; 349.151, subdivision 8; 349.152, subdivision 1; 349.153; 349.155, subdivision 4; 349.162, subdivisions 2 and 6; 349.163, subdivision 6; 349.165, subdivision 2; 349.18, subdivision 1; 349.19, subdivision 6; 349A.01, by adding a subdivision; 349A.02, subdivisions 1 and 8; 349A.03, subdivision 2; 349A.04; 349A.05; 349A.06, subdivision 2; 349A.08, subdivision 7; 349A.11; and 349A.12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 349B; repealing Minnesota Statutes 1994, sections 240.01, subdivision 4; 240.02; 349.12, subdivision 6; 349.151, subdivisions 1, 2, and 3a; 349.152, subdivision 4; 349A.01, subdivision 2; and 349A.03, subdivision 1.

Referred to the Committee on Gaming Regulation.

**Mr. Metzen introduced--**

**S.F. No. 1494:** A bill for an act relating to gambling; abolishing pari-mutuel horse racing employee positions; reducing the number of members of the racing commission; requiring the commissioner of agriculture to provide administrative and technical support for the racing commission; abolishing the gambling control board and the state lottery board; creating the department of gambling and transferring the responsibilities of the abolished boards to it; transferring the division of gambling enforcement from the department of public safety to the department of gambling; making technical and conforming changes; amending Minnesota Statutes 1994, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.01; 15A.081, subdivision 1; 16B.54, subdivision 2; 240.02, subdivision 1; 240.03; 240.05, subdivision 2; 240.13, subdivision 6; 240.155; 240.16, subdivisions 1 and 5; 240.24, subdivision 2; 240.28, subdivisions 1 and 2; 299L.01; 299L.02, subdivisions 2, 4, and 5; 299L.03, subdivisions 1, 4, 5, and 7; 349.12, subdivision 10, and by adding subdivisions; 349.13; 349.151, subdivision 8; 349.152, subdivision 1; 349.153; 349.155, subdivision 4; 349.162, subdivisions 2 and 6; 349.163, subdivision 6; 349.165, subdivision 2; 349.18, subdivision 1; 349.19, subdivision 6; 349A.01, by adding a subdivision; 349A.02, subdivisions 1 and 8; 349A.03, subdivision 2; 349A.04; 349A.05; 349A.06, subdivision 2; 349A.08, subdivision 7; 349A.11; and 349A.12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 240; and 349B; repealing Minnesota Statutes 1994, sections 240.01, subdivision 20; 240.011; 240.04; 240.16, subdivision 6; 349.12, subdivision 6; 349.151, subdivisions 1, 2, and 3a; 349.152, subdivision 4; 349A.01, subdivision 2; and 349A.03, subdivision 1.

Referred to the Committee on Gaming Regulation.

**Messrs. Marty, Chandler, Mses. Johnson, J.B. and Krentz introduced--**

**S.F. No. 1495:** A bill for an act relating to services for the hearing impaired; authorizing the commissioner of human services to fund a pilot project to provide independent living skills training and support services for persons who are hearing impaired; proposing coding for new law in Minnesota Statutes, chapter 256C.

Referred to the Committee on Family Services.

**Mr. Neuville introduced--**

**S.F. No. 1496:** A bill for an act relating to the city of Faribault; exempting a tax increment financing district from certain restrictions; appropriating money to be used for a local economic development loan and grant program.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Murphy; Johnson, D.J. and Pogemiller introduced--**

**S.F. No. 1497:** A bill for an act relating to education; exempting high school league tournament

admissions from the sales tax with certain conditions; amending Minnesota Statutes 1994, section 297A.25, subdivision 30.

Referred to the Committee on Education.

**Mr. Hottinger, Mses. Pappas and Flynn introduced--**

**S.F. No. 1498:** A bill for an act relating to taxation; income; requiring mortgage interest to be included in taxable income; providing a credit for mortgage interest; amending Minnesota Statutes 1994, section 290.01, subdivision 19a; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Hottinger and Merriam introduced--**

**S.F. No. 1499:** A bill for an act relating to water pollution control; providing additional procedures for waste management and treatment in certain unincorporated areas; amending Minnesota Statutes 1994, section 115.49, subdivisions 1 and 2.

Referred to the Committee on Environment and Natural Resources.

**Mr. Hottinger introduced--**

**S.F. No. 1500:** A bill for an act relating to civil actions; enacting uniform correction or clarification of defamation act; proposing coding for new law as Minnesota Statutes, chapter 553A.

Referred to the Committee on Judiciary.

**Mr. Stevens introduced--**

**S.F. No. 1501:** A bill for an act relating to game and fish; combining firearms and archery licenses to take deer; authorizing taking of one deer by each method; amending Minnesota Statutes 1994, sections 97A.475, subdivisions 2 and 3; and 97B.301, subdivisions 1, 3, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1994, section 97B.301, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Mses. Pappas, Anderson, Mr. Hottinger and Ms. Flynn introduced--**

**S.F. No. 1502:** A bill for an act relating to revenue recapture; providing for annual notice to the debtor of collection of a debt through revenue recapture; amending Minnesota Statutes 1994, sections 270A.07, subdivision 1; and 270A.08.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Stevens and Solon introduced--**

**S.F. No. 1503:** A bill for an act relating to public safety; requiring fireworks display operators to be certified by state fire marshal; setting fees; appropriating money; amending Minnesota Statutes 1994, section 624.22.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Limmer, Mses. Ranum, Anderson, Messrs. Merriam and Kramer introduced--**

**S.F. No. 1504:** A bill for an act relating to crime; increasing penalties for committing the crime of indecent exposure in the presence of a child under the age of 16; amending Minnesota Statutes 1994, section 617.23.

Referred to the Committee on Crime Prevention.

**Messrs. Novak, Metzen and Belanger introduced--**

**S.F. No. 1505:** A bill for an act relating to taxation; adjusting certain property class rates; limiting the property tax imposed by local taxing authorities to the statutory tax rates; requiring additional property taxes to be subject to referenda; providing transition aid; providing a credit for certain property tax increases; amending Minnesota Statutes 1994, sections 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1398, subdivision 6 and by adding a subdivision; 275.065, subdivisions 1, 3, 5a, and 6; 275.07, subdivision 1; 275.08, subdivisions 1a, 1b, 3, and 4; 275.61; and 290A.04, subdivision 2h; proposing coding for new law in Minnesota Statutes, chapter 275; repealing Minnesota Statutes 1994, sections 273.13, subdivision 32; 275.08, subdivision 1c; and 290A.04, subdivision 2i; Laws 1989, First Special Session chapter 1, article 7, section 9.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Krentz introduced--**

**S.F. No. 1506:** A bill for an act relating to occupations; requiring the department of labor and industry to provide for licensure of pipefitters on inactive status; amending Minnesota Statutes 1994, section 326.48, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Samuelson introduced--**

**S.F. No. 1507:** A bill for an act relating to education; appropriating money for model K-12 environmental education curriculum integration.

Referred to the Committee on Education.

**Mr. Samuelson introduced--**

**S.F. No. 1508:** A bill for an act relating to education; changing the enrollment period that is counted toward the maximum for state grant eligibility; amending Minnesota Statutes 1994, section 136A.121, subdivision 9.

Referred to the Committee on Education.

**Messrs. Samuelson and Pogemiller introduced--**

**S.F. No. 1509:** A bill for an act relating to education; modifying certain provisions of the post-secondary enrollment options act; amending Minnesota Statutes 1994, section 123.3514, subdivisions 5, 7, 7a, and by adding a subdivision.

Referred to the Committee on Education.

**Mr. Beckman introduced--**

**S.F. No. 1510:** A bill for an act relating to crime prevention; authorizing the commissioner of corrections to establish a correctional facility at Camp Ripley; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 243.

Referred to the Committee on Crime Prevention.

**Mr. Beckman introduced--**

**S.F. No. 1511:** A bill for an act relating to education; modifying the use of transportation levies to include computer hardware and software for bus routes; amending Minnesota Statutes 1994, section 124.226, subdivision 6.

Referred to the Committee on Education.

**Messrs. Janezich and Johnson, D.J. introduced--**

**S.F. No. 1512:** A bill for an act relating to taxation; providing for allocation among governmental units of increases in the assessed valuation of commercial-industrial property within the taconite tax relief area; providing a formula for the distribution of additional revenues to municipalities within the taconite tax relief area; proposing coding for new law as Minnesota Statutes, chapter 276A.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Ranum introduced--**

**S.F. No. 1513:** A bill for an act relating to appropriations; authorizing funding to train criminal justice officials in interviewing child sexual abuse victims; appropriating money.

Referred to the Committee on Crime Prevention.

**Messrs. Janezich and Solon introduced--**

**S.F. No. 1514:** A bill for an act relating to insurance; life insurance and annuities; requiring certain disclosures prior to replacement of an existing policy or contract; proposing coding for new law in Minnesota Statutes, chapter 61A.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Kelly, Beckman, Limmer, Neuville and Spear introduced--**

**S.F. No. 1515:** A bill for an act relating to crime prevention; prohibiting placement of juveniles at Red Wing and Sauk Centre; prohibiting juvenile courts from transferring custody of adjudicated delinquents to the commissioner of corrections; requiring a report on privatizing care for the juveniles confined in Red Wing and Sauk Centre; amending Minnesota Statutes 1994, section 260.185, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 242.

Referred to the Committee on Crime Prevention.

**Mr. Beckman introduced--**

**S.F. No. 1516:** A bill for an act relating to corrections; authorizing peace officers to detain probationers based on an order from the chief executive officer of a community corrections agency; amending Minnesota Statutes 1994, section 401.02, subdivision 4.

Referred to the Committee on Crime Prevention.

**Mr. Beckman introduced--**

**S.F. No. 1517:** A bill for an act relating to appropriations; appropriating money to the Minnesota historical society for a grant for the restoration of the Historic Kee Theatre.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Beckman introduced--**

**S.F. No. 1518:** A bill for an act relating to appropriations; appropriating money to the Minnesota historical society for expenditure as a grant to Farmamerica.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Cohen introduced--**

**S.F. No. 1519:** A bill for an act relating to taxation; allowing metropolitan counties to impose a one percent sales tax on the furnishing of lodging; providing that the revenues are used for support of nonprofit arts organizations; amending Laws 1986, chapter 396, section 5; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Lessard introduced--**

**S.F. No. 1520:** A bill for an act relating to the environment; extending the notification requirements for landfarming contaminated soil to unorganized townships; requiring that notice must be filed with the county recorder when a permit is issued to landfarm contaminated soil; amending Minnesota Statutes 1994, section 116.07, subdivision 11.

Referred to the Committee on Environment and Natural Resources.

**Mr. Lessard introduced--**

**S.F. No. 1521:** A bill for an act relating to education; providing for post-secondary enrollment options (PSEO) replacement aid; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

**Mr. Lessard introduced--**

**S.F. No. 1522:** A bill for an act relating to education; creating a sparsity revenue formula for capital facilities and equipment revenue; allowing levy for special assessments; amending Minnesota Statutes 1994, sections 124.243, subdivision 2; 124.244, subdivision 1; and 124.912, subdivision 1.

Referred to the Committee on Education.

**Mr. Oliver introduced--**

**S.F. No. 1523:** A bill for an act relating to the city of Chanhassen; authorizing certain bid specifications for playground equipment on an experimental basis.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Neuville introduced--**

**S.F. No. 1524:** A bill for an act relating to health care; requiring certification of a facility to serve persons with Prader-Willi Syndrome.

Referred to the Committee on Health Care.

**Mr. Oliver introduced--**

**S.F. No. 1525:** A bill for an act relating to health; modifying certain fee payment time schedules; amending Minnesota Statutes 1994, section 144.98, subdivision 3.

Referred to the Committee on Health Care.

**Mr. Morse and Ms. Anderson introduced--**

**S.F. No. 1526:** A bill for an act relating to the environment; modifying the toxic pollution



prevention act; amending Minnesota Statutes 1994, sections 115A.55, subdivision 3; 115D.03, subdivision 5, and by adding a subdivision; 115D.05; 115D.07, subdivisions 1 and 2; 115D.08, subdivision 1; and 115D.10; repealing Minnesota Statutes 1994, section 115A.165.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Betzold and Kelly introduced--**

**S.F. No. 1527:** A bill for an act relating to courts; case records; prohibiting certain agreements to seal certain documents in connection with litigation; proposing coding for new law as Minnesota Statutes, chapter 552.

Referred to the Committee on Judiciary.

**Mr. Marty introduced--**

**S.F. No. 1528:** A bill for an act relating to municipal contracting; clarifying the definition of school district contracts; amending Minnesota Statutes 1994, section 471.345, subdivision 2.

Referred to the Committee on Education.

**Mr. Chmielewski introduced--**

**S.F. No. 1529:** A bill for an act relating to taxation; property; prohibiting an increase in estimated market value for homesteads owned by persons at least 65 years of age having certain income requirements; amending Minnesota Statutes 1994, sections 273.11, subdivision 5, and by adding a subdivision; 273.121; and 276.04, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Chmielewski introduced--**

**S.F. No. 1530:** A bill for an act relating to education; allowing the plans for reorganizing school districts to determine the allocation of certain homestead and agricultural credit aid; amending Minnesota Statutes 1994, sections 122.23, subdivision 2; and 122.242, subdivision 9.

Referred to the Committee on Education.

**Ms. Berglin introduced--**

**S.F. No. 1531:** A bill for an act relating to health; eliminating the fees for copies of patient records when obtaining records for a social security claim or appeal; amending Minnesota Statutes 1994, section 144.335, subdivision 5.

Referred to the Committee on Health Care.

**Ms. Berglin introduced--**

**S.F. No. 1532:** A bill for an act relating to health care; clarifying the physician surcharge; clarifying the health maintenance organization surcharge; modifying certain hospital and nursing home payments; amending Minnesota Statutes 1994, sections 147.01, subdivision 6; 256.9657, subdivision 3; 256.969, subdivision 9; 256B.19, subdivisions 1c and 1d; and 256B.431, subdivision 23.

Referred to the Committee on Health Care.

**Mr. Marty introduced--**

**S.F. No. 1533:** A bill for an act relating to workers' compensation; modifying provisions relating to insurance requirements and regulations; permitting certain collective bargaining

agreements; changing certain benefit provisions and procedures; appropriating money; amending Minnesota Statutes 1994, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.50; 79.59, subdivision 4; 176.021, subdivision 3a; 176.132, subdivision 3; 176.82; 182.659, by adding a subdivision; and 363.02, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 79; 79A; and 176; repealing Minnesota Statutes 1994, sections 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59, subdivisions 1, 2, 3, and 5; 79.60; 79.61; and 79.62.

Referred to the Committee on Jobs, Energy and Community Development.

**Mses. Runbeck, Wiener, Robertson and Mr. Knutson introduced--**

**S.F. No. 1534:** A bill for an act relating to education; prohibiting the release of educational data on individuals as directory information; amending Minnesota Statutes 1994, section 13.32, subdivision 3; repealing Minnesota Statutes 1994, section 13.32, subdivision 5.

Referred to the Committee on Judiciary.

**Mr. Oliver introduced--**

**S.F. No. 1535:** A bill for an act relating to human services; adding to definition of base level funding; adding provisions for local children's mental health collaborative; changing provisions for integrated fund task force; requiring approval for a collaborative's integrated service system; adding provisions for liens; directing purchase of cost-effective coverage for AIDS patients; changing GAMC exemption for Indian health service facilities; establishing a medical assistance qualifying trust; defining institutionalized spouse; establishing a date for prohibited transfer of assets; establishing homestead exception to transfer prohibition; excluding organ transplant for medical assistance coverage for emergency medical treatment furnished to an alien; requiring notice to heirs; defining undue hardship; establishing demonstration projects for alternative integrated delivery systems for acute and long-term services to the elderly; amending Minnesota Statutes 1994, sections 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 256.015, subdivisions 1 and 2; 256.9353, subdivision 8; 256.9365; 256.969, subdivisions 1, 10, 16, and 24; 256B.042, subdivision 2; 256B.056, subdivision 4, and by adding a subdivision; 256B.0575; 256B.059, subdivisions 1, 3, and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.06, subdivision 4; 256B.0625, subdivisions 5, 8, 8a, 13, 13a, 18, 37, and by adding a subdivision; 256B.0911, subdivision 2; 256B.0915, subdivision 2; 256B.15, subdivisions 1a, 2, and by adding a subdivision; 256B.49, subdivision 1; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3, 3b, and 4; and 256D.425, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245; and 256B; repealing Minnesota Statutes 1994, section 256B.055, subdivision 12.

Referred to the Committee on Health Care.

**Mr. Langseth introduced--**

**S.F. No. 1536:** A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1994, section 611A.57, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Langseth introduced--**

**S.F. No. 1537:** A bill for an act relating to education; allowing consolidating independent school district Nos. 21, Audubon, and 24, Lake Park, to elect school board members from multimember districts.

Referred to the Committee on Education.

**MEMBERS EXCUSED**

Mr. Pogemiller was excused from the Session of today.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, March 30, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



## THIRTY-SECOND DAY

St. Paul, Minnesota, Thursday, March 30, 1995

The Senate met at 8:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Betzold 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. Walter D. Flesner.

The roll was called, and the following Senators answered to their names:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

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.

March 8, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

#### HARMFUL SUBSTANCE COMPENSATION BOARD

Bob Deem, 2011 - 49th St. S.E., St. Cloud, Sherburne County, effective March 10, 1995, for a term expiring on the first Monday in January, 2001.

Debra L. McBride, 876 Westwind Dr., Little Canada, Ramsey County, effective March 10, 1995, for a term expiring on the first Monday in January, 2001.

(Referred to the Committee on Judiciary.)

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. 533, 1011, 838 and 901.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1995.

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

**H.F. No. 533:** A bill for an act relating to the Paynesville area hospital district; authorizing the district to annex the city of Eden Valley to the district.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 420, now on General Orders.

**H.F. No. 1011:** A bill for an act relating to traffic regulations; prohibiting radar jammers; amending Minnesota Statutes 1994, section 169.14, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**H.F. No. 838:** A bill for an act relating to Olmsted county; authorizing the county to create a nonprofit corporation to own and operate a hospital and medical center; providing the county board with related powers and duties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 713, now on General Orders.

**H.F. No. 901:** A bill for an act relating to drivers' licenses; requiring additional information in drivers' education programs, the driver's license examination, and the driver's manual regarding the legal and financial consequences of violating DWI-related laws; amending Minnesota Statutes 1994, sections 169.121, by adding a subdivision; and 171.13, subdivisions 1 and 1b.

Referred to the Committee on Transportation and Public Transit.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 992:** A bill for an act relating to health; reinstating certain advisory councils and a task force; amending Minnesota Statutes 1994, section 326.41.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, strike the comma

Page 1, strike line 19

Page 1, line 20, delete "2003"

Pages 1 and 2, delete section 2

Page 2, line 13, after the period, insert "These groups are subject to the expiration date in Minnesota Statutes, section 15.059, subdivision 5."

Page 2, line 15, delete "to 3" and insert "and 2"

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. 930:** A bill for an act relating to watershed districts; clarifying procedures that must be used when taking property for watershed district projects; amending Minnesota Statutes 1994, sections 103D.335, subdivision 11; 103D.715, subdivision 4; 103D.721, subdivision 3; and 117.011.

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. 279:** A bill for an act relating to state government; directing the governor, attorney general, and other public officers to perform certain duties in regard to certain waters and public lands; proposing coding for new law in Minnesota Statutes, chapters 1 and 84B.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 651:** A bill for an act relating to crime; expanding the scope of the dangerous and career offender sentencing law and the crimes of second degree murder, criminal sexual conduct in the fifth degree, burglary in the first degree, and harassment and stalking; limiting the authority of courts to stay mandatory minimum sentences for repeat sex offenders; expanding the restitution laws; amending Minnesota Statutes 1994, sections 609.152, subdivision 1; 609.19; 609.3451, subdivision 1; 609.346, subdivision 2; 609.582, subdivision 1; 609.749, subdivision 5; 611A.01; 611A.04, subdivisions 1 and 1a; and 624.712, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1994, section 145A.05, subdivision 7a, is amended to read:

Subd. 7a. [CURFEW.] A county board may adopt an ordinance establishing a countywide curfew for persons under ~~17~~ 18 years of age."

Pages 3 and 4, delete sections 4 and 5

Page 5, line 18, strike "clause" and insert "clauses (3), (4), and"

Page 5, line 27, strike "611A.04 and"

Page 6, line 1, after the comma, insert "including a good faith effort to prevent a crime,"

Page 6, lines 2 to 4, delete the new language

Pages 8 and 9, delete section 9

Page 10, line 3, delete "1 to 10" and insert "3 to 5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the comma

Page 1, line 6, delete "degree," and delete "limiting the"

Page 1, delete line 7

Page 1, line 8, delete everything before "expanding"

Page 1, line 9, after the semicolon, insert "increasing the age for curfew under countywide curfew ordinances;"

Page 1, line 10, after "sections" insert "145A.05, subdivision 7a;"

Page 1, line 11, delete "609.346, subdivision 2; 609.582,"

Page 1, line 12, delete "subdivision 1;"

Page 1, line 13, delete "subdivisions" and insert "subdivision" and delete "and 1a"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1220:** A bill for an act relating to health; organ donations; amending the living will form to include provisions for organ donations; amending Minnesota Statutes 1994, section 145B.04.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 8, delete "for transplantation"

Page 5, lines 11 and 12, delete "for transplantation"

Page 5, delete line 16

Page 5, after line 18, insert:

"..... I do not wish to become an organ donor upon my death."

Page 6, after line 5, insert:

"Sec. 2. Minnesota Statutes 1994, section 145C.05, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL PROVISIONS.] The durable power of attorney for health care may include additional provisions consistent with this chapter, including:

(1) the designation of one or more alternative agents to act if the named agent is unable, unavailable, or unwilling to serve;

(2) specific instructions to the agent or any alternative agents;

(3) limitations, if any, on the right of the agent or any alternative agents to receive, review, obtain copies of, and consent to the disclosure of the principal's medical records; and

(4) limitations, if any, on the nomination of the agent as guardian or conservator for purposes of section 525.544; and

(5) a document of gift for the purpose of making an anatomical gift, as set forth in sections



525.921 to 525.9224, or a limitation of the agent's authority to make an anatomical gift upon the death of the principal."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "allowing a durable power of attorney for health care to include provisions for organ donations;" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 145C.05, 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. 1242:** A bill for an act relating to natural resources; motor vehicles; establishing special critical habitat license plates; appropriating money; amending Minnesota Statutes 1994, section 84.943, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 168.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 23, delete "\$100,000" and insert "\$50,000"

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. 150:** A bill for an act relating to game and fish; removing certain requirements relating to fish taken in Canada; amending Minnesota Statutes 1994, section 97A.531, subdivision 1; repealing Minnesota Statutes 1994, section 97A.531, subdivisions 2, 3, 4, 5, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

"Sec. 2. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of trade and economic development for grants to local and regional organizations for projects that provide for improved resource management, tourism promotion, and economic development in the Minnesota-Ontario border area of Lake of the Woods, Rainy River, and Rainy Lake. The grants may be used for cooperative efforts between Minnesota and Ontario."

Page 1, line 22, delete "2" and insert "3"

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 Finance. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1111:** A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; affirming the right of citizens to hunt or take game and fish.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, before the period, insert ", subject only to harvest licensure, seasons, limits, and restrictions on methods of taking, as prescribed by law, that are necessary for the conservation and enhancement of the state's game and fish resources"

Page 1, line 16, after the second "the" insert "fundamental"

Page 1, line 18, after "manner" insert ", subject only to harvest licensure, seasons, limits, and restrictions on methods of taking, as prescribed by law, that are necessary for the conservation and enhancement of the state's game and fish resources"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred**

**S.F. No. 858:** A bill for an act relating to the city of Duluth; making certain statutory provisions concerning public utilities applicable to the city of Duluth; authorizing a demonstration project to develop methods to prevent the infiltration and inflow of storm water into the city's sanitary sewer system.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "any law to the contrary" and insert "Minnesota Statutes, section 444.075, subdivision 1"

Page 2, line 3, delete from "takes" through page 2, line 5, to "3" and insert "is effective the day following final enactment"

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. 618:** A resolution memorializing the Congress to pass and the President to sign legislation amending the Indian Gaming Regulatory Act.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 1, line 22, delete "....." and insert "seven"

And when so amended the resolution do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

**Mr. Berg from the Committee on Gaming Regulation, to which was referred**

**S.F. No. 1044:** A bill for an act relating to gambling; terminating existing tribal-state gaming compacts effective June 30, 1998.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Berg from the Committee on Gaming Regulation, to which was referred**

**S.F. No. 1120:** A bill for an act relating to gambling; creating a special account for money received by the gambling control board as reimbursement for costs of testing pull-tab dispensing devices; appropriating money in the account to the board for that purpose; amending Minnesota Statutes 1994, section 349.151, subdivision 4b.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1204:** A bill for an act relating to insurance; no-fault auto; regulating rental vehicle coverages; determining when a vehicle is rented; modifying the right to compensation for loss of use of a damaged rented motor vehicle; providing for limits of liability for motor vehicle lessors; amending Minnesota Statutes 1994, section 65B.49, subdivision 5a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, delete line 7

Page 4, line 8, delete everything before the period and insert "\$100,000 because of bodily injury to one person in any one accident and, subject to the limit for one person, \$300,000 because of injury to two or more persons in any one accident, and, \$10,000 because of injury to or destruction of property of others in any one accident"

Page 4, line 9, delete "exempts" and insert "in any way alters or increases the obligations of"

Page 4, after line 16, insert:

"(i) Compensation for the loss of use of a damaged rented motor vehicle is limited to 14 days."

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 and Consumer Protection, to which was referred**

**S.F. No. 1170:** A bill for an act relating to occupations and professions; requiring licensure or certification of geoscientists; adding geoscientists to the board of architecture, engineering, land surveying, landscape architecture, and interior design; providing for certain duties for the board; amending Minnesota Statutes 1994, sections 214.01, subdivision 3; 214.04, subdivision 3; 319A.02, subdivision 2; 326.02, subdivisions 1, 4, 4a, and by adding a subdivision; 326.03, subdivisions 1 and 4; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 7; 326.11, subdivision 1; 326.111, subdivisions 1, 2, 3, 4, and 6; 326.12; 326.13; and 326.14.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 164:** A bill for an act relating to insurance; health plans; prohibiting provisions that grant the health carrier a subrogation right, except where the covered person has been fully compensated from another source; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62A.095] [SUBROGATION CLAUSES REGULATED.]

Subdivision 1. [APPLICABILITY.] No health plan shall be offered, sold, or issued to a resident of this state, or to cover a resident of this state, unless the health plan complies with subdivision 2.

Subd. 2. [SUBROGATION CLAUSE; LIMITS.] No health plan described in subdivision 1 shall contain a subrogation, reimbursement, or similar clause that provides subrogation, reimbursement, or similar rights to the health carrier issuing the health plan, unless:

(1) the clause provides that the health plan is entitled to a pro rata share of the recovery for its health care costs where a covered person receives less than a full recovery from all other sources; and

(2) the clause provides that the health carrier's subrogation right is subject to subtraction to account for the pro rata share of the covered person's costs, disbursements, and reasonable attorney fees, and other expenses incurred in obtaining the recovery from another source unless the health carrier is separately represented by an attorney.

If the health carrier is separately represented by an attorney, the health carrier and the covered person, by their attorneys, may enter into an agreement regarding allocation of the covered person's costs, disbursements, and reasonable attorney fees and other expenses. If the health carrier and covered person cannot reach agreement on allocation, the health carrier and covered person shall submit the matter to binding arbitration.

Nothing in this section shall limit a health carrier's right to recovery from another source which may otherwise exist at law.

Subd. 3. [RETROACTIVE AMENDMENTS REGULATED.] No addition of, or amendment of, a subrogation, reimbursement, or similar clause in a health plan shall be applied to the disadvantage of a covered person with respect to benefits provided by the health carrier in connection with an injury, illness, condition, or other covered situation that originated prior to the addition of or amendment to the clause.

**Sec. 2. [62A.096] [NOTICE OF SUBROGATION CLAIM REQUIRED.]**

A person covered by a health carrier who makes a claim against a collateral source for damages that include repayment for medical and medically-related expenses incurred for the covered person's benefit shall provide timely notice, in writing, to the health carrier of the pending or potential claim. Notwithstanding any other law to the contrary, the statute of limitations applicable to the rights with respect to reimbursement or subrogation by the health carrier against the covered person does not commence to run until the notice has been given.

**Sec. 3. [EFFECTIVE DATE.]**

Sections 1 and 2 are effective January 1, 1996."

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 and Consumer Protection, to which was referred**

**S.F. No. 543:** A bill for an act relating to health; requiring equal treatment of prescription drug prescribers; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 2, insert:

"Sec. 2. Minnesota Statutes 1994, section 151.37, subdivision 2, is amended to read:

Subd. 2. (a) A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, and may cause the same to be administered by a nurse, a physician assistant, or intern medical student or resident under the practitioner's direction and supervision, and may cause a person who is an appropriately certified, registered, or licensed health care professional to prescribe, dispense, and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes. A licensed practitioner may prescribe a legend drug, without reference to a specific patient, by directing a registered nurse, physician assistant, or medical student or resident to adhere to a particular practice guideline or protocol when treating patients whose condition falls within such guideline or protocol, and when such guideline or protocol specifies the circumstances under which the legend drug is to be

prescribed and administered. The verbal, electronic, or other transmission of a written, oral, or electronic order by an agent of a prescriber is not prescribing. This paragraph applies to a physician assistant only if the physician assistant meets the registration and certification requirements of section 147.34, subdivision 1, paragraph (a).

(b) A licensed practitioner that dispenses for profit a legend drug that is to be administered orally, is ordinarily dispensed by a pharmacist, and is not a vaccine, must file with the practitioner's licensing board a statement indicating that the practitioner dispenses legend drugs for profit, the general circumstances under which the practitioner dispenses for profit, and the types of legend drugs generally dispensed. It is unlawful to dispense legend drugs for profit after July 31, 1990, unless the statement has been filed with the appropriate licensing board. For purposes of this paragraph, "profit" means (1) any amount received by the practitioner in excess of the acquisition cost of a legend drug for legend drugs that are purchased in prepackaged form, or (2) any amount received by the practitioner in excess of the acquisition cost of a legend drug plus the cost of making the drug available if the legend drug requires compounding, packaging, or other treatment. The statement filed under this paragraph is public data under section 13.03. This paragraph does not apply to a licensed doctor of veterinary medicine or a registered pharmacist. Any person other than a licensed practitioner with the authority to prescribe, dispense, and administer a legend drug under paragraph (a) shall not dispense for profit. To dispense for profit does not include dispensing by a community health clinic when the profit from dispensing is used to meet operating expenses."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "clarifying the role of practice guidelines in prescribing legend drugs; amending Minnesota Statutes 1994, section 151.37, subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Health Care. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1152:** A bill for an act relating to employment; requiring disclosure to recruited employees in the food processing industry; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "any" and insert "a"

Page 1, delete lines 19 to 21 and insert:

"(c) "Recruits" means to induce an individual, directly or through an agent, to travel to Minnesota to work in food processing by an offer of employment or of the possibility of employment."

Page 1, line 23, delete ", meat, or vegetables" and insert "or meat"

Page 1, line 24, delete "Disclosure" and insert "Terms and conditions of employment" and delete "documentation of"

Page 2, line 31, delete "to relocate"

Page 2, line 32, after "providing" insert "the"

Page 2, line 33, after "disclosure" insert "required" and delete everything after the period

Page 2, delete lines 34 and 35

Page 3, line 1, delete the comma and insert "or false"

Page 3, line 2, delete ", or omits information from a disclosure"

Page 3, line 9, delete "A"

Page 3, delete lines 10 and 11

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**H.F. No. 1105** 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.
1105	626				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1105 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1105 and insert the language after the enacting clause of S.F. No. 626; further, delete the title of H.F. No. 1105 and insert the title of S.F. No. 626.

And when so amended H.F. No. 1105 will be identical to S.F. No. 626, and further recommends that H.F. No. 1105 be given its second reading and substituted for S.F. No. 626, 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. 992, 930, 279, 651, 1220, 858, 1044 and 1120 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. No. 1105 was read the second time.

### MOTIONS AND RESOLUTIONS

Ms. Reichgott Junge moved that her name be stricken as chief author, shown as a co-author and the name of Mr. Knutson be added as chief author to S.F. No. 292. The motion prevailed.

Ms. Krentz moved that her name be stricken as a co-author to S.F. No. 1329. The motion prevailed.

Ms. Pappas moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1386. The motion prevailed.

Mr. Limmer moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1436. The motion prevailed.

Mr. Laidig moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 1439. The motion prevailed.

Ms. Krentz moved that the name of Mr. Finn be added as a co-author to S.F. No. 1485. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1487. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Janezich be added as a co-author to S.F. No. 1509. The motion prevailed.

Mr. Neuville moved that the names of Mr. Samuelson and Ms. Berglin be added as co-authors to S.F. No. 1524. The motion prevailed.

Mr. Morse moved that the name of Mr. Finn be added as a co-author to S.F. No. 1526. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 1529. The motion prevailed.

**Ms. Kiscaden, Messrs. Scheevel; Johnson, D.E. and Day introduced--**

**Senate Resolution No. 47:** A Senate resolution congratulating the Rochester Mayo High School Girls basketball team on winning the 1995 State High School Class AA Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

**Ms. Kiscaden, Messrs. Scheevel; Johnson, D.E. and Day introduced--**

**Senate Resolution No. 48:** A Senate resolution congratulating the Rochester Lourdes High School Girls basketball team on winning the 1995 State High School Class A Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

**Mr. Kroening, Ms. Berglin, Messrs. Pogemiller, Spear and Ms. Ranum introduced--**

**Senate Resolution No. 49:** A Senate resolution congratulating the Minneapolis North High School Boys basketball team on winning the 1995 Sweet 16 Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Berg moved that S.F. No. 1120, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

## CALENDAR

**S.F. No. 218:** A bill for an act relating to children; providing for care of children by noncustodial parents in certain cases; amending Minnesota Statutes 1994, sections 518.175, by adding a subdivision; and 518.551, 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 53 and nays 10, as follows:

Those who voted in the affirmative were:

Beckman	Day	Johnson, J.B.	Kroening	Metzen
Belanger	Dille	Johnston	Laidig	Moe, R.D.
Berg	Frederickson	Kelly	Langseth	Mondale
Bertram	Hanson	Kiscaden	Larson	Morse
Betzold	Hottinger	Kleis	Lesewski	Murphy
Chandler	Janezich	Knutson	Lessard	Neuville
Chmielewski	Johnson, D.E.	Kramer	Limmer	Oliver
Cohen	Johnson, D.J.	Krentz	Merriam	Olson

Ourada	Riveness	Sams	Stevens	Vickerman
Pappas	Robertson	Samuelson	Stumpf	
Price	Runbeck	Scheevel	Terwilliger	

Those who voted in the negative were:

Anderson	Finn	Marty	Ranum	Spear
Berglin	Flynn	Piper	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

**H.F. No. 367:** A bill for an act relating to debt; providing for prompt payment of subcontractors of municipal contractors; modifying certain provisions relating to liens and performance bonds; amending Minnesota Statutes 1994, sections 471.425, by adding a subdivision; 514.13; 574.28; 574.30; and 574.31, subdivisions 1 and 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Robertson
Beckman	Frederickson	Krentz	Morse	Runbeck
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Samuelson
Berglin	Janezich	Langseth	Oliver	Scheevel
Bertram	Johnson, D.E.	Larson	Olson	Spear
Betzold	Johnson, D.J.	Lesewski	Ourada	Stevens
Chandler	Johnson, J.B.	Lessard	Pappas	Stumpf
Chmielewski	Johnston	Limmer	Piper	Terwilliger
Cohen	Kelly	Marty	Price	Vickerman
Day	Kiscaden	Merriam	Ranum	Wiener
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

**H.F. No. 321:** A bill for an act relating to game and fish; continuing the authorization for residents under the age of 16 to take deer of either sex; amending Minnesota Statutes 1994, section 97B.301, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Robertson
Beckman	Frederickson	Krentz	Morse	Runbeck
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Samuelson
Berglin	Janezich	Langseth	Oliver	Scheevel
Bertram	Johnson, D.E.	Larson	Olson	Spear
Betzold	Johnson, D.J.	Lesewski	Ourada	Stevens
Chandler	Johnson, J.B.	Lessard	Pappas	Stumpf
Chmielewski	Johnston	Limmer	Piper	Terwilliger
Cohen	Kelly	Marty	Price	Vickerman
Day	Kiscaden	Merriam	Ranum	Wiener
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 224:** A bill for an act relating to motor vehicles; providing for biennial payment of tax on certain towed recreational vehicles and trailers; amending Minnesota Statutes 1994, section 168.013, subdivisions 1d and 1g.



Was read the third time 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:

Anderson	Frederickson	Krentz	Morse	Runbeck
Beckman	Hanson	Kroening	Murphy	Sams
Belanger	Hottinger	Laidig	Neuville	Samuelson
Berg	Janezich	Langseth	Oliver	Scheevel
Berglin	Johnson, D.E.	Larson	Olson	Spear
Bertram	Johnson, D.J.	Lesewski	Ourada	Stevens
Betzold	Johnson, J.B.	Lessard	Pappas	Stumpf
Chandler	Johnston	Limmer	Piper	Terwilliger
Chmielewski	Kelly	Marty	Price	Vickerman
Cohen	Kiscaden	Merriam	Ranum	Wiener
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Riveness	
Flynn	Kramer	Mondale	Robertson	

So the bill passed and its title was agreed to.

**S.F. No. 264:** A bill for an act relating to drivers' licenses; abolishing separate review process for commercial driver's license disqualification; amending Minnesota Statutes 1994, section 171.166, subdivision 3; repealing Minnesota Statutes 1994, section 171.166, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Morse	Sams
Beckman	Hanson	Kroening	Murphy	Samuelson
Berg	Hottinger	Laidig	Neuville	Scheevel
Berglin	Janezich	Langseth	Oliver	Spear
Bertram	Johnson, D.E.	Larson	Olson	Stevens
Betzold	Johnson, D.J.	Lesewski	Ourada	Stumpf
Chandler	Johnson, J.B.	Lessard	Pappas	Terwilliger
Chmielewski	Johnston	Limmer	Piper	Vickerman
Cohen	Kelly	Marty	Price	Wiener
Day	Kiscaden	Merriam	Ranum	
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Robertson	
Flynn	Kramer	Mondale	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 348:** A bill for an act relating to motor vehicles; clarifying power to appoint motor vehicle deputy registrars; amending Minnesota Statutes 1994, section 373.35, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Chandler	Frederickson	Johnston	Kroening
Beckman	Chmielewski	Hanson	Kelly	Laidig
Belanger	Cohen	Hottinger	Kiscaden	Langseth
Berg	Day	Janezich	Kleis	Larson
Berglin	Dille	Johnson, D.E.	Knutson	Lesewski
Bertram	Finn	Johnson, D.J.	Kramer	Lessard
Betzold	Flynn	Johnson, J.B.	Krentz	Limmer

Marty	Neuville	Price	Sams	Vickerman
Metzen	Oliver	Ranum	Samuelson	Wiener
Moe, R.D.	Olson	Reichgott Junge	Scheevel	
Mondale	Ourada	Riveness	Spear	
Morse	Pappas	Robertson	Stumpf	
Murphy	Piper	Runbeck	Terwilliger	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 34:** A bill for an act relating to insurance; health; requiring plans issued to supplement Medicare to provide coverage for equipment and supplies for the management and treatment of diabetes; amending Minnesota Statutes 1994, section 62A.45.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Robertson
Beckman	Frederickson	Krentz	Morse	Runbeck
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Samuelson
Berglin	Janezich	Langseth	Oliver	Scheevel
Bertram	Johnson, D.E.	Larson	Olson	Spear
Betzold	Johnson, D.J.	Lesewski	Ourada	Stevens
Chandler	Johnson, J.B.	Lessard	Pappas	Stumpf
Chmielewski	Johnston	Limmer	Piper	Terwilliger
Cohen	Kelly	Marty	Price	Vickerman
Day	Kiscaden	Merriam	Ranum	Wiener
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 479:** A bill for an act relating to lawful gambling; regulating lawful purpose expenditures by or to certain organizations exempt from federal income taxes; amending Minnesota Statutes 1994, sections 349.12, subdivision 25, 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 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Morse	Runbeck
Beckman	Frederickson	Krentz	Murphy	Sams
Belanger	Hanson	Kroening	Neuville	Samuelson
Berg	Hottinger	Laidig	Oliver	Scheevel
Berglin	Janezich	Langseth	Olson	Spear
Bertram	Johnson, D.E.	Larson	Ourada	Stevens
Betzold	Johnson, D.J.	Lesewski	Pappas	Stumpf
Chandler	Johnson, J.B.	Lessard	Piper	Terwilliger
Chmielewski	Johnston	Marty	Price	Vickerman
Cohen	Kelly	Merriam	Ranum	Wiener
Day	Kiscaden	Metzen	Reichgott Junge	
Dille	Kleis	Moe, R.D.	Riveness	
Finn	Knutson	Mondale	Robertson	

Mr. Limmer voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 632:** A bill for an act relating to crime; providing for forfeiture of motor vehicles for

conviction for fleeing a peace officer; amending Minnesota Statutes 1994, section 609.5312, 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 41 and nays 22, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Larson	Neuville	Runbeck
Berglin	Johnson, J.B.	Limmer	Oliver	Spear
Betzold	Johnston	Marty	Olson	Stevens
Chandler	Kelly	Merriam	Pappas	Terwilliger
Cohen	Kleis	Metzen	Piper	Wiener
Day	Kramer	Moe, R.D.	Price	
Dille	Krentz	Mondale	Ranum	
Flynn	Kroening	Morse	Reichgott Junge	
Frederickson	Laidig	Murphy	Riveness	

Those who voted in the negative were:

Anderson	Finn	Kiscaden	Ourada	Stumpf
Beckman	Hanson	Knutson	Robertson	Vickerman
Berg	Hottinger	Langseth	Sams	
Bertram	Janezich	Lesewski	Samuelson	
Chmielewski	Johnson, D.J.	Lessard	Scheevel	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 786:** A bill for an act relating to state lands; authorizing the conveyance of certain tax-forfeited land that borders public water in the city of Preston.

Was read the third time 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:

Anderson	Flynn	Krentz	Morse	Runbeck
Beckman	Frederickson	Kroening	Murphy	Sams
Belanger	Hanson	Laidig	Neuville	Samuelson
Berg	Hottinger	Langseth	Oliver	Scheevel
Berglin	Janezich	Larson	Olson	Spear
Bertram	Johnson, D.E.	Lesewski	Ourada	Stevens
Betzold	Johnson, D.J.	Lessard	Pappas	Stumpf
Chandler	Johnson, J.B.	Limmer	Piper	Terwilliger
Chmielewski	Johnston	Marty	Price	Vickerman
Cohen	Kelly	Merriam	Ranum	Wiener
Day	Kiscaden	Metzen	Reichgott Junge	
Dille	Knutson	Moe, R.D.	Riveness	
Finn	Kramer	Mondale	Robertson	

So the bill passed and its title was agreed to.

**H.F. No. 812:** A bill for an act relating to natural resources; broadening the uses permitted for emergency materials and equipment; amending Minnesota Statutes 1994, section 88.065.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Robertson
Beckman	Frederickson	Krentz	Morse	Runbeck
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Samuelson
Berglin	Janezich	Langseth	Oliver	Scheevel
Bertram	Johnson, D.E.	Larson	Olson	Solon
Betzold	Johnson, D.J.	Lesewski	Ourada	Spear
Chandler	Johnson, J.B.	Lessard	Pappas	Stevens
Chmielewski	Johnston	Limmer	Piper	Stumpf
Cohen	Kelly	Marty	Price	Terwilliger
Day	Kiscaden	Merriam	Ranum	Vickerman
Dille	Kleis	Metzen	Reichgott Junge	Wiener
Finn	Knutson	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended as to waive the lie-over requirement on the remainder of the Consent Calendar. The motion prevailed.

**S.F. No. 1043:** A bill for an act relating to agriculture; modifying provisions related to farmed cervidae; amending Minnesota Statutes 1994, sections 17.451, subdivision 2; and 17.452, subdivisions 10 and 12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Robertson
Beckman	Frederickson	Krentz	Morse	Runbeck
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Samuelson
Berglin	Janezich	Langseth	Oliver	Scheevel
Bertram	Johnson, D.E.	Larson	Olson	Solon
Betzold	Johnson, D.J.	Lesewski	Ourada	Spear
Chandler	Johnson, J.B.	Lessard	Pappas	Stevens
Chmielewski	Johnston	Limmer	Piper	Stumpf
Cohen	Kelly	Marty	Price	Terwilliger
Day	Kiscaden	Merriam	Ranum	Vickerman
Dille	Kleis	Metzen	Reichgott Junge	Wiener
Finn	Knutson	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Ms. Reichgott Junge in the chair.

After some time spent therein, the committee arose, and Ms. Reichgott Junge reported that the committee had considered the following:

S.F. Nos. 155, 204, 446, 673, 16, 193, 380, 381, 382, 184, 290, 445, 133, 687, 444, 368 and 1100, which the committee recommends to pass.

S.F. No. 144, which the committee recommends to pass with the following amendment offered by Ms. Hanson:

Page 1, line 18, delete "under this clause" and insert "that are not medical data"

The motion prevailed. So the amendment was adopted.

On motion of Ms. Reichgott Junge, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, 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. Chmielewski from the Committee on Transportation and Public Transit, to which was re-referred**

**S.F. No. 418:** A bill for an act relating to education; authorizing special projects and programs to combat truancy; denying driving privileges for certain truant students; imposing parental liability for failure to exercise reasonable control; requiring the attorney general to report on the effectiveness of school safety programs; increasing school levy authority for crime prevention activities; providing for expulsion of students for possession of a firearm; providing a fee exception for school uniforms; requiring criminal history background checks for teachers and other school district personnel; clarifying authority to deny teacher licenses; modifying offender rehabilitation exceptions; providing for school security; clarifying access to data; limiting school liability for certain security measures; establishing grants for school safety programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 120.14; 120.73, by adding a subdivision; 125.05, by adding a subdivision; 125.09, subdivision 1; 171.04, subdivision 1; 260.131, by adding a subdivision; 260.132, subdivisions 1 and 4; 260.161, subdivision 3; 260.191, subdivision 1; 260.315; 364.09; 466.03, by adding a subdivision; and 609.605, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 8; 123; and 127; proposing coding for new law as Minnesota Statutes, chapter 260A; repealing Minnesota Statutes 1994, section 126.25; and Laws 1994, chapter 576, section 1.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Crime Prevention. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1404:** A bill for an act relating to insurance; regulating reinsurance intermediaries; providing for the investment of funds held by reinsurance intermediaries; amending Minnesota Statutes 1994, sections 60A.715; and 60A.73, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 25 and 26, delete the new language and insert "and may be invested in the United States treasury bills or notes whose maturities do not exceed 90 days"

Page 2, lines 12 and 13, delete the new language and insert "and may be invested in the United States treasury bills or notes whose maturities do not exceed 90 days"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was re-referred**

**S.F. No. 1019:** A bill for an act relating to metropolitan government; establishing the metropolitan livable communities advisory board; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the

metropolitan mosquito control commission; requiring the metropolitan mosquito control district to liquidate certain assets; providing for certain revenue sharing; amending Minnesota Statutes 1994, sections 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.702; 473.704, subdivisions 2, 3, 5, 6, 7, 8, 13, and 17; 473.711, subdivision 2; and 473F.08, subdivisions 5, 7a, and by adding a subdivision; 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 24, delete from "as" through page 1, line 29, to "authorities" and insert "by the metropolitan council and who serve at the pleasure of the council"

Page 1, line 30, delete "appointing authorities" and insert "council"

Page 2, line 35, after "establish" insert "and submit to the council for approval"

Page 3, line 2, before the period, insert "including, but not limited to:

(1) helping to change long-term market incentives that adversely impact creation and preservation of living-wage jobs in the fully developed area;

(2) creating incentives for developing communities to include a full range of housing opportunities;

(3) creating incentives to preserve and rehabilitate affordable housing in the fully developed area; and

(4) creating incentives for all communities to implement compact and efficient development"

Page 3, line 3, after "establish" insert "and submit to the council for approval"

Page 3, line 4, delete "projects" and after "account" insert "for projects"

Page 3, delete lines 7 to 16

Page 3, line 17, delete "(i)" and insert "(1)" and delete "projects which"

Page 3, line 19, delete "(ii)" and insert "(2)" and delete "projects which"

Page 3, line 21, delete "(iii)" and insert "(3)" and delete "projects which"

Page 3, line 23, delete "(iv)" and insert "(4)" and delete "projects which"

Page 3, line 27, delete "(v)" and insert "(5)"

Page 3, line 29, after "establish" insert "and submit to the council for approval"

Page 5, line 1, delete from "and" through page 5, line 2, to "4"

Page 6, line 31, delete "certify" and insert "verify"

Page 19, after line 21, insert:

"Sec. 18. [MOSQUITO CONTROL COMMISSION EMPLOYEES.]

Employees of the metropolitan mosquito control commission as of March 1, 1995, may not be terminated by discharge, except for cause, before January 1, 1999. This act does not abrogate or change any rights enjoyed by the employees of the commission under the terms of a collective bargaining agreement that is in effect on March 1, 1995."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete from "requiring" through page 1, line 8, to "assets;"

Page 1, line 9, after the semicolon, insert "regulating employee layoffs by the metropolitan mosquito control district;"

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. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 678:** A bill for an act relating to human services; extending welfare fraud penalties to the Minnesota family investment plan; providing a method of lien enforcement in the AFDC program; expanding the fraud prevention investigation project on a regional basis into counties with smaller AFDC caseloads; establishing the program integrity reinvestment project based on statewide guidelines and performance standards; providing for disqualification in diverted cases; expanding the timeframe for establishing food stamp claims; modifying recovery incentives to allow state sharing in recoveries received through the federal tax revenue offset program; authorizing the use of affidavits of collection without the appointment of a personal representative; revising the protections from income attachments; amending Minnesota Statutes 1994, sections 256.034, subdivision 1; 256.73, subdivision 2; 256.98, subdivisions 1 and 8; 256.983, subdivision 4, and by adding a subdivision; 393.07, subdivision 10; 524.6-207; and 550.37, subdivision 14; 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 12, line 28, delete "to 10" and insert "and 3 to 8" and after the period, insert "Sections 2, 9, and 10 are effective August 1, 1995."

And when so amended the bill do pass and be re-referred to the Committee on Family Services. Amendments adopted. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1350:** A bill for an act relating to agriculture; appropriating money for continuation of certain legal actions against the United States Department of Agriculture.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 6, after "APPROPRIATION" insert "; MARKET ORDERS LEGAL ACTION"

Page 1, after line 12, insert:

"Sec. 2. [APPROPRIATION; MILK MARKETING ECONOMIC STUDIES.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture for purposes of funding economic research studies by the department or by the universities of Minnesota and/or Wisconsin to determine the impacts on the upper midwest dairy industry of reforming or eliminating the federal milk marketing order system."

Amend the title as follows:

Page 1, line 4, before the period, insert "and for funding economic research studies"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 1052:** A bill for an act relating to abuse; conforming domestic abuse definitions; including persons with certain significant relationships; allowing certain minors to petition on their own behalf for orders for protection; modifying petition requirements; providing for subsequent petitions; modifying requirements for alternate service; extending time period for certain domestic abuse arrests; providing for licensure revocation for peace officers convicted of assault; appropriating money; amending Minnesota Statutes 1994, sections 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 611A.31, subdivision 2; 626.843, by adding a subdivision; 629.341, subdivision 1; and 629.72, subdivisions 1, 2, and 6.

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 1994, section 518B.01, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means the following, if committed against a family or household member by a family or household member:

(i) (1) physical harm, bodily injury, or assault, ~~or~~;

(2) the infliction of fear of imminent physical harm, bodily injury or assault, ~~between family or household members~~ without regard to intent; or

(ii) (3) terroristic threats, within the meaning of section 609.713, subdivision 1, or criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, or 609.345, ~~committed against a family or household member by a family or household member.~~

(b) "Family or household members" means:

(1) spouses, and former spouses;

(2) parents and children;

(3) persons related by blood, ~~and~~;

(4) persons who are presently residing together or who have resided together in the past, ~~and~~;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time. ~~"Family or household member" also includes;~~

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time; and

(7) persons involved in a significant romantic or sexual relationship.

Issuance of an order for protection on ~~this~~ the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination."

Page 4, lines 32 and 33, delete the new language

Page 8, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete line 10

Page 1, lines 13 and 14, delete "626.843, by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 699:** A bill for an act relating to property rights; establishing procedures governing



entry of private property by government officials; requiring notice; proposing coding for new law in Minnesota Statutes, chapter 566.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [566.001] [PROCEDURES FOR ENTRY OF PROPERTY BY GOVERNMENT OFFICIALS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Government official" means an employee or agent of the state or a political subdivision of the state.

(c) "Official business" means a government official acting within the scope of employment or other authority granted by the state or a political subdivision of the state.

(d) "Owner" means the record owner, the owner's agent, or lawful occupant of private property or, if the property is used for commercial purposes, the owner of a business or place of employment within the property that is the subject of an inspection or investigation. "Owner" includes a manager or other employee who is operating or in charge of a business or place of employment at the time of the inspection or investigation.

(e) "Peace officer" has the meaning given in section 626.84.

(f) "Private property" means a privately-owned building or land.

Subd. 2. [NOTICE AT TIME OF ENTRY.] (a) On or before the time that a government official enters private property on official business, the government official shall give the owner a written or oral notice that includes:

(1) the government official's name and the government agency or entity that the official represents;

(2) the reason for the entry and the specific statutory or legal authority authorizing the entry; and

(3) the right, if any, of the owner to deny or restrict the entry and the possible consequences of a denial or restriction.

(b) The notice under paragraph (a) must be given to the owner at the time of the entry or as soon as practicable after the time of the entry. Upon request, the government official shall provide proof of identification. The owner has the right to accompany the government official, unless this is not practical or would jeopardize an inspection or investigation. In the case of land that is not occupied by the owner at the time of the entry, a written notice must be mailed to the owner as soon as practicable after the entry. Notice is not required if the government official was not able to conduct an inspection or investigation because the owner was not present or if the owner could not be identified or located.

Subd. 3. [NOTICE AFTER ENTRY.] Upon request of an owner, as soon as practicable, a government official shall provide an oral or written summary of the results of an entry and itemize any property that was seized. This subdivision does not require the release of confidential investigative data under section 13.39 or 13.82.

Subd. 4. [EXCEPTIONS.] (a) Subdivisions 2 and 3 do not apply to the extent that the government official reasonably determines that notice would jeopardize an inspection or investigation, provided that:

(1) the government official is entering property or a portion of property in which the owner has no reasonable expectation of privacy; and

(2) the notices required under subdivisions 2 and 3 are given as soon as practicable after the government official leaves the property, unless the government official determines that notice would jeopardize future inspections or investigations.

(b) Subdivisions 2 and 3 do not apply to:

(1) an entry by a licensed peace officer, except for an entry under chapter 103G, or by a probation officer or corrections agent acting under authority granted by a court or the commissioner of corrections;

(2) government officials acting on behalf of a municipality or municipal power or gas agency that produces or furnishes water, gas, or electric service;

(3) assessors acting under section 273.20 and land surveyors acting under section 117.041 or 505.31;

(4) government officials acting in an emergency situation or in response to a request by an owner;

(5) an entry for purposes of inspecting a building under construction or for a public health hazard abatement procedure;

(6) an entry made only for the purpose of crossing open land or a view of property made without physical entry onto the land; and

(7) an entry for the purpose of the collection of general information not related to the possession or use of the property that is entered, except that notice under subdivision 2 must be given to the owner if the owner is present at the time of the entry.

Subd. 5. [RELATIONSHIP TO OTHER LAWS.] Subdivisions 2 and 3 do not prohibit other law from imposing other requirements on entry of private property by a government official. Subdivisions 2 and 3 do not apply to the extent that other law specifically controls the notice of entry in a manner inconsistent with subdivisions 2 and 3. Nothing in this section authorizes an entry or seizure not otherwise permissible under law.

Subd. 6. [EVIDENCE NOT EXCLUDED.] Observations made or evidence obtained through an investigation or inspection governed by this section may not be excluded as evidence in any proceeding because of the violation of this section.

Subd. 7. [PENALTY.] A government official who knowingly violates this section is guilty of a petty misdemeanor."

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "imposing penalties;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 1153:** A bill for an act relating to courts; increasing the number of trial court judgeships; appropriating money; amending Minnesota Statutes 1994, section 2.722, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 20, insert:

"Sec. 2. Minnesota Statutes 1994, section 2.722, is amended by adding a subdivision to read:

Subd. 4a. [REFEREE VACANCY; CONVERSION TO JUDGESHIP.] When a referee of the district court dies, resigns, retires, or is removed from the position, the chief judge of the district shall notify the supreme court and may petition to request that the position be converted to a judgeship. The supreme court shall determine within 90 days of the petition whether to continue the referee position, order the position abolished, or convert the position to a judgeship in the affected or another judicial district. The supreme court shall certify any judicial vacancy to the governor, who shall fill it in the manner provided by law."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "1" insert ", and by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 1101:** A bill for an act relating to civil proceedings; expanding parties eligible for fees and expenses in certain proceedings involving the state; amending Minnesota Statutes 1994, section 15.471, subdivision 6.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Finance without recommendation. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1414:** A bill for an act relating to agriculture; changing provisions governing ethanol payments; appropriating money; amending Minnesota Statutes 1994, sections 41A.09, subdivision 6, and by adding subdivisions; and 296.02, by adding a subdivision; repealing Minnesota Statutes 1994, sections 41A.09, subdivisions 2, 3, and 5; and 296.02, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 4 and 5, delete section 5

Page 5, line 27, delete "and 5" and insert "5, and 6"

Page 5, line 29, delete "7" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivision"

Page 1, line 5, delete "6, and"

Page 1, line 7, delete "and 5" and insert "5, and 6"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 959:** A bill for an act relating to health; revising the data and research initiatives of MinnesotaCare; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 62J.04, subdivision 3; 62J.06; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.55; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 214.16, subdivisions 2 and 3; and 295.57; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 1994, sections 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; and 62J.45.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 28 and 29, strike "regional and"

Page 2, line 13, strike ", conduct consumer satisfaction surveys,"

Page 2, line 34, delete the new language and strike the old language

Page 2, lines 35 and 36, strike the old language

Page 3, line 1, strike the old language

Page 3, line 2, delete "(9)" and insert "(8)"

Page 3, line 11, delete "(10)" and insert "(9)"

Page 4, line 19, delete "requestors" and insert "requesters"

Page 4, line 32, delete everything after "(a)" and insert ""Health outcomes data" means data used in research designed to identify"

Page 5, lines 25 and 26, delete "62L.02, subdivision 16" and insert "62Q.01, subdivision 4"

Page 5, line 35, delete "data on" and before the comma, insert "data"

Page 6, line 29, delete "state"

Page 6, line 30, delete "in" and insert "under" and after "chapter" insert "62D, 62N," and after "144" insert a comma

Page 7, line 2, delete ", track and trend" and insert "and track"

Page 7, line 3, delete "an" and insert "and"

Page 7, line 7, delete "on-going" and insert "ongoing"

Page 7, line 13, before "and" insert a comma

Page 7, line 23, after "private" insert "data collection" and delete "this is"

Page 7, line 31, delete from "for" through page 7, line 32, to "and"

Page 8, line 12, before "The" insert "(a)"

Page 8, line 20, delete everything after "patients"

Page 8, line 21, delete "of data" and after the period, insert "Patient consent shall not be required for the release of data to the commissioner pursuant to sections 62J.301 to 62J.42 by any group purchaser, health plan company, health care provider; or agent, contractor, or association acting on behalf of a group purchaser or health care provider. Any group purchaser, health plan company, health care provider; or agent, contractor, or association acting on behalf of a group purchaser or health care provider, that releases data to the commissioner in good faith pursuant to sections 62J.301 to 62J.42 shall be immune from civil liability and criminal prosecution.

(b) When a group purchaser, health plan company, or health care provider submits patient identifying data, as defined in section 62J.451, to the commissioner pursuant to sections 62J.301 to 62J.42, and the data is submitted to the commissioner in electronic form, or through other electronic means including, but not limited to, the electronic data interchange system defined in section 62J.451, the group purchaser, health plan company, or health care provider shall submit the patient identifying data in encrypted form, using an encryption method specified by the commissioner. Submission of encrypted data as provided in this paragraph satisfies the requirements of section 144.335, subdivision 3b.

(c)"

Page 8, line 24, delete "plans" and insert "plan companies"

Page 9, lines 19 and 27, delete "linkages" and insert "links"

Page 10, line 28, delete everything after "analysis"

Page 10, line 29, delete everything before the period and after the period, insert "The commissioner may not make public any patient identifying information except as specified in statute."

Page 11, line 19, delete "subject to including" and insert "with"

Page 12, line 33, delete "indicator" and insert "data" and delete "information" and insert "data"

Page 12, lines 34 and 35, delete "indicator" and insert "data"

Page 13, line 33, strike "must" and insert "may" and after "categories" insert "or for other categories required by the commissioner"

Page 14, line 3, delete "The"

Page 14, delete lines 4 to 7

Page 14, line 8, delete "efforts." and delete "shall" and insert "may"

Page 14, line 11, after the comma, insert "and" and delete the second "monitoring"

Page 14, line 12, delete "about" and insert "on"

Page 14, line 14, delete from "integrated" through page 14, line 15, to "carriers" and insert "health plan companies"

Page 14, line 20, delete "integrated service networks" and insert "health plan companies"

Page 14, lines 32 to 35, delete the new language

Page 15, delete lines 7 to 10 and insert:

"(b) For purposes of estimating total health care spending as provided in section 62J.301, subdivision 4, paragraph (c), all local governmental units shall provide expenditure data to the commissioner. The commissioner shall consult with representatives of the affected local government units in establishing definitions, reporting formats, and reporting time frames. As much as possible, the data shall be collected in a manner that ensures that the data collected is consistent with data collected from the private sector and minimizes the reporting burden to local government."

Page 15, line 19, reinstate the stricken language

Page 16, after line 6, insert:

"Sec. 14. Minnesota Statutes 1994, section 62J.41, subdivision 2, is amended to read:

Subd. 2. [ANNUAL MONITORING AND ESTIMATES.] The commissioner shall require health care providers to submit the required data for the period July 1, 1993 to December 31, 1993, by April 1, 1994. Health care providers shall submit data for the 1994 calendar year by April 1, 1995, and each April 1 thereafter shall submit data for the preceding calendar year. The commissioner of revenue may collect health care service revenue data from health care providers, if the commissioner of revenue and the commissioner agree that this is the most efficient method of collecting the data. ~~The commissioner of revenue shall provide any data collected to the commissioner of health~~ commissioners of health and revenue shall have the authority to share data collected pursuant to this section."

Page 16, line 10, delete the first "of" and insert "for"

Page 16, lines 14 and 15, delete "created in this section will" and insert "shall"

Page 17, line 21, delete from ", which" through page 17, line 23, to "62J.452"

Page 18, line 16, delete "Provider or health care provider" and insert "Provider" or "health care provider"

Page 19, lines 18 and 23, delete "linkages" and insert "links"

Page 20, line 1, delete "component's" and insert "components"

Page 20, line 10, delete "linkages" and insert "links"

Page 21, line 34, delete "should" and insert "may"

Page 21, line 35, delete "shall" and insert "may"

Page 22, line 10, delete the second "to" and insert "of"

Page 22, line 15, before "The" insert "(a)"

Page 22, line 19, delete from "The" through page 22, line 26, to "1996."

Page 22, line 34, delete "off-years" and insert "off years"

Page 23, lines 10 and 13, after "raw" insert a comma

Page 23, after line 32, insert:

"(b) The health data institute shall appoint a consumer advisory group which shall consist of 13 individuals, representing enrollees from public and private health plan companies and programs and two uninsured consumers, to advise the health data institute on issues of concern to consumers. The advisory group must have at least one member from each regional coordinating board region of the state. The advisory group expires June 30, 1996."

Page 24, line 27, delete from the second "data" through page 24, line 29, to "institute" and insert "access data under section 62J.452, subdivision 6 or 7"

Page 24, line 36, after "institute" insert "under section 62J.452, subdivision 6 or 7,"

Page 25, line 8, before the period, insert "beginning February 1, 1996"

Page 25, line 12, delete "and"

Page 25, line 17, delete the period and insert "; and"

(3) a description of the actions taken by the health data institute to ensure that the EDI system being established pursuant to section 62J.451, subdivision 3, clause (2), and subdivision 5, protects the confidentiality requirements of this section and other applicable laws."

Page 27, after line 1, insert:

"Subd. 15. [NONLIMITING.] Nothing in this section shall be construed to limit the powers granted to the commissioner of health in chapter 62D, 62N, 144, or 144A."

Page 27, line 17, delete from "collected" through page 27, line 20, to "individuals" and insert "that identify individual patients or industry participants are private data on individuals or nonpublic data, as appropriate"

Page 27, line 29, delete "state law" and insert "statute"

Page 27, line 30, after "data" insert "to the commissioner" and after "chapter" insert "or to the health data institute pursuant to section 62J.451"

Page 27, after line 32, insert:

"(c) When an industry participant submits patient identifying data to the health data institute, and the data is submitted to the health data institute in electronic form, or through other electronic means including, but not limited to, the electronic data interchange system defined in section 62J.451, the industry participant shall submit the patient identifying data in encrypted form, using an encryption method supplied or specified by the health data institute. Submission of encrypted data as provided in this paragraph satisfies the requirements of section 144.335, subdivision 3b."

Page 27, line 33, delete "(c)" and insert "(d)"

Page 27, line 35, delete "(d)" and insert "(e)"

Page 28, line 4, delete "(e)" and insert "(f)"

Page 28, line 6, delete "(f)" and insert "(g)"

Page 28, line 35, after "analysis" insert "or the data used in the analysis"

Page 28, line 36, delete everything after "consider" and insert "and determine, in accordance with policies and criteria developed by the health data institute, that the data and analysis are sufficiently accurate, complete, reliable, valid, and as appropriate, case-mixed and severity adjusted, and statistically and clinically significant."

Page 29, delete lines 1 to 3

Page 30, lines 4 and 5, delete "to have access"

Page 30, line 18, delete "will" and insert "shall"

Page 30, line 33, delete "date" and insert "data"

Page 30, line 34, after "data" insert "are"

Page 31, line 24, delete "also"

Page 31, line 27, delete "that that" and insert "than the industry participant"

Page 31, line 36, delete "paragraph" and insert "subdivision"

Page 32, line 4, delete "also" and before "participant" insert "industry"

Page 32, line 10, delete "that is"

Page 32, line 21, delete "fair" and after "insurance" insert "fair"

Page 32, line 22, delete "thereto" and insert "to it"

Page 32, line 26, before "Notwithstanding" insert "(a)"

Page 32, line 27, delete "paragraph (a),"

Page 32, line 33, after the period, insert:

"(b) Data provided by the commissioner pursuant to paragraph (a) of this subdivision may not include patient identifying data as defined in section 62J.451, subdivision 2, paragraph (1). For data provided by the commissioner of health pursuant to paragraph (a), the health data institute and anyone receiving the data from the health data institute, is prohibited from unencrypting or attempting to link the data with other patient identifying data sources.

(c)" and delete "such"

Page 32, line 34, after "institute" insert "pursuant to paragraph (a)" and delete "in" and insert "with the state agency or political subdivision"

Page 32, line 35, delete "the hands of the entity" and delete "provide" and insert "provided"

Page 33, after line 1, insert:

"(d) Notwithstanding any limitation in chapter 13 or sections 62J.451 and 62J.452 regarding the disclosure of nonpublic and private data, the health data institute may provide nonpublic and private data to any state agency that is a member of the board of the health data institute. Any such data provided to a state agency shall retain nonpublic or private classification, as applicable."

Page 33, line 6, after "by" insert "any"

Page 33, line 10, delete "committed to" and insert "under"

Page 33, line 21, delete "or 6" and insert "6; or 7"

Page 33, line 33, delete "evident" and insert "evidence"

Page 33, line 35, after "the" insert "health"

Page 34, line 1, delete "it"

Page 34, line 8, after "include" insert a comma and after "to" insert a comma

Page 34, after line 10, insert:

"Sec. 17. Minnesota Statutes 1994, section 62J.54, is amended to read:

**62J.54 [IDENTIFICATION AND IMPLEMENTATION OF UNIQUE IDENTIFIERS.]**

Subdivision 1. [UNIQUE IDENTIFICATION NUMBER FOR HEALTH CARE PROVIDER ORGANIZATIONS.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify health care provider organizations, except as provided in paragraph (d).

(b) Following the recommendation of the workgroup for electronic data interchange, the federal tax identification number assigned to each health care provider organization by the Internal Revenue Service of the Department of the Treasury shall be used as the unique identification number for health care provider organizations.

(c) The unique health care provider organization identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the Medicaid Management Information System or the uniform provider identification number (UPIN) assigned by the Health Care Financing Administration.

Subd. 2. [UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify an individual health care provider, except as provided in paragraph (d).

(b) The uniform provider identification number (UPIN) assigned by the Health Care Financing Administration shall be used as the unique identification number for individual health care providers. Providers who do not currently have a UPIN number shall request one from the health care financing administration.

(c) The unique individual health care provider identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the Medicaid Management Information System or the uniform provider identification number (UPIN) assigned by the health care financing administration.

Subd. 3. [UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify group purchasers.

(b) The federal tax identification number assigned to each group purchaser by the Internal Revenue Service of the Department of the Treasury shall be used as the unique identification number for group purchasers. This paragraph applies until the codes described in paragraph (c) are available and feasible to use, as determined by the commissioner.



(c) A two-part code, consisting of 11 characters and modeled after the National Association of Insurance Commissioners company code shall be assigned to each group purchaser and used as the unique identification number for group purchasers. The first six characters, or prefix, shall contain the numeric code, or company code, assigned by the National Association of Insurance Commissioners. The last five characters, or suffix, which is optional, shall contain further codes that will enable group purchasers to further route electronic transaction in their internal systems.

(d) The unique group purchaser identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

Subd. 4. [UNIQUE PATIENT IDENTIFICATION NUMBER.] (a) On and after January 1, 1996 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify each patient who receives health care services in Minnesota, except as provided in paragraph (e).

(b) Except as provided in paragraph (d), following the recommendation of the workgroup for electronic data interchange, the social security number of the patient shall be used as the unique patient identification number.

(c) The unique patient identification number shall be used by group purchasers and health care providers for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The commissioner shall develop an alternate numbering system for patients who do not have or refuse to provide a social security number. This provision does not require that patients provide their social security numbers and does not require group purchasers or providers to demand that patients provide their social security numbers. Group purchasers and health care providers shall establish procedures to notify patients that they can elect not to have their social security number used as the unique patient identification number.

(e) The state and federal health care programs administered by the department of human services shall use the unique person master index (PMI) identification number assigned to clients participating in programs administered by the department of human services."

Page 34, line 16, strike "6" and insert "1"

Page 34, after line 30, insert:

"Sec. 19. Minnesota Statutes 1994, section 62J.58, is amended to read:

62J.58 [IMPLEMENTATION OF STANDARD TRANSACTION SETS.]

Subdivision 1. [CLAIMS PAYMENT.] ~~(a) By July 1, 1995 Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic transfer of payment information.~~

~~(b) By July 1, 1996, and all category II industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic submission of payment information to health care providers.~~

Subd. 2. [CLAIMS SUBMISSION.] ~~Beginning July 1, 1995 Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I and category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 837 health care claim transaction set (draft standard for trial use version 3030) for the electronic transfer of health care claim information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning July 1, 1996.~~

Subd. 3. [ENROLLMENT INFORMATION.] ~~Beginning January 1, 1996 Six months from the~~

date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I and category II industry participants, excluding pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 834 health care enrollment transaction set (draft standard for trial use version 3030) for the electronic transfer of enrollment and health benefit information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 4. [ELIGIBILITY INFORMATION.] ~~By January 1, 1996~~ Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I and category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 270/271 health care eligibility transaction set (draft standard for trial use version 3030) for the electronic transfer of health benefit eligibility information. ~~Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.~~

Subd. 5. [APPLICABILITY.] This section does not require a group purchaser, health care provider, or employer to use electronic data interchange or to have the capability to do so. This section applies only to the extent that a group purchaser, health care provider, or employer chooses to use electronic data interchange."

Page 36, line 24, after the period, insert "The commissioners of health and human services shall have the authority to collect data from health plan companies as needed for the purposes of developing a risk adjustment mechanism for public programs."

Page 36, delete section 19

Page 38, line 32, delete from "The" through page 39, line 7, to "commissioners." and insert "The commissioners of health and commerce shall have the authority to approve or reject the plan of operation."

Page 39, line 24, delete "to maintain protection from antitrust law,"

Page 39, line 28, delete everything after "by" and insert "an"

Page 39, line 30, delete everything before "for" and insert "shall have the authority to audit and examine data collected by the association"

Page 39, line 31, delete everything before the period and insert "the purposes of the development and implementation of the risk adjustment system"

Page 39, line 34, delete "collected" and insert "obtained by the commissioner"

Page 40, line 12, delete "review and" and after "approve" insert "or reject"

Page 40, line 20, delete "review and" and after "approve" insert "or reject"

Page 40, line 22, after "approve" insert "or reject"

Page 40, after line 23, insert:

"If the commissioners reject any of the plans identified in clauses (1), (4), and (5) of this subdivision, the directors shall submit for review an appropriate revised plan within 30 days."

Page 42, line 2, before "The" insert "(a)"

Page 42, line 3, after "institute" insert ", where applicable,"

Page 42, line 4, delete "next" and insert "1996" and delete the second "the" and after the period, insert:

"(b) The revisor of statutes is instructed to change any statutory reference to the information clearinghouse from Minnesota Statutes, section 62J.33 or 62J.33, subdivision 2, to 62J.2930, in the 1996 edition of Minnesota Statutes and Minnesota Rules."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision 1" and insert "subdivisions 1 and 2" and before "62J.55" insert "62J.54;"

Page 1, line 7, before "62Q.03" insert "62J.58;"

And when so amended the bill do pass and be re-referred to the Committee on Health Care. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**H.F. No. 496:** A bill for an act relating to education; providing for disclosure of past buyout arrangements by superintendents to be; amending Minnesota Statutes 1994, section 123.34, 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 1994, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] (a) Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers, and independent contractors of a state agency, statewide system, or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training background; previous work experience; date of first and last employment; the existence and status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body; the terms of any agreement settling any dispute arising out of ~~the~~ an employment relationship or of a buyout agreement, as defined in section 123.34, subdivision 9a, paragraph (a); work location; a work telephone number; badge number; honors and awards received; payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data; and city and county of residence.

(b) For purposes of this subdivision, a final disposition occurs when the state agency, statewide system, or political subdivision makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the state agency, statewide system, political subdivision, or arbitrator.

(c) The state agency, statewide system, or political subdivision may display a photograph of a current or former employee to a prospective witness as part of the state agency's, statewide system's, or political subdivision's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a state agency, statewide system, or political subdivision in connection with a complaint or charge against an employee.

Sec. 2. Minnesota Statutes 1994, section 123.34, is amended by adding a subdivision to read:

Subd. 9a. [DISCLOSE PAST BUYOUTS OR CONTRACT IS VOID.] (a) For the purposes of paragraph (b), a "buyout agreement" is any agreement under which a person employed as a superintendent left the position before the term of the contract was over and received a sum of money, something else of value, or the right to something of value for some purpose other than performing the services of a superintendent.

(b) Before a person may enter into a superintendent's contract with a school board, the candidate shall disclose in writing the existence and terms of any previous buyout agreement, including amounts and the purpose for the payments, relating to a superintendent's contract with another school board. A disclosure made under this paragraph is public data.

(c) The superintendent's contract of a person who fails to make a timely disclosure under paragraph (b) is void.

### Sec. 3. [EFFECTIVE DATE.]

Section 2 applies to initial contracts to take effect on or after July 1, 1995, between a school district and a person not employed as the superintendent in the hiring district on June 30, 1995."

Delete the title and insert:

"A bill for an act relating to education; providing for disclosure of past buyout arrangements by superintendents to be; providing public access to the terms of buyout agreements; amending Minnesota Statutes 1994, sections 13.43, subdivision 2; and 123.34, by adding a subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

### **Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 1055:** A bill for an act relating to occupations and professions; exempting certain social workers from requirement to obtain home care provider license; exempting some social workers employed in a hospital or nursing home from examination; modifying licensure requirements; requiring hospital and nursing home social workers to be licensed; amending Minnesota Statutes 1994, sections 144A.46, subdivision 2; 148B.23, subdivisions 1 and 2; 148B.27, subdivision 2, and by adding a subdivision; and 148B.60, subdivision 3; repealing Minnesota Statutes 1994, sections 148B.23, subdivision 1a; and 148B.28, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 34, delete "1995" and insert "1996"

Page 6, line 2, delete "the" and insert "a" and delete everything after "hospital"

Page 6, delete lines 3 to 7 and insert "licensed under chapter 144."

Page 7, line 10, delete "1" and insert "15"

And when so amended the bill do pass. Amendments adopted. Report adopted.

### **Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 990:** A bill for an act relating to human services; changing absent parent's liability for child support; adding provisions relating to recognition of parentage; adding provisions for administrative proceedings; adding provisions for child support collection; amending Minnesota Statutes 1994, sections 256.87, subdivision 5; 257.34, subdivision 1; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.611, subdivision 5; 518.64, by adding a subdivision; and 595.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 257; and 518; repealing Minnesota Statutes 1994, section 518.64, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RECOGNITION OF PARENTAGE

Section 1. Minnesota Statutes 1994, section 256.87, subdivision 5, is amended to read:

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A person or entity having physical custody of a dependent child not receiving assistance under sections 256.031 to 256.0361, or 256.72 to 256.87 has a cause of action for child support against the child's absent parents. Upon a motion served on the absent parent, the court shall order child support payments from the absent parent under chapter 518. The absent parent's liability may include up to the two years immediately preceding the commencement of the action. This subdivision applies only if the person or entity has physical custody with the consent of a custodial parent or approval of the court.

Sec. 2. Minnesota Statutes 1994, section 257.34, subdivision 1, is amended to read:

Subdivision 1. [ACKNOWLEDGMENT BY PARENTS.] The mother and father 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 may, in a writing signed by both of them before a notary public, declare and acknowledge under oath that they are the biological parents of the child. The declaration may provide that any such child born to the mother at any time before ~~or up to ten months after~~ the date of execution of the declaration is the biological child of the signatories. Execution of the declaration shall:

(a) have the same consequences as an acknowledgment by the signatories of parentage of the child for the purposes of sections 62A.041 and 62C.14, subdivision 5a;

(b) be conclusive evidence that the signatories are parents of the child for the purposes of sections 176.111, 197.75, and 197.752;

(c) create a presumption that the signatory is the biological father of the child for the purposes of sections 257.51 to 257.74;

(d) when timely filed with the division of vital statistics of the Minnesota department of health as provided in section 259.51, qualify as an affidavit stating the intention of the signatories to retain parental rights as provided in section 259.51 if it contains the information required by section 259.51 or rules promulgated thereunder;

(e) have the same consequences as a writing declaring paternity of the child for the purposes of section 524.2-109; and

(f) be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.

Sec. 3. Minnesota Statutes 1994, section 257.34, is amended by adding a subdivision to read:

Subd. 4. [EXPIRATION OF AUTHORITY FOR DECLARATIONS.] An acknowledgment of parentage under this section may not be entered into on or after August 1, 1995. The mother and father 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 may execute a recognition of parentage under section 257.75.

Sec. 4. Minnesota Statutes 1994, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child;

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) Evidence of statistical probability of paternity based on blood testing establishes the likelihood that he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;

(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision; or

(h) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75; or

(i) He and the child's biological mother executed a recognition of parentage in accordance with section 257.75 when either or both of the signatories were less than 18 years of age.

Sec. 5. Minnesota Statutes 1994, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (d), (e), (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within three years after the date of the execution of the declaration or recognition of parentage; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years

after the party bringing the action, or the party's attorney of record, has been provided the blood test results; or

(4) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.75, subdivision 9, only if the action is brought by the minor signatory within six months after the minor signatory reaches the age of 18. In the case of a recognition of parentage executed by two minor signatories, the action to declare the nonexistence of the father and child relationship must be brought within six months after the youngest signatory reaches the age of 18.

Sec. 6. Minnesota Statutes 1994, section 257.60, is amended to read:

257.60 [PARTIES.]

The child may be made a party to the action. If the child is a minor and is made a party, a general guardian or a guardian ad litem shall be appointed by the court to represent the child. The child's mother or father may not represent the child as guardian or otherwise. The biological mother, each man presumed to be the father under section 257.55, and each man alleged to be the biological father, shall be made parties or, if not subject to the jurisdiction of the court, shall be given notice of the action in a manner prescribed by the court and shall be given an opportunity to be heard. The public agency responsible for support enforcement is joined as a party in each case in which rights are assigned under section 256.74, subdivision 5, and in each case in which the public agency is providing services pursuant to an application for child support services. A person who may bring an action under section 257.57 may be made a party to the action. The court may align the parties. The child shall be made a party whenever:

(1) the child is a minor and the case involves a compromise under section 257.64, subdivision 1, or a lump sum payment under section 257.66, subdivision 4, in which case the commissioner of human services shall also be made a party subject to department of human services rules relating to paternity suit settlements; or

(2) the child is a minor and the action is to declare the nonexistence of the father and child relationship; or

(3) an action to declare the existence of the father and child relationship is brought by a man presumed to be the father under section 257.55, or a man who alleges to be the father, and the mother of the child denies the existence of the father and child relationship.

Sec. 7. Minnesota Statutes 1994, section 257.75, subdivision 3, is amended to read:

Subd. 3. [EFFECT OF RECOGNITION.] Subject to subdivision 2 and section 257.55, subdivision 1, paragraph (g) or (h), the recognition has the force and effect of a judgment or order determining the existence of the parent and child relationship under section 257.66. If the conditions in section 257.55, subdivision 1, paragraph (g) or (h), exist, the recognition creates only a presumption of paternity for purposes of sections 257.51 to 257.74. Until an order is entered granting custody to another, the mother has sole custody. The recognition is:

(1) a basis for bringing an action to award custody or visitation rights to either parent, establishing a child support obligation which may include up to the two years immediately preceding the commencement of the action, ordering a contribution by a parent under section 256.87, or ordering a contribution to the reasonable expenses of the mother's pregnancy and confinement, as provided under section 257.66, subdivision 3, or ordering reimbursement for the costs of blood or genetic testing, as provided under section 257.69, subdivision 2;

(2) determinative for all other purposes related to the existence of the parent and child relationship; and

(3) entitled to full faith and credit in other jurisdictions.

Sec. 8. [257.651] [DEFAULT ORDER OF PARENTAGE.]

In an action to determine the existence of the father and child relationship under sections 257.51 to 257.74, if the alleged father fails to appear at a hearing after service duly made and proved, the court shall enter a default judgment or order of paternity.

Sec. 9. Minnesota Statutes 1994, section 257.67, subdivision 1, is amended to read:

Subdivision 1. If existence of the parent and child relationship is declared, or parentage or a duty of support has been acknowledged or adjudicated under sections 257.51 to 257.74 or under prior law, the obligation of the noncustodial parent may be enforced in the same or other proceedings by the custodial parent, the child, the public authority that has furnished or may furnish the reasonable expenses of pregnancy, confinement, education, support, or funeral, or by any other person, including a private agency, to the extent that person has furnished or is furnishing these expenses. Full faith and credit shall be given to a determination of paternity made by another state, whether established through voluntary acknowledgment or through administrative or judicial processes.

Sec. 10. Minnesota Statutes 1994, section 257.75, is amended by adding a subdivision to read:

Subd. 9. [EXECUTION BY A MINOR PARENT.] A recognition of parentage executed and filed in accordance with this section by a minor parent creates a presumption of paternity for the purposes of sections 257.51 to 257.74.

Sec. 11. [518.255] [PROVISION OF LEGAL SERVICES BY THE PUBLIC AUTHORITY.]

The provision of services under the child support enforcement program that includes services by an attorney or an attorney's representative employed by, under contract to, or representing the public authority does not create an attorney-client relationship with any party other than the public authority. Attorneys employed by or under contract with the public authority have an affirmative duty to inform applicants and recipients of services in writing under the child support enforcement program that no attorney-client relationship exists between the attorney and the applicant or recipient. The written notice must inform the individual applicant or recipient of services that no attorney-client relationship exists between the attorney and the applicant or recipient, the rights of the individual as a subject of data under section 13.04, subdivision 2, and that the individual has a right to have an attorney represent the individual. This section applies to all legal services provided by the child support enforcement program.

## ARTICLE 2

### CHILD SUPPORT PROCEDURES

Section 1. Minnesota Statutes 1994, section 518.5511, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and parentage orders and modify maintenance if combined with a child support proceeding. All laws governing these actions apply insofar as they are not inconsistent with the provisions of this section and section 518.5512. Wherever other laws are inconsistent with this section and section 518.5512, the provisions in this section and section 518.5512 shall apply.

(b) All proceedings for obtaining, modifying, or enforcing child and medical support orders and modifying maintenance orders if combined with a child support proceeding, are required to be conducted in the administrative process when the public authority is a party or provides services to a party or parties to the proceedings. At county option, the administrative process may include contempt motions or actions to establish parentage. Nothing contained herein shall prevent a party, upon timely notice to the public authority, from commencing an action or bringing a motion for the establishment, modification, or enforcement of child support or modification of maintenance orders if combined with a child support proceeding in district court, if additional issues involving domestic abuse, establishment or modification of custody or visitation, property issues, or other issues outside the jurisdiction of the administrative process, are part of the motion or action, or from proceeding with a motion or action brought by another party containing one or more of these issues if it is pending in district court.

(c) A party may make a written request to the public authority to initiate an uncontested administrative proceeding. If the public authority denies the request, the public authority shall issue a summary ~~order~~ notice which denies the request for relief, states the reasons for the denial, and notifies the party of the right to commence an action for relief. If the party commences an action or serves and files a motion within 30 days after the public authority's denial and the



party's action results in a modification of a child support order, the modification may be retroactive to the date the written request was received by the public authority.

(d) After August 1, 1994, all counties shall participate in the administrative process established in this section in accordance with a statewide implementation plan to be set forth by the commissioner of human services. No county shall be required to participate in the administrative process until after the county has been trained. The implementation plan shall include provisions for training the counties by region no later than July 1, 1995.

(e) For the purpose of the administrative process, all powers, duties, and responsibilities conferred on judges of district court to obtain and enforce child and medical support and parentage and maintenance obligations, subject to the limitations of this section are conferred on administrative law judges, including the power to issue subpoenas, orders to show cause, and bench warrants for failure to appear.

The administrative law judge has the authority to approve parentage orders that contain uncontested custody and visitation provisions.

Sec. 2. Minnesota Statutes 1994, section 518.5511, subdivision 2, is amended to read:

Subd. 2. [UNCONTESTED ADMINISTRATIVE PROCEEDING.] (a) A party may petition the chief administrative law judge, the chief district court judge, or the chief family court referee to proceed immediately to a contested hearing upon good cause shown.

(b) The public authority shall give the parties written notice requesting the submission of information necessary for the public authority to prepare a proposed ~~child support~~ order. The written notice shall be sent by first class mail to the parties' last known addresses. The written notice shall describe the information requested, state the purpose of the request, state the date by which the information must be postmarked or received (which shall be at least 30 days from the date of the mailing of the written notice), state that if the information is not postmarked or received by that date, the public authority will prepare a proposed order on the basis of the information available, and identify the type of information which will be considered.

(c) Following the submission of information or following the date when the information was due, the public authority shall, on the basis of all information available, complete and sign a proposed ~~child support~~ order and notice. In preparing the proposed ~~child support~~ order, the public authority will establish child support in the highest amount permitted under section 518.551, subdivision 5. The proposed order shall include written findings in accordance with section 518.551, subdivision 5, clauses (i) and (j). The notice shall state that the proposed ~~child support~~ order will be entered as a final and binding default order unless one of the parties requests a conference under subdivision 3 within 14 days following the date of service of the proposed ~~child support~~ order. The method for requesting the conference shall be stated in the notice. The notice and proposed ~~child support~~ order shall be served under the rules of civil procedure. For the purposes of the contested hearing, and notwithstanding any law or rule to the contrary, the service of the proposed order pursuant to this paragraph shall be deemed to have commenced a proceeding and the judge, including an administrative law judge or a referee, shall have jurisdiction over the contested hearing.

(d) If a conference under subdivision 3 is not requested by a party within 14 days after the date of service of the proposed ~~child support~~ order, the public authority may ~~enter~~ submit the proposed order as the default order. The default order becomes ~~effective 30 days after the date of service of the notice in paragraph (c)~~ enforceable upon signature by an administrative law judge or district court judge or referee. The public authority may also prepare and serve a new notice and proposed ~~child support~~ order if new information is subsequently obtained. The default ~~child support~~ order shall be a final order, and shall be served under the rules of civil procedure.

(e) The public authority shall file in the district court copies of all notices served on the parties, proof of service, and all orders.

Sec. 3. Minnesota Statutes 1994, section 518.5511, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE CONFERENCE.] (a) If a party requests a conference within 14

days of the date of service of the proposed order, the public authority shall schedule a conference, and shall serve written notice of the date, time, and place of the conference on the parties.

(b) The purpose of the conference is to review all available information and seek an agreement to enter a consent ~~child support~~ order. The notice shall state the purpose of the conference, and that the proposed ~~child support~~ order will be entered as a final and binding default order if the requesting party fails to appear at the conference. The notice shall be served on the parties by first class mail at their last known addresses, and the method of service shall be documented in the public authority file.

(c) A party alleging domestic abuse by the other party shall not be required to participate in a conference. In such a case, the public authority shall meet separately with the parties in order to determine whether an agreement can be reached.

(d) If the party requesting the conference does not appear and fails to provide a written excuse (with supporting documentation if relevant) to the public authority within seven days after the date of the conference which constitutes good cause, the public authority may enter a default ~~child support~~ order through the uncontested administrative process. The public authority shall not enter the default order until at least seven days after the date of the conference.

For purposes of this section, misrepresentation, excusable neglect, or circumstances beyond the control of the person who requested the conference which prevented the person's appearance at the conference constitutes good cause for failure to appear. If the public authority finds good cause, the conference shall be rescheduled by the public authority and the public authority shall send notice as required under this subdivision.

(e) If the parties appear at the conference, the public authority shall seek agreement of the parties to the entry of a consent ~~child support~~ order which establishes child support in accordance with applicable law. The public authority shall advise the parties that if a consent order is not entered, the matter will be scheduled for a hearing before an administrative law judge, or a district court judge or referee, and that the public authority will seek the establishment of child support at the hearing in accordance with the highest amount permitted under section 518.551, subdivision 5. If an agreement to enter the consent order is not reached at the conference, the public authority shall schedule the matter ~~before an administrative law judge, district court judge, or referee for a contested hearing.~~

(f) If an agreement is reached by the parties at the conference, a consent ~~child support~~ order shall be prepared by the public authority, and shall be signed by the parties. All consent and default orders shall be signed by the nonattorney employee of the public authority and shall be submitted to an administrative law judge or the district court for ~~countersignature approval and signature.~~ The order is ~~effective enforceable upon the signature by the administrative law judge or the district court and is retroactive to the date of signature by the nonattorney employee of the public authority.~~ The consent order shall be served on the parties under the rules of civil procedure.

Sec. 4. Minnesota Statutes 1994, section 518.5511, subdivision 4, is amended to read:

Subd. 4. [CONTESTED ADMINISTRATIVE PROCEEDING.] ~~(a) The commissioner of human services is authorized to designate counties to use the contested administrative hearing process based upon federal guidelines for county performance. The contested administrative hearing process may also be initiated upon request of a county board. The administrative hearing process shall be implemented in counties designated by the commissioner. All counties shall participate in the contested administrative process established in this section as designated in a statewide implementation plan to be set forth by the commissioner of human services. No county may be required to participate in the contested administrative process until after the county has been trained. The contested administrative process must be in operation in all counties except Hennepin by July 1, 1996.~~

A Hennepin county pilot program shall be jointly planned, implemented, and evaluated by the department of human services, the office of administrative hearings, the fourth judicial district court, and Hennepin county and be in operation by July 1, 1996. The pilot program shall provide that one-half of the case load use the contested administrative process. The pilot program shall

include an evaluation which shall be conducted after one year of program operation. A preliminary evaluation report shall be submitted by the commissioner to the legislature by March 1, 1997. A final evaluation report shall be submitted by the commissioner to the legislature by January 1, 1998. The pilot program shall continue pending final decision by the legislature, or until the commissioner determines that Hennepin county will not participate in the contested administrative process.

In counties designated by the commissioner, contested hearings required under this section shall be scheduled before administrative law judges, and shall be conducted in accordance with the provisions under this section. In counties not designated by the commissioner, contested hearings shall be conducted in district court in accordance with the rules of civil procedure and the rules of family court.

(b) An administrative law judge may conduct hearings and approve a stipulation reached on a contempt motion brought by the public authority. 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 court 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 and maintenance obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue subpoenas, to issue orders to show cause, and to issue bench warrants for failure to appear. A party, witness, or attorney may appear or testify by telephone, audiovisual means, or other electronic means, at the discretion of the administrative law judge.

(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, the county court administrator, and the county sheriff shall jointly establish procedures, and the county shall provide hearing facilities for implementing this process in the county. A contested administrative hearing shall be conducted in a courtroom, if one is available, or a conference or meeting room with at least two exits and of sufficient size to permit adequate physical separation of the parties. The court administrator shall provide administrative support for the contested hearing. Security personnel shall either be present during the administrative hearings, or be available to respond to a request for emergency assistance.

(e) The contested administrative hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.5275, 1400.5500, 1400.6000 to 1400.6400, 1400.6600 to 1400.7000, 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, and 1400.8100, as adopted by the chief administrative law judge.

For matters not initiated under section 518.5511, subdivision 2, documents from the moving party shall be served and filed at least 14 days prior to the hearing and the opposing party shall serve and file documents raising new issues at least ten days prior to the hearing. In all contested administrative proceedings, the administrative law judge may limit the extent and timing of discovery. Except as provided under this section, 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.

(f) Pursuant to a contested administrative hearing, 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 may be enforceable by the contempt powers of the district courts.

(g) At the time the matter is scheduled for a contested hearing, the public authority shall file in the district court copies of all relevant documents sent to or received from the parties, in addition to the documents filed under subdivision 2, paragraph (e). For matters scheduled for a contested hearing which were not initiated under section 518.5511, subdivision 2, the public authority shall obtain any income information available to the public authority through the department of economic security and serve this information on all parties and file the information with the court at least five days prior to the hearing.

(h) 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. 5. Minnesota Statutes 1994, section 518.5511, subdivision 5, is amended to read:

Subd. 5. [NONATTORNEY AUTHORITY.] Nonattorney employees of the public authority responsible for child support may prepare, sign, serve, and file complaints, motions, notices, summary orders, notices, proposed orders, default orders, and consent orders for obtaining, modifying, or enforcing child and medical support orders, orders establishing paternity, and related documents, and orders to modify maintenance if combined with a child support order. The nonattorney may also conduct prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law. Nonattorney employees may not represent the interests of any party other than the public authority, and may not give legal advice to any party.

Sec. 6. Minnesota Statutes 1994, section 518.5511, subdivision 7, is amended to read:

Subd. 7. [PUBLIC AUTHORITY LEGAL ADVISOR.] At all stages of the administrative process ~~prior to the contested hearing~~, the county attorney, or other attorney under contract, shall act as the legal advisor for the public authority, but shall not play an active role in the review of information ~~and~~, the preparation of default and consent orders, and the contested hearings unless the nonattorney employee of the public authority requests the appearance of the county attorney.

Sec. 7. Minnesota Statutes 1994, section 518.5511, subdivision 9, is amended to read:

Subd. 9. [TRAINING AND RESTRUCTURING.] (a) The commissioner of human services, in consultation with the office of administrative hearings, shall be responsible for the supervision of the administrative process. The commissioner of human services shall provide training to child support officers and other employees of the public authority persons involved in the administrative process. The commissioner of human services shall prepare simple and easy to understand forms for all notices and orders prescribed in this subdivision section, and the public authority shall use them.

(b) The office of administrative hearings shall be responsible for training and monitoring the performance of administrative law judges, maintaining records of proceedings, providing transcripts upon request, and maintaining the integrity of the district court file.

Sec. 8. [518.5512] [ADMINISTRATIVE PROCEDURES FOR CHILD AND MEDICAL SUPPORT ORDERS AND PARENTAGE ORDERS.]

Subdivision 1. [GENERAL.] The provisions of this section apply to actions conducted in the administrative process pursuant to section 518.5511.

Subd. 2. [PATERNITY.] (a) A nonattorney employee of the public authority may request an administrative law judge or the district court to order the child, mother, or alleged father to submit to blood or genetic tests. The order is effective when signed by an administrative law judge or the district court. Failure to comply with the order for blood or genetic tests may result in a default determination of parentage.

(b) If parentage is contested at the administrative hearing, the administrative law judge may order temporary child support under section 257.62, subdivision 5, and shall refer the case to the district court.

(c) The district court may appoint counsel for an indigent alleged father only after the return of the blood or genetic test results from the testing laboratory.

Subd. 3. [COST-OF-LIVING ADJUSTMENT.] The notice of application for adjustment shall be treated as a proposed order under section 518.5511, subdivision 2, paragraph (c). The public authority shall stay the adjustment of support upon receipt of a request for an administrative conference. An obligor requesting an administrative conference shall provide all relevant information that establishes an insufficient increase in income to justify the adjustment of the support obligation. If the obligor fails to submit any evidence at the administrative conference, the cost-of-living adjustment will immediately go into effect.

### ARTICLE 3

### CHILD SUPPORT COLLECTION

Section 1. Minnesota Statutes 1994, section 518.611, subdivision 5, is amended to read:

Subd. 5. [ARREARAGE ORDER.] Nothing in this section shall prevent the court from ordering the payor of funds to withhold amounts to satisfy the obligor's previous arrearage in child support or maintenance payments, the obligor's liability for reimbursement of child support or of public assistance pursuant to sections 256.87 and 257.66, for pregnancy and confinement expenses and for blood test costs, and any service fees that may be imposed under section 518.551. This remedy shall not operate to exclude availability of other remedies to enforce judgments.

Sec. 2. Minnesota Statutes 1994, section 518.64, subdivision 4, is amended to read:

Subd. 4. Unless otherwise agreed in writing or expressly provided in the order, provisions for the support of a child are not terminated by ~~emancipation of the child but not~~ by the death of a parent obligated to support the child. When a parent obligated to pay support dies, the amount of support may be modified, revoked, or commuted to a lump sum payment, to the extent just and appropriate in the circumstances.

Sec. 3. Minnesota Statutes 1994, section 518.64, is amended by adding a subdivision to read:

Subd. 4a. [AUTOMATIC TERMINATION OF SUPPORT.] (a) Unless a court order provides otherwise, a child support obligation in a specific amount per child terminates automatically and without any action by the obligor to reduce, modify, or terminate the order upon the emancipation of the child as provided under section 518.54, subdivision 2.

(b) A child support obligation for two or more children that is not a support obligation in a specific amount per child continues in the full amount until the emancipation of the last child for whose benefit the order was made, or until further order of the court.

(c) The obligor may request a modification of his or her child support order upon the emancipation of a child if there are still minor children under the order. The child support obligation shall be determined based on the income of the parties at the time the modification is sought. The court may provide that a modification order made under this paragraph is effective as of the date that the child was emancipated.

Sec. 4. [REPEALER.]

Minnesota Statutes 1994, section 518.64, subdivision 6, is repealed.

Sec. 5. [EFFECTIVE DATE.]

This act is effective August 1, 1995."

Delete the title and insert:

"A bill for an act relating to human services; changing absent parent's liability for child support; adding provisions relating to recognition of parentage; adding provisions for administrative proceedings; adding provisions for child support collection; amending Minnesota Statutes 1994, sections 256.87, subdivision 5; 257.34, subdivision 1, and by adding a subdivision; 257.55, subdivision 1; 257.57, subdivision 2; 257.60; 257.67, subdivision 1; 257.75, subdivision 3, and by adding a subdivision; 518.5511, subdivisions 1, 2, 3, 4, 5, 7, and 9; 518.611, subdivision 5; and 518.64, subdivision 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 257 and 518; repealing Minnesota Statutes 1994, section 518.64, subdivision 6."

And when so amended the bill do pass and be re-referred to the Committee on Family Services. Amendments adopted. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 598:** A bill for an act relating to civil actions; limiting the liability of grocery stores and delicatessens as food donors to the elderly or needy; amending Minnesota Statutes 1994, section 604A.10, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, after "delicatessen," insert "convenience store,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1159:** A bill for an act relating to state government; requiring notice to the commissioner of agriculture and certain other actions before an agency adopts or repeals rules that affect farming operations; amending Minnesota Statutes 1994, sections 14.11, by adding a subdivision; and 116.07, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1421:** A bill for an act relating to local government; providing civil and criminal immunity to persons who operate or use ranges; protecting ranges from planning and zoning laws and ordinances; limiting closings of ranges and providing for relocation costs; proposing coding for new law in Minnesota Statutes, chapter 500; proposing coding for new law as Minnesota Statutes, chapter 87A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [87A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 87A.01 to 87A.04.

Subd. 2. [PERSON.] "Person" means an individual, proprietorship, partnership, corporation, club, or other legal entity.

Subd. 3. [SHOOTING RANGE OR RANGE.] "Shooting range" or "range" means an area or facility designed and operated for the use of firearms or archery.

Subd. 4. [GENERALLY ACCEPTED OPERATION PRACTICES.] "Generally accepted operation practices" means those practices adopted by emergency and permanent rules of the commissioner of natural resources for shooting ranges. In developing the practices, the commissioner shall consider all information reasonably available regarding the safe operation of shooting ranges, including practices established by a nationally recognized nonprofit membership organization that provides voluntary firearm safety programs that include training individuals in the safe handling and use of firearms, which practices are developed with consideration of all information reasonably available regarding the operation of shooting ranges. The generally accepted operation practices shall be reviewed at least every five years by the commissioner of natural resources and revised as the commissioner considers necessary. The commissioner shall adopt rules required by this section by January 1, 1996.

Subd. 5. [UNIT OF GOVERNMENT.] "Unit of government" means a home rule charter or statutory city, county, town, municipal corporation, or other political subdivision, or any of their instrumentalities.

Sec. 2. [87A.03] [LOCAL ORDINANCE PROTECTION; EXISTING OPERATIONS.]

(a) A shooting range that is in operation and not in violation of existing law at the time of the enactment of an ordinance must be permitted to continue in operation even if the operation of the shooting range at a later date does not conform to the new ordinance or an amendment to an existing ordinance.

(b) A shooting range that operates in compliance with generally accepted operation practices, even if not in compliance with an ordinance of a local unit of government, must be permitted to do all of the following within the boundaries of the unit of government if done in compliance with generally accepted operation practices:

(1) repair, remodel, or reinforce any conforming or nonconforming building or structure as may be necessary in the interest of public safety or to secure the continued use of the building or structure;

(2) reconstruct, repair, restore, remodel, or resume the use of a nonconforming building damaged by fire, collapse, explosion, act of God, or act of war occurring after the effective date of this section; and

(3) do anything authorized under generally accepted operation practices, including:

(i) expand or increase its membership or opportunities for public participation; and

(ii) expand or increase events, facilities and activities.

Sec. 3. [87A.04] [LIMITS ON CLOSING SHOOTING RANGES; PAYMENT OF CERTAIN COSTS.]

(a) Except as provided in section 87A.03, a shooting range may not be prevented from operating by any state agency or unit of government unless because of new development of adjacent land: (1) the range becomes a clear and proven safety hazard to the adjacent population; or (2) the range becomes unable to meet the minimum range safety standards contained in generally accepted operation practices adopted by the rules of the commissioner.

(b)(1) If the requirements of paragraph (a), clause (1), are met, a shooting range may be relocated by a state agency or a unit of government if the following conditions are met:

(i) the clear and proven safety hazard is documented through a hearing, testimony, and a clear and precise statement of the hazard by the agency or unit of government; and

(ii) the agency or unit of government obtaining the closure pays the fair market value of the range business as a going concern to the operators and the fair market value of the land including improvements, to the owner of the land; and

(2) upon final full payment, the range operator and landowners shall relinquish their interest in the property to the agency or unit of government obtaining the closure.

(c) If the requirements of paragraph (a), clause (2), are met, the shooting range operations may be suspended if:

(1) the range operators are given reasonable notice and opportunity to respond; and

(2) the range operators are given a reasonable opportunity to correct safety defects and meet the minimum range safety standards contained in generally accepted operation practices.

(d) If a shooting range is suspended from operation because the requirements of paragraph (a), clause (2), are met and if the shooting range operators are able to obtain a current certificate of reasonable shooting range safety compliance from an organization establishing range safety standards, any order of a state agency, or unit of government to suspend the shooting range operation must, upon application by the operators, be vacated.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government; protecting shooting ranges from planning and zoning laws and ordinances; limiting closings of ranges and providing for relocating costs; proposing coding for new law as Minnesota Statutes, chapter 87A."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 209:** A bill for an act relating to government operations; requiring a study of the feasibility of consolidating counties and rationalizing other internal boundaries; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 9 and 18, delete "state auditor" and insert "board of government innovation and cooperation"

Page 1, line 11, delete "state auditor" and insert "board"

Page 1, line 19, delete "January 1, 1996" and insert "January 15, 1997"

Page 1, lines 21 and 22, delete "state auditor" and insert "board of government innovation and cooperation"

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 Transportation and Public Transit, to which was re-referred**

**S.F. No. 1017:** A bill for an act relating to drivers' licenses; providing for suspension of a driver's license for failure to pay child support; appropriating money; amending Minnesota Statutes 1994, sections 518.551, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 171.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 15 and 16, delete "of at least \$3,000" and insert "equal to or greater than four times the obligor's total monthly support and maintenance payments,"

Page 1, line 18, after "by" insert "a court, an administrative law judge, or"

Page 2, line 1, after "court" insert ", an administrative law judge,"

Page 2, lines 12 and 13, delete "of at least \$3,000" and insert "equal to or greater than four times the obligor's total monthly support and maintenance payments,"

Page 2, line 14, after "arrearages" insert "approved by the court, an administrative law judge, or the public authority"

Page 2, line 27, after the period, insert "An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph."

Page 2, line 32, delete "of at least \$3,000" and insert "equal to or greater than four times the obligor's total monthly support and maintenance payments,"

Page 2, line 33, delete "is"

Page 2, line 34, after "the" insert "court, an administrative law judge, or the"

Page 3, line 19, after "the" insert "court, an administrative law judge, or the"

Page 3, after line 22, insert:

"(d) If a person's license is improperly suspended under this subdivision, the person may



recover reasonable expenses from the responsible agency for expenses associated with having the suspension removed."

Page 3, line 23, delete "(d)" and insert "(e)"

Page 3, line 26, delete "of at least \$3,000" and insert "equal to or greater than four times the obligor's total monthly support and maintenance payments"

Page 3, line 32, delete "determined to be acceptable by" and insert "approved by the court, an administrative law judge, or"

Page 3, line 34, delete "(e)" and insert "(f)"

Page 4, line 7, delete "(f)" and insert "(g)" and delete "1" and insert "15"

And when so amended the bill do pass and be re-referred to the Committee on Health Care. Amendments adopted. Report adopted.

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was re-referred**

**S.F. No. 980:** A bill for an act relating to metropolitan government; clarifying language and changing obsolete references; defining available local transit funds; establishing conditions for use of funds by communities providing replacement service; providing application procedure; establishing reserve accounts; amending Minnesota Statutes 1994, section 473.388.

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 Agriculture and Rural Development, to which was referred**

**S.F. No. 1398:** A bill for an act relating to nonpoint source pollution; modifying the agriculture best management practices loan program and the clean water partnership loan program; amending Minnesota Statutes 1994, sections 17.117, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 14, 16, and by adding subdivisions; and 103F.725, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, after line 17, insert:

"(d) Local lenders may enter into agreements with other lenders that meet the definition of local lender under this section for the limited purposes of loan review, processing, and servicing, or to enter into loan agreements with borrowers. In no case may there be more than one local lender per county or more than one revolving fund per county."

Page 8, line 28, delete "as repayments are received and"

Page 9, line 15, delete "including" and insert "excluding"

Page 9, line 25, after the period, insert "If within ten days of the written notice a lender which has a prior recorded interest in the real property makes written objection to the intent to obtain the lien to be established, then the county shall not make the loan."

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. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 852:** A bill for an act relating to agriculture; changing limits for agricultural improvement loans; appropriating money; amending Minnesota Statutes 1994, section 41B.043, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$50,000~~ \$100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan."

Page 2, after line 2, insert:

"Sec. 4. Minnesota Statutes 1994, section 41B.045, subdivision 2, is amended to read:

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. Participation is limited to 45 percent of the principal amount of the loan or ~~\$100,000~~ \$250,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan. Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

Sec. 5. [DEMONSTRATION PROGRAM RESTRICTIONS.]

(a) During fiscal years 1996 and 1997, loan participations under Minnesota Statutes, section 41B.045, must comply with the restrictions in this section.

(b) To the extent that herd health will not be jeopardized, farms receiving assistance from the authority must be available for tours within the first two years after completion of the expansion.

(c) All livestock expansion loans must be for expansions that include some of the most up-to-date, efficient systems available. Projects must be reviewed by a University of Minnesota extension livestock specialist prior to approval by the authority."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "improvement" insert "and livestock expansion"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, delete "2" and insert "1b, 2," and before the period, insert "; and 41B.045, subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1178:** A bill for an act relating to agriculture; prohibiting the importation, ownership, or possession of Eurasian wild hogs; providing compensation for affected owners; amending Minnesota Statutes 1994, section 17.457, subdivisions 1, 2, and 6; repealing Minnesota Statutes 1994, section 17.457, subdivisions 3, 4, 5, 7, 8, 9, and 10.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 2 and 3

Page 2, line 12, before "is" insert "and who decides to permanently discontinue production of Eurasian wild hogs,"

Page 2, lines 14 and 15, delete "section 2" and insert "this act"

Page 2, line 17, delete "section 2" and insert "this act"

Page 2, line 19, delete "under subdivision 2"

Page 2, line 30, after "board" insert "of animal health"

Page 2, delete lines 31 to 33

Pages 2 and 3, delete sections 5 and 6 and insert:

"Sec. 3. [APPROPRIATION.]

\$...... is appropriated to the commissioner of agriculture to make the payments set forth in section 2."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "prohibiting the importation, ownership, or possession of Eurasian wild hogs;"

Page 1, line 4, after "owners" insert "of Eurasian wild hogs" and after the semicolon, insert "appropriating money;"

Page 1, line 5, delete "subdivisions"

Page 1, delete lines 6 and 7 and insert "subdivision 1."

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. 1404, 699, 1055 and 598 were read the second time.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

### Mr. Murphy introduced--

**S.F. No. 1538:** A bill for an act relating to motor vehicles; directing registrar to revoke vehicle registrations obtained with worthless checks; requiring notice to deputy registrars; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation and Public Transit.

### Ms. Pappas introduced--

**S.F. No. 1539:** A bill for an act relating to education; moving teachers at the Minnesota center for arts education from the unclassified to the classified service; amending Minnesota Statutes 1994, section 43A.08, subdivisions 1 and 1a.

Referred to the Committee on Education.

**Mr. Limmer introduced--**

**S.F. No. 1540:** A bill for an act relating to crime; expanding the scope of first degree burglary; amending Minnesota Statutes 1994, section 609.582, subdivision 1.

Referred to the Committee on Crime Prevention.

**Mr. Limmer introduced--**

**S.F. No. 1541:** A bill for an act relating to crime; clarifying application of mandatory minimum penalties for controlled substance offenses; authorizing use of drivers' license photographs to investigate or prosecute misdemeanor and gross misdemeanor-level thefts; precluding the expungement of criminal records in diversion cases; authorizing sentencing courts to order the payment of restitution to victim assistance programs; adding a fine provision to the terroristic threats crime; amending Minnesota Statutes 1994, sections 152.021, subdivision 3; 152.022, subdivision 3; 152.023, subdivision 3; 152.024, subdivision 3; 152.025, subdivision 3; 171.07, subdivision 1a; 299C.11; 609.10; 609.125; and 609.713, subdivisions 1 and 2.

Referred to the Committee on Crime Prevention.

**Mr. Dille introduced--**

**S.F. No. 1542:** A bill for an act relating to telecommunications; imposing TACIP fee on cellular telephone users; requiring that a person must be able to use a communication device to be eligible to get it; restricting eligibility for communication device for communication-impaired person in a residential care facility when the facility already provides or is required to provide comparable telephone service; abolishing restriction on TACIP board for contracting for operation of the telecommunication relay system; amending Minnesota Statutes 1994, sections 237.52, subdivision 3; 237.53, subdivision 2; and 237.54, subdivision 2.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Pogemiller introduced--**

**S.F. No. 1543:** A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1994, sections 474A.03, subdivisions 1 and 4; 474A.061, subdivisions 2a, 2c, 4, and 6; 474A.091, subdivisions 3 and 5; and 474A.131, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Runbeck and Mr. Johnson, D.J. introduced--**

**S.F. No. 1544:** A bill for an act relating to utilities; modifying the role and composition of the public utilities commission; making technical changes; amending Minnesota Statutes 1994, sections 216A.01; 216A.03, subdivisions 1, 3, and 3a; 216A.036; 216A.04, subdivisions 1a and 3; and 216A.05, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapter 216A; repealing Minnesota Statutes 1994, section 216A.05, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Murphy and Dille introduced--**

**S.F. No. 1545:** A bill for an act relating to energy; removing Goodhue county as the alternative site for dry cask storage; amending Minnesota Statutes 1994, section 116C.771; repealing Minnesota Statutes 1994, section 116C.80.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Lesewski introduced--**

**S.F. No. 1546:** A bill for an act relating to employment; modifying provisions relating to access to occupational safety and health investigation data; amending Minnesota Statutes 1994, section 182.659, subdivision 8, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Lesewski introduced--**

**S.F. No. 1547:** A bill for an act relating to employment; modifying provisions relating to high pressure piping installation; providing penalties; amending Minnesota Statutes 1994, sections 326.48, subdivisions 1, 2, 3, 4, and 5; 326.50; 326.51; and 326.52.

Referred to the Committee on Jobs, Energy and Community Development.

**Mr. Scheevel, Mses. Olson and Robertson introduced--**

**S.F. No. 1548:** A bill for an act relating to education; providing for a fund transfer for independent school district No. 227, Chatfield.

Referred to the Committee on Education.

**Mr. Cohen introduced--**

**S.F. No. 1549:** A bill for an act relating to occupations; modifying the entertainment agencies act; amending Minnesota Statutes 1994, sections 184A.01, subdivisions 4, 5, 7, 8, and by adding subdivisions; 184A.02; 184A.03; 184A.04, subdivisions 1 and 3; 184A.05; 184A.06, subdivisions 1, 2, and by adding a subdivision; 184A.09; 184A.10; and 184A.12; repealing Minnesota Statutes 1994, section 184A.01, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Knutson, Beckman, Laidig and Neuville introduced--**

**S.F. No. 1550:** A bill for an act relating to courts; permitting the court to collect unpaid money after a stayed sentence is served; amending Minnesota Statutes 1994, section 609.135, by adding a subdivision.

Referred to the Committee on Crime Prevention.

**Ms. Johnson, J.B.; Messrs. Vickerman, Murphy, Ms. Lesewski and Mr. Novak introduced--**

**S.F. No. 1551:** A bill for an act relating to agricultural economics; providing loans and incentives for agricultural energy resources development for family farms and cooperatives; amending Minnesota Statutes 1994, sections 41B.02, subdivision 19; 41B.046, subdivision 1, and by adding a subdivision; and 216C.41, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Sams and Solon introduced--**

**S.F. No. 1552:** A bill for an act relating to reemployment insurance; providing eligibility for benefits to certain business owners; amending Minnesota Statutes 1994, section 268.07, subdivision 3.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Kleis, Stevens and Bertram introduced--**

**S.F. No. 1553:** A bill for an act relating to the environment; modifying the definition of a qualified facility for purposes of the landfill cleanup program; amending Minnesota Statutes 1994, section 115B.39, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Kleis, Stevens and Bertram introduced--**

**S.F. No. 1554:** A bill for an act relating to appropriations; appropriating money to reimburse Benton county for landfill cleanup costs.

Referred to the Committee on Environment and Natural Resources.

**Ms. Hanson, Messrs. Sams and Morse introduced--**

**S.F. No. 1555:** A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by establishing minimum prices; providing for supply management and orderly marketing, administration, and enforcement; appropriating money; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Hottinger introduced--**

**S.F. No. 1556:** A bill for an act proposing an amendment to the Minnesota Constitution by adding sections to article X; dedicating a portion of the sales tax to property tax relief for property taxpayers in cities and towns; limiting property taxes levied for public schools; amending Minnesota Statutes 1994, sections 124A.23, subdivisions 1 and 2; 273.1398, subdivisions 6 and 8; 275.07, subdivisions 1 and 1a; 276.04, subdivision 2; 290A.01; 290A.07, subdivision 3; 290A.23, subdivision 3; 297A.01, subdivision 3; 297A.25, subdivisions 8 and 9; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1994, sections 273.1398, subdivisions 2 and 2c; 273.166; 290A.04, subdivision 2h; 297A.01, subdivision 18; and 297A.25, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Hottinger, Langseth and Sams introduced--**

**S.F. No. 1557:** A bill for an act relating to taxation; redirecting state-paid property tax relief; reducing the class rate on certain agricultural property; establishing an industrial property tax credit; appropriating money; amending Minnesota Statutes 1994, sections 273.13, subdivision 23; 273.1398, subdivisions 2, 8, and by adding a subdivision; and 290A.01; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Hottinger, Riveness and Metzen introduced--**

**S.F. No. 1558:** A bill for an act relating to state government; administrative rulemaking; establishing a procedure for legislative review of certain rules to ensure that they accomplish legislative goals in the most expeditious, cost-effective, and least intrusive manner possible; amending Minnesota Statutes 1994, sections 3.842, subdivision 3; and 14.09; repealing Minnesota Rules, parts 2010.0600 and 2010.9905.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Berg introduced--**

**S.F. No. 1559:** A bill for an act relating to education; providing a grant for independent school district No. 128, Milan; appropriating money.

Referred to the Committee on Education.

**Messrs. Kelly, Limmer, Betzold, Riveness and Chandler introduced--**

**S.F. No. 1560:** A bill for an act relating to crime prevention; requiring notification of local authorities of the impending release of sex offenders; authorizing the release to the public of information on registered sex offenders under certain circumstances; clarifying law on HIV testing of convicted offenders; amending Minnesota Statutes 1994, sections 243.166, subdivision 7; and 611A.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Crime Prevention.

**Mr. Terwilliger introduced--**

**S.F. No. 1561:** A bill for an act relating to education; providing for a fund transfer for independent school district No. 273, Edina.

Referred to the Committee on Education.

**Messrs. Terwilliger and Merriam introduced--**

**S.F. No. 1562:** A bill for an act relating to government finance; limiting the time within which authorized bonds may be issued; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

**Ms. Anderson and Mr. Kelly introduced--**

**S.F. No. 1563:** A bill for an act relating to crime; prohibiting the use, possession, or sale of electronic incapacitation devices that operate by means of carbon dioxide propellant; amending Minnesota Statutes 1994, section 624.731, subdivisions 2, 3, 5, and 8.

Referred to the Committee on Crime Prevention.

**Ms. Anderson introduced--**

**S.F. No. 1564:** A bill for an act relating to crime; amending the definition of manslaughter in the first degree; amending Minnesota Statutes 1994, section 609.20.

Referred to the Committee on Crime Prevention.

**Mr. Neuville introduced--**

**S.F. No. 1565:** A bill for an act relating to state lands; authorizing the conveyance of state land in Rice county.

Referred to the Committee on Education.

**Ms. Reichgott Junge introduced--**

**S.F. No. 1566:** A bill for an act relating to taxation; property; allowing county boards to delegate authority to the county auditor for tax-forfeited land administration and property tax abatement; amending Minnesota Statutes 1994, section 375.192, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 282.

Referred to the Committee on Environment and Natural Resources.

**Mr. Laidig introduced--**

**S.F. No. 1567:** A bill for an act relating to taxation; exempting a tax increment financing district in the city of Bayport from certain aid offsets.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Novak, Mses. Pappas, Krentz, Messrs. Belanger and Day introduced--**

**S.F. No. 1568:** A bill for an act relating to taxation; providing a comprehensive reform of state and local taxes and budgeting; providing penalties; requiring studies; appropriating money; amending Minnesota Statutes 1994, sections 272.02, subdivision 1; 273.11, subdivision 5; 273.121; 273.13, subdivisions 21a, 22, 23, 24, 25, 31, and 33; 273.1316, subdivision 1; 273.1393; 273.165, subdivision 2; 275.08, subdivision 1b, and by adding a subdivision; 276.04, subdivision 2; 289A.08, subdivisions 1 and 6; 289A.18, subdivision 4; 290.01, subdivisions 19a and 19b; 290.06, subdivision 2c, and by adding subdivisions; 290.0671, subdivision 1; 290.91; 290.9201, subdivision 2; 290.923, subdivision 2; 290.97; 290.9705, subdivisions 1 and 3; 290A.03, subdivision 3; 290A.04, by adding subdivisions; 297A.01, subdivisions 3, 6, 8, 16, and by adding subdivisions; 297A.02, subdivision 1; 297A.03, subdivision 1; 297A.14, subdivision 1; 297A.15, subdivision 5; 297A.21, subdivision 2; 297A.22; 297A.24, subdivision 1; 297A.25, subdivisions 4, 9, 12, 42, and by adding a subdivision; 297A.44, subdivision 1; 297B.01, subdivision 8; and 297B.03; proposing coding for new law in Minnesota Statutes, chapters 16; 273; and 275; proposing coding for new law as Minnesota Statutes, chapter 290B; repealing Minnesota Statutes 1994, sections 16A.152; 273.11, subdivisions 1a, 16, and 18; 273.13, subdivisions 21b and 32; 273.1315; 273.1317; 273.1318; 273.134; 273.135; 273.136; 273.138; 273.1391; 273.1392; 273.1398; 273.166; 273.33; 273.35; 273.36; 273.37; 273.371; 273.38; 273.39; 273.40; 273.41; 273.42; 273.425; 273.43; 275.08, subdivisions 1c and 1d; 290.01, subdivision 19g; 290.06, subdivision 1; 290.0802; 290.091; 290.092; 290.0921; 290.0922; 290A.03, subdivisions 9 and 10; 290A.04, subdivision 2i; 297A.01, subdivision 20; 297A.02, subdivisions 2 and 5; 297A.25, subdivisions 6, 7, 8, 10, 11, 17, 18, 21, 23, 26, 30, 39, 40, 41, 44, 56, 57, 58, and 59; 297A.256, subdivision 2; 297B.02, subdivisions 2 and 3; 297B.025; 477A.011, subdivisions 20, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37; 477A.012; 477A.013; 477A.0132; 477A.03, subdivision 3; and 477A.15.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Olson, Robertson and Johnston introduced--**

**S.F. No. 1569:** A bill for an act relating to Lake Minnetonka conservation district; providing for the appointment of members of the governing body of the district; amending Minnesota Statutes 1994, section 103B.611, subdivisions 1 and 2.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Moe, R.D.; Johnson, D.J.; Hottinger; Ms. Reichgott Junge and Mr. Price introduced--**

**S.F. No. 1570:** A bill for an act relating to taxes; freezing property tax values, levies, and rates for taxes payable in 1996; limiting increases in property tax values, levies, and rates for taxes payable in 1997; appropriating money; repealing Minnesota Statutes 1994, sections 124.01; 124.05; 124.06; 124.07; 124.76; 124.82; 124.829; 124.83; 124.84; 124.85; 124.86; 124.90; 124.91; 124.912; 124.914; 124.916; 124.918; 124.95; 124.961; 124.962; 124.97; 124A.02, subdivisions 16, 23, and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.0311; 124A.032; 124A.04; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 6, 6a, 8, and 9; 124A.23; 124A.24; 124A.26, subdivisions 1, 2, and 3; 124A.27; 124A.28; 124A.29, subdivision 2; 273.13; 273.1398; 473F.001; 473F.01; 473F.02; 473F.03; 473F.05; 473F.06; 473F.07; 473F.08; 473F.09; 473F.10; 473F.11; 473F.13; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014;



477A.015; 477A.016; 477A.017; 477A.03; 477A.11; 477A.12; 477A.13; 477A.14; and 477A.15; Laws 1991, chapter 265, article 7, section 35.

Referred to the Committee on Taxes and Tax Laws.

### **MEMBERS EXCUSED**

Mr. Pogemiller was excused from the Session of today. Mr. Laidig was excused from the Session of today at 9:00 a.m. Messrs. Kleis and Solon were excused from the Session of today from 8:00 to 8:35 a.m. Mrs. Pariseau was excused from the Session of today from 8:00 to 8:55 a.m. Mr. Novak was excused from the Session of today from 8:00 to 9:00 a.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, April 3, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



### THIRTY-THIRD DAY

St. Paul, Minnesota, Monday, April 3, 1995

The Senate met at 10:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Ted Hottinger.

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:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

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 29, 1995

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 145.

Warmest regards,  
Arne H. Carlson, Governor

March 30, 1995

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 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 1995	Date Filed 1995
	654	25	12:58 p.m. March 29	March 29
	121	26	1:00 p.m. March 29	March 29
	305	27	1:02 p.m. March 29	March 29
145		28	1:05 p.m. March 29	March 29

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 739.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1995

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 568, 612, 751, 1363, 868, 694 and 698.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1995

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

**H.F. No. 568:** A bill for an act relating to traffic regulations; requiring adult motorcycle rider to wear eye protection device; amending Minnesota Statutes 1994, section 169.974, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 528, now on General Orders.

**H.F. No. 612:** A bill for an act relating to health; requiring equal treatment of prescription drug prescribers; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 543.

**H.F. No. 751:** A bill for an act relating to insurance; regulating trade practices; prohibiting certain insurance agent quotas; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 649, now on General Orders.

**H.F. No. 1363:** A bill for an act relating to health; modifying provisions relating to drug dispensing; amending Minnesota Statutes 1994, section 152.11, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1336, now on General Orders.

**H.F. No. 868:** A bill for an act relating to education; providing for a report on child assessment and case management procedures used by the education and human services systems.

Referred to the Committee on Education.

**H.F. No. 694:** A bill for an act relating to human services; modifying child care programs and county contribution; amending Minnesota Statutes 1994, section 256H.12, subdivision 3.

Referred to the Committee on Family Services.

**H.F. No. 698:** A bill for an act relating to veterans; the military; eliminating certain duties of the board of directors of the Minnesota veterans homes; authorizing a study of the needs for expansion of the dementia unit at the Silver Bay veterans home; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; clarifying authority for use of funds from surplus facilities of the veterans homes board; amending Minnesota Statutes 1994, section 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; 193.148; 198.003, subdivisions 1, 3, and 4; 198.065; and 198.35, by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

## 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. 1164 and 1236. The motion prevailed.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1472:** A bill for an act relating to drainage; allowing an outlet fee to be charged for use of an established drainage system in Red Lake county as an outlet for drainage originating in Polk county.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 571:** A bill for an act relating to traffic regulations; permitting operation of vehicle combinations over 65 feet in length except when to do so is found unsafe by commissioner of transportation; amending Minnesota Statutes 1994, section 169.81, 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 1994, section 169.81, subdivision 3, is amended to read:

Subd. 3. [LENGTH OF VEHICLE COMBINATIONS.] (a) Statewide, except as provided in paragraph (b), no combination of vehicles coupled together, including truck-tractor and semitrailer, may consist of more than two units and no combination of vehicles, unladen or with load, may exceed a total length of 65 feet. The length limitation does not apply to the transportation of telegraph poles, telephone poles, electric light and power poles, piling, or pole length pulpwood, and is subject to the following further exceptions: the length limitations do not apply to vehicles transporting pipe or other objects by a public utility when required for emergency or repair of public service facilities or when operated under special permits as provided in this subdivision, but with respect to night transportation, a vehicle and the load must be equipped with a sufficient number of clearance lamps and marker lamps on both sides and upon the extreme ends of a projecting load to clearly mark the dimensions of the load. Mount combinations may be drawn but the combinations may not exceed ~~65~~ 75 feet in length. The limitation on the number of units does not apply to vehicles used for transporting milk from point of production to point of first processing, in which case no combination of vehicles coupled together unladen or with load, including truck-tractor and semitrailers, may consist of more than three units and no combination of those vehicles may exceed a total length of 65 feet. Notwithstanding other provisions of this section, and except as provided in paragraph (b), no combination of vehicles consisting of a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats may exceed 65 feet in length. The load may extend a total of seven feet, but may not extend more than three feet beyond the front or four feet beyond the rear, and in no case may the overall length of the combination of vehicles, unladen or with load, exceed 65 feet. For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers. The state as to state trunk highways, and a city or town as to roads or streets located within the city or town, may issue permits authorizing the transportation of combinations of vehicles exceeding the limitations in this subdivision over highways, roads, or streets within their boundaries. Combinations of vehicles authorized by this subdivision may be restricted as to the use of highways by the commissioner as to state trunk highways, and a road authority as to highways or streets subject to its jurisdiction. Nothing in this subdivision alters or changes the authority vested in local authorities under the provisions of section 169.04.

(b) ~~The following combination of vehicles regularly engaged in the transportation of commodities may operate only on divided highways having four or more lanes of travel, and on other highways as may be designated by the commissioner of transportation subject to section 169.87, subdivision 1, and subject to the approval of the authority having jurisdiction over the highway, for the purpose of providing reasonable access between the divided highways of four or more lanes of travel and terminals, facilities for food, fuel, repair, and rest, and points of loading and unloading for household goods carriers, livestock carriers, or for the purpose of providing any highways under the jurisdiction of the commissioner of transportation unless the commissioner, after notice, has determined that operating the combination on a particular highway or segment of it is unsafe. In no instance shall the combination be prohibited from operating on the federal interstate and designated highway system and on any access highways connecting within two miles those highways to terminals, to facilities for fuel, repair, or rest, to points of loading and unloading, or to other points for purposes of continuity of route:~~

- (1) a truck-tractor and semitrailer not exceeding ~~65~~ 75 feet in length;
- (2) a combination of vehicles with an overall length exceeding 55 feet and including a truck-tractor and semitrailer drawing one additional semitrailer which may be equipped with an auxiliary dolly;
- (3) a combination of vehicles with an overall length not exceeding ~~55~~ 75 feet and including a truck-tractor and semitrailer drawing one full trailer;
- (4) a truck-tractor and semitrailer designed and used exclusively for the transportation of motor vehicles or boats and not exceeding an overall length of ~~65~~ 75 feet including the load except as restricted by applicable federal law; and
- (5) a truck or truck-tractor transporting similar vehicles by having the front axle of the transported vehicle mounted onto the center or rear part of the preceding vehicle, defined in Code of Federal Regulations, title 49, sections 390.5 and 393.5 as drive-away saddlemount combinations or drive-away saddlemount vehicle transporter combinations, when the overall length ~~exceeds 65~~ does not exceed 75 feet.

(c) Vehicles operated under the provisions of this section must conform to the standards for those vehicles prescribed by the United States Department of Transportation, Federal Highway Administration, Bureau of Motor Carrier Safety, as amended."

Delete the title and insert:

"A bill for an act relating to traffic regulations; permitting operation of vehicle combinations up to 75 feet in length except when to do so is found unsafe by commissioner of transportation; amending Minnesota Statutes 1994, section 169.81, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was re-referred**

**S.F. No. 11:** A bill for an act relating to the environment; exempting newer motor vehicles from annual air pollution emissions inspections; requiring a report; amending Minnesota Statutes 1994, section 116.61, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1994, section 116.62, is amended by adding a subdivision to read:

Subd. 5a. [TEMPORARY REGISTRATION.] The commissioner, in consultation with the commissioner of public safety, shall adopt a procedure for granting temporary registrations to persons whose vehicle registrations have expired or will shortly expire. Upon request of the vehicle owner, the commissioner shall issue a letter of temporary registration, valid for one day, that allows the owner to drive to an inspection station to have the vehicle inspected."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "inspections;" insert "authorizing temporary registrations to facilitate vehicle inspections;"

Page 1, line 5, delete "section" and insert "sections" and after "2" insert "; and 116.62, by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 682:** A bill for an act relating to state departments; abolishing the office of strategic and long-range planning and transferring certain powers, responsibilities, and duties to other agencies; amending Minnesota Statutes 1994, sections 4.045; 16B.42, subdivision 1; 16B.87, subdivision 1; 43A.08, subdivision 1; 103F.211, subdivision 2; 116C.03, subdivisions 2, 4, and 5; 144A.31, subdivisions 1 and 6; 245.697, subdivision 2a; and 477A.014, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; and 241; repealing Minnesota Statutes 1994, sections 4A.01; 4A.02; 4A.03; 4A.04; 4A.05; and 4A.06.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 733:** A bill for an act relating to the family; creating a presumption of refusal or neglect of parental duties in certain termination of parental rights cases; amending Minnesota Statutes 1994, section 260.221, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:  
 Page 2, lines 15 and 16, before "failed" insert "substantially, continuously, or repeatedly"  
 And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was referred**

**S.F. No. 349:** A bill for an act relating to state government; classifying certain data of the economic security department; amending Minnesota Statutes 1994, section 268.0122, 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 1994, section 268.0124, is amended to read:

268.0124 [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent reasonable and consistent with the goals of providing easily understandable and readable materials and complying with federal and state laws governing the programs, all written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of economic security must be understandable to a person who ~~reads at the seventh grade level, using the Flesch scale analysis readability score as determined under section 72C.09~~ of average intelligence and education.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of economic security must be developed to satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section does not provide a basis for suspending the implementation or operation of other laws governing programs administered by the commissioner.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

(d) Nothing in this section may be construed to prohibit a lawsuit brought to require the commissioner to comply with this section or to affect individual appeal rights granted pursuant to section 268.10.

(e) The commissioner shall report annually to the chairs of the health and human services divisions of the senate finance committee and the house of representatives appropriations committee on the number and outcome of cases that raise the issue of the commissioner's compliance with this section."

Delete the title and insert:

"A bill for an act relating to state government; classifying certain data of the economic security department; modifying plain language requirements; amending Minnesota Statutes 1994, section 268.0124."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.



**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 1164:** A bill for an act relating to transportation; allowing commissioner of transportation to act as agent to accept federal money for nonpublic organizations for transportation purposes; increasing maximum lump sum utility adjustment amount allowed for relocating utility facility; eliminating percentage limit for funding transportation research projects and providing for federal research funds and research partnerships; allowing counties more authority in disbursing certain state-aid highway funds; eliminating requirement to have permit identifying number affixed to highway billboard; eliminating legislative route No. 331 from trunk highway system and turning it back to the jurisdiction of Fillmore county; making technical corrections; amending Minnesota Statutes 1994, sections 161.085; 161.36, subdivisions 1, 2, 3, and 4; 161.46, subdivision 3; 161.53; 162.08, subdivisions 4 and 7; 162.14, subdivision 6; 173.07, subdivision 1; 174.04; repealing Minnesota Statutes 1994, sections 161.086; 161.115, subdivision 262.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 1994, 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, and arson investigators of the division of fire marshal in the department of public safety; financial institutions division of the department of commerce; division of disease prevention and control of the department of health; state lottery; 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 economic security; and ~~the~~ office of the attorney general."

Page 7, after line 6, insert:

"Sec. 12. Minnesota Statutes 1994, 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, 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) Unmarked vehicles used by the division of disease prevention and control of the department of health must be registered and must display passenger vehicle classification license number plates. These plates must 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 health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the division of disease prevention and control.

(f) 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."

Page 8, after line 22, insert:

"Sec. 15. Minnesota Statutes 1994, section 222.37, subdivision 1, is amended to read:

Subdivision 1. [USE REQUIREMENTS.] Any water power, telegraph, telephone, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, or power company, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, or conduits, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, or conduit, hydrants, or dry hydrants, the company shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. If the governing body does not require the company to obtain a permit, a company shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the company's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair a company shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, cable communications system, or light, heat, or power system, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing department of health division of disease prevention and control to use unmarked motor vehicles and passenger vehicle license plates;"

Page 1, line 15, after the semicolon, insert "allowing fire departments to use public roads for hydrants or dry hydrants;"

Page 1, line 17, after "sections" insert "16B.54, subdivision 2;"

Page 1, line 19, after "6;" insert "168.012, subdivision 1;"

Page 1, line 20, after the semicolon, insert "227.37, subdivision 1;"

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 Governmental Operations and Veterans, to which was referred**

**S.F. No. 180:** A bill for an act relating to peace officers; authorizing certain expenditures by a surviving spouse from a dependent child's share of a peace officer's survivor benefits; amending Minnesota Statutes 1994, section 299A.44.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, before the period, insert "or the child's education"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 1236:** A bill for an act relating to agriculture; providing for land application of agricultural chemical contaminated media; amending Minnesota Statutes 1994, section 18D.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18D.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "agricultural chemical contaminated soil"

Page 1, line 21, delete "or other" and insert "contaminated"

Page 2, line 9, delete "agricultural chemical"

Page 2, line 11, delete "verbally" and insert "orally"

Page 2, after line 11, insert "The commissioner will confirm the oral approval in writing within three business days."

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 under Rule 35, together with the committee report thereon,**

**S.F. No. 1103:** A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Family Services, shown in the Journal for March 27, 1995, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development". Amendments adopted. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,**

**S.F. No. 1037:** A bill for an act relating to workers' compensation; repealing the sunset of the targeted industry fund for loggers.

Reports the same back with the recommendation that the report from the Committee on Jobs, Energy and Community Development, shown in the Journal for March 22, 1995, be amended to read:

"the bill do pass and be re-referred to the Committee on Finance". Report adopted.

**Ms. Berglin from the Committee on Health Care, to which was re-referred**

**S.F. No. 543:** A bill for an act relating to health; requiring equal treatment of prescription drug prescribers; clarifying the role of practice guidelines in prescribing legend drugs; amending Minnesota Statutes 1994, section 151.37, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 23, delete everything after the period

Page 2, line 24, delete "transmission of" and insert "An individual who verbally, electronically, or otherwise transmits" and delete "by" and insert ", as"

Page 2, line 25, delete "is not prescribing" and insert ", shall not be deemed to have prescribed the legend drug"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 58:** A bill for an act relating to insurance; extending eligibility for certain elective individual paid insurance and benefits; amending Minnesota Statutes 1994, section 43A.27, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1503:** A bill for an act relating to public safety; requiring fireworks display operators to be certified by state fire marshal; setting fees; appropriating money; amending Minnesota Statutes 1994, section 624.22.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, delete "(d)" and insert "(e)"

Page 2, line 18, strike "of \$2"

Page 3, line 27, delete "; ACCOUNT" and delete "(a)"

Page 3, line 32, delete everything after the period

Page 3, delete line 33

Page 4, delete lines 2 to 7

Page 5, line 6, delete everything after "safety"

Page 5, line 7, delete everything before the period

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 837:** A bill for an act relating to transportation; requiring transit symbol on licenses and identification cards for senior citizens; establishing an employer payroll tax to support transit programs; requiring consultation for route and schedule changes; establishing route and schedule planning review process; requiring a study and report by the metropolitan council concerning coordination of transit services; requiring assessment of electric vehicle technology; authorizing issuance of free bus passes; appropriating money; amending Minnesota Statutes 1994, sections 171.07, subdivisions 1 and 3a; 473.375, by adding subdivisions; and 473.408, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete sections 1 to 3

Page 4, line 21, delete "shall" and insert "may" and after "a" insert "preliminary"

Page 4, line 25, delete "must" and insert "may"

Page 5, line 18, delete the new language

Page 5, line 19, delete "shall" and insert "may"

Page 5, delete line 20 and insert "study to the transportation and public transit committees of the legislature."

Page 5, line 24, delete "mass"

Pages 5 and 6, delete section 9

Page 6, line 5, delete "Section 3 is effective for taxable years beginning after"

Page 6, line 6, delete "December 31, 1995." and delete "9" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete from "requiring" through page 1, line 5, to "programs;"

Page 1, line 7, delete "requiring" and insert "authorizing"

Page 1, line 11, delete "appropriating money;"

Page 1, lines 12 and 13, delete "171.07, subdivisions 1 and 3a;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was re-referred**

**S.F. No. 98:** A bill for an act relating to public safety; requiring owners of residential rental buildings to request criminal background checks of managers; prohibiting owners from hiring or continuing to employ certain individuals as managers and requiring notices; requiring the superintendent of the bureau of criminal apprehension to assist in the performance of the background checks; limiting owner entry of residential dwellings; imposing penalties; proposing coding for new law in Minnesota Statutes, chapters 299C; and 504.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, after line 30, insert:

"(e) If an owner is required to terminate a manager's employment under paragraph (a) or (b), or terminates a manager's employment in lieu of notifying tenants under paragraph (c), the owner is not liable under any law, contract, or agreement, including liability for unemployment compensation claims, for terminating the manager's employment in accordance with this section. Notwithstanding a lease or agreement governing termination of the tenancy, if the manager whose employment is terminated is also a tenant, the owner may terminate the tenancy immediately upon giving notice to the manager. An unlawful detainer action to enforce the termination of the tenancy must be treated as a priority writ under sections 566.05, 566.07, 566.09, subdivision 1, 566.16, subdivision 2, and 566.17, subdivision 1a."

Pages 7 and 8, delete section 7

Amend the title as follows:

Page 1, delete line 9

Page 1, line 11, delete "chapters" and insert "chapter" and delete "; and 504"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1134:** A bill for an act relating to financial institutions; regulating notices; electronic financial terminals, mergers with subsidiaries, the powers and duties of the commissioner of commerce, reporting and records requirements, lending powers, data classification, the powers and duties of institutions, detached facilities, interstate banking, and pawnbrokers; making technical changes; regulating mortgage prepayments; allowing written waivers of the right to prepay without penalty under certain circumstances; clarifying definition of franchise; permitting a delinquency and collection charge; amending Minnesota Statutes 1994, sections 46.04, subdivision 1, and by adding a subdivision; 46.041, subdivisions 1 and 4; 46.046, subdivision 1; 46.048, subdivision 1, and by adding subdivisions; 47.10, subdivision 3; 47.11; 47.20,

subdivisions 5 and 10; 47.28, subdivision 1; 47.52; 47.56; 47.58, subdivision 2; 47.61, subdivision 3; 47.62, subdivisions 2, 3, and by adding subdivisions; 47.67; 47.69, subdivisions 3 and 5; 47.78; 48.16; 48.194; 48.24, subdivision 5; 48.475, subdivision 3; 48.48, subdivisions 1 and 2; 48.49; 48.61, subdivision 7, and by adding a subdivision; 48.65; 48.90, subdivision 1; 48.91; 48.92, subdivisions 1, 2, 6, 7, 8, 9, and by adding a subdivision; 48.93, subdivisions 1, 3, and 4; 48.96; 48.99, subdivision 1; 49.01, subdivision 3; 51A.02, subdivisions 6, 26, and 40; 51A.19, subdivision 9; 51A.50; 51A.58; 52.04, subdivision 2a; 52.05, subdivision 2; 53.015, subdivision 4; 53.04, subdivisions 3a, 3c, 4a, and 5a; 53.09, subdivisions 1, 2, and by adding a subdivision; 56.11; 56.12; 56.125, subdivisions 1, 2, and 3; 56.131, subdivisions 1, 2, 4, and 6; 56.132; 56.14; 56.155, subdivision 1; 56.17; 59A.06, subdivision 2; 61A.09, subdivision 3; 62B.04, subdivision 2; 62B.08, subdivision 2; 80C.01, subdivision 4; 300.20, subdivision 1; 325F.91, subdivision 2; 327B.04, subdivision 1; 327B.09, subdivision 1; 332.23, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 45; 47; 48; 51A; 52; and 334; proposing coding for new law as Minnesota Statutes, chapter 325J; repealing Minnesota Statutes 1994, sections 46.03; 47.80; 47.81; 47.82; 47.83; 47.84; 47.85; 48.1585; 48.512, subdivision 6; 48.611; 48.95; 48.97; 48.98; 48.991; and 51A.385.

Reports the same back with the recommendation that the bill be amended as follows:

Page 26, delete section 2

Page 47, line 5, delete the new language and insert "Sections 1, 2, 5 to 15, 17 to 21, and 23 to 32 are"

Page 47, line 6, delete "4 and 5" and insert "3 and 4"

Page 47, line 8, delete "17" and insert "16"

Page 47, line 10, delete "23" and insert "22"

Pages 100 to 107, delete article 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "data classification,"

Page 1, line 8, before "interstate" insert "and" and delete ", and pawnbrokers"

Page 1, line 15, delete "subdivisions 1 and" and insert "subdivision"

Page 1, line 42, delete everything after "334;"

Page 1, line 43, delete everything before "repealing"

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. 838** 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.  
838

S.F. No.  
713

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 838 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 838 and insert the language after the enacting clause of S.F. No. 713, the second engrossment; further, delete the title of H.F. No. 838 and insert the title of S.F. No. 713, the second engrossment.

And when so amended H.F. No. 838 will be identical to S.F. No. 713, and further recommends that H.F. No. 838 be given its second reading and substituted for S.F. No. 713, 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. 533** 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**

H.F. No.	S.F. No.
533	420

**CONSENT CALENDAR**

H.F. No.	S.F. No.
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**CALENDAR**

H.F. No.	S.F. No.
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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. 1472, 571, 11, 682, 733, 349, 180, 543, 58, 837, 98 and 1134 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 838 and 533 were read the second time.

**MOTIONS AND RESOLUTIONS**

Ms. Hanson moved that the name of Ms. Johnston be added as a co-author to S.F. No. 144. The motion prevailed.

Ms. Krentz moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 626. The motion prevailed.

Ms. Ranum moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 799. The motion prevailed.

Mr. Mondale moved that the name of Ms. Robertson be added as a co-author to S.F. No. 1019. The motion prevailed.

Mr. Bertram moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1100. The motion prevailed.

Ms. Robertson moved that her name be stricken as a co-author to S.F. No. 1421. The motion prevailed.

Mr. Vickerman moved that the name of Ms. Hanson be added as a co-author to S.F. No. 1421. The motion prevailed.

Ms. Ranum moved that the name of Mr. Larson be added as a co-author to S.F. No. 1471. The motion prevailed.

Mr. Day moved that his name be stricken as a co-author to S.F. No. 1568. The motion prevailed.



**Ms. Runbeck introduced--**

**Senate Resolution No. 50:** A Senate resolution limiting per diem payments during the month of May 1995.

Referred to the Committee on Rules and Administration.

Mr. Murphy moved that S.F. No. 682, on General Orders, be stricken and re-referred to the Committee on Finance. 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.

**Messrs. Johnson, D.J.; Hottinger; Mses. Pappas, Flynn and Mr. Price introduced--**

**S.F. No. 1571:** A bill for an act relating to tax expenditure budget; requiring incidence analysis in certain instances; amending Minnesota Statutes 1994, section 270.067, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Riveness, Ms. Wiener, Messrs. Metzen, Solon and Terwilliger introduced--**

**S.F. No. 1572:** A bill for an act relating to state government; prohibiting investment of public funds in certain assets; amending Minnesota Statutes 1994, sections 11A.24, subdivision 1; 356A.06, by adding a subdivision; and 475.66, subdivision 3.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Ranum introduced--**

**S.F. No. 1573:** A bill for an act relating to crime; recodifying and clarifying portions of the assault in the fifth degree statute which concern domestic assault; amending Minnesota Statutes 1994, section 609.224, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention.

**Mr. Mondale introduced--**

**S.F. No. 1574:** A bill for an act relating to railroads; establishing zoning system for railroad tracks; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation and Public Transit.

**Mr. Pogemiller introduced--**

**S.F. No. 1575:** A bill for an act relating to retirement; Minneapolis teachers retirement fund; providing supplemental contributions to reduce the unfunded actuarial accrued liability; reallocating levy authority to special school district No. 1; reallocating direct state aid; amending Minnesota Statutes 1994, sections 124.916, subdivision 3; 354A.12, subdivisions 2, 3b, 3c, and by adding a subdivision.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Stumpf introduced--**

**S.F. No. 1576:** A bill for an act relating to natural resources; authorizing road authorities to repair and maintain road affecting public waters wetlands; amending Minnesota Statutes 1994, sections 103G.221, subdivision 1; and 103G.245, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

**Mr. Laidig introduced--**

**S.F. No. 1577:** A bill for an act relating to workers' compensation; adding correctional officers to the presumption of occupational disease; amending Minnesota Statutes 1994, section 176.011, subdivision 15.

Referred to the Committee on Jobs, Energy and Community Development.

**Messrs. Solon; Moe, R.D.; Johnson, D.J.; Stumpf and Lessard introduced--**

**S.F. No. 1578:** A bill for an act relating to appropriations; providing for a grant for regional land use planning in the northern counties.

Referred to the Committee on Environment and Natural Resources.

**Mr. Mondale introduced--**

**S.F. No. 1579:** A bill for an act relating to taxation; authorizing an exception to time requirements for qualifying for a property tax exemption.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Larson introduced--**

**S.F. No. 1580:** A bill for an act relating to education; clarifying the effect of the receipt of certain state aids; amending Minnesota Statutes 1994, section 124.95, by adding a subdivision.

Referred to the Committee on Education.

**Mr. Neuville introduced--**

**S.F. No. 1581:** A bill for an act relating to state lands; modifying the authorization to convey state land for an elementary school in Rice county; amending Laws 1992, chapter 499, article 11, section 9, as amended.

Referred to the Committee on Education.

**Ms. Ranum introduced--**

**S.F. No. 1582:** A bill for an act relating to highways; providing for noise abatement along freeways and expressways; amending Minnesota Statutes 1994, sections 116.07, subdivision 2a; 160.02, by adding a subdivision; and 161.125, subdivision 1.

Referred to the Committee on Transportation and Public Transit.

**Mr. Moe, R.D. introduced--**

**S.F. No. 1583:** A bill for an act relating to state lands; authorizing the commissioner of natural resources to sell certain acquired state lands located in Becker county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Price introduced--**

**S.F. No. 1584:** A bill for an act relating to education; allowing waivers of application fees under certain circumstances; allowing certain exceptions to the enrollment limit for state grants; modifying the allocation process for child care grants; amending Minnesota Statutes 1994, sections 136A.121, subdivision 9; and 136A.125, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

**Mr. Price introduced--**

**S.F. No. 1585:** A bill for an act relating to education; appropriating money for the Minnesota academic excellence foundation.

Referred to the Committee on Education.

**Mr. Metzen introduced--**

**S.F. No. 1586:** A bill for an act relating to taxation; sales and use; exempting construction materials and supplies used to construct certain sports facilities; amending Minnesota Statutes 1994, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Ourada and Stevens introduced--**

**S.F. No. 1587:** A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in Sherburne county.

Referred to the Committee on Environment and Natural Resources.

**Ms. Runbeck, Messrs. Langseth, Frederickson, Kelly and Ms. Lesewski introduced--**

**S.F. No. 1588:** A resolution to continue to improve the state's environment as a location for business development.

Referred to the Committee on Jobs, Energy and Community Development.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1589:** A bill for an act relating to education; creating an increased student-teacher contact time grant program; awarding a grant to independent school district No. 138, North Branch; appropriating money.

Referred to the Committee on Education.

**Ms. Piper, Mr. Janezich, Ms. Berglin and Mr. Johnson, D.J. introduced--**

**S.F. No. 1590:** A bill for an act relating to health; insurance; providing for certain breast cancer coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Kelly introduced--**

**S.F. No. 1591:** A bill for an act relating to firearms; permitting licensed protective agents and their employees who provide armored car services to apply for a permit to carry a pistol with the sheriff or police chief where the person is employed; requiring that the permit be valid only when

armored car services are being provided; amending Minnesota Statutes 1994, section 624.714, subdivisions 2 and 6.

Referred to the Committee on Crime Prevention.

**Ms. Reichgott Junge, Messrs. Johnson, D.E.; Moe, R.D.; Merriam and Neuville introduced--**

**S.F. No. 1592:** A bill for an act relating to elections; requiring candidates for attorney general to be learned in the law; proposing an amendment to the Minnesota Constitution, article V, section 1; amending Minnesota Statutes 1994, section 204B.06, subdivision 4.

Referred to the Committee on Ethics and Campaign Reform.

**Ms. Hanson, Messrs. Sams, Bertram and Ms. Lesewski introduced--**

**S.F. No. 1593:** A bill for an act relating to agriculture; appropriating money for the Minnesota Education in Agriculture Leadership Council.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Marty introduced--**

**S.F. No. 1594:** A bill for an act relating to retirement; providing early retirement benefits to a certain retired Minneapolis teacher.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Pappas introduced--**

**S.F. No. 1595:** A bill for an act relating to education; creating a pilot grant program to meet the educational and culturally related academic needs of students of Mexican origin; appropriating money.

Referred to the Committee on Education.

**Mr. Samuelson introduced--**

**S.F. No. 1596:** A bill for an act relating to human services; requiring the commissioner of human services to waive the supervision requirement for certain dental clinics; amending Minnesota Statutes 1994, section 256B.04, by adding a subdivision.

Referred to the Committee on Health Care.

**Messrs. Finn, Murphy, Solon and Chmielewski introduced--**

**S.F. No. 1597:** A bill for an act relating to taxation; sales and use; increasing the tax on certain liquor and beer sales; allocating a portion of the revenue to chemical dependency treatment; amending Minnesota Statutes 1994, sections 254B.02, subdivision 1; 297A.02, subdivision 3; and 297A.44, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Betzold and Novak introduced--**

**S.F. No. 1598:** A bill for an act relating to claims; expanding legislative authority to hear inmate claims; amending Minnesota Statutes 1994, section 3.738, subdivision 1.

Referred to the Committee on Crime Prevention.

**Mr. Lessard introduced--**

**S.F. No. 1599:** A bill for an act relating to public defenders; providing that assistant district public defenders may not be dismissed except for just cause; amending Minnesota Statutes 1994, section 611.26, subdivision 4.

Referred to the Committee on Crime Prevention.

**Mr. Cohen introduced--**

**S.F. No. 1600:** A bill for an act relating to courts; increasing the number of judges authorized in Ramsey county; amending Minnesota Statutes 1994, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

**Mr. Kelly introduced--**

**S.F. No. 1601:** A bill for an act relating to education; increasing the permitted school district levy for crime related costs from \$1 to \$3 per capita; amending Minnesota Statutes 1994, section 124.912, subdivision 6.

Referred to the Committee on Education.

**Ms. Johnston, Messrs. Chmielewski, Langseth, Belanger and Ms. Krentz introduced--**

**S.F. No. 1602:** A bill for an act relating to passenger carriers; requiring persons providing livery service to obtain a permit from the commissioner of transportation; providing for livery service license plates; making conforming changes; amending Minnesota Statutes 1994, sections 168.128, subdivision 3; 169.122, subdivision 5; 221.011, subdivision 21, and by adding a subdivision; 221.031, subdivision 3b; and 221.091; proposing coding for new law in Minnesota Statutes, chapters 168; and 221; repealing Minnesota Statutes 1994, sections 168.011, subdivision 36; 168.1281; 221.011, subdivision 34; 221.84; and 221.85.

Referred to the Committee on Transportation and Public Transit.

**Messrs. Metzen and Solon introduced--**

**S.F. No. 1603:** A bill for an act relating to insurance; life or health; prohibiting certain insurance agent quotas; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Dille introduced--**

**S.F. No. 1604:** A bill for an act relating to local government; authorizing temporary relocation of certain McLeod county offices to places outside of the county seat.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Reichgott Junge and Mr. Johnson, D.J. introduced--**

**S.F. No. 1605:** A bill for an act relating to taxation; imposing limits on levies and market values for property taxes payable in 1996; requiring a study of local government finance and a study of education reform; terminating certain payments to local units of government; repealing Minnesota Statutes 1994, sections 124A.02, subdivisions 16 and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, 1i, and 3b; 124A.034; 124A.035; 124A.036; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.225; 124A.23; 124A.24; 124A.26; 124A.28; 124A.29, subdivision 1; 273.138; 273.1398; 273.1399; 273.166; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014; 477A.015; and 477A.03.

Referred to the Committee on Taxes and Tax Laws.

**Mses. Robertson, Hanson, Messrs. Janezich, Stumpf and Scheevel introduced--**

**S.F. No. 1606:** A bill for an act relating to education; providing for a report on projected school district capital expenditures.

Referred to the Committee on Education.

**Messrs. Johnson, D.J. and Solon introduced--**

**S.F. No. 1607:** A bill for an act relating to taxation; extending the duration of certain enterprise zones; amending Minnesota Statutes 1994, section 469.169, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

**Messrs. Morse, Metzen, Vickerman, Hottinger and Ms. Robertson introduced--**

**S.F. No. 1608:** A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1994, section 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1994, section 3.982.

Referred to the Committee on Metropolitan and Local Government.

**Messrs. Kelly and Finn introduced--**

**S.F. No. 1609:** A bill for an act relating to capital improvements; appropriating money to the higher education board to acquire land.

Referred to the Committee on Education.

**Mr. Chandler introduced--**

**S.F. No. 1610:** A bill for an act relating to education; establishing a pilot program for children with emotional or behavioral disorders; appropriating money.

Referred to the Committee on Education.

**Mr. Neville introduced--**

**S.F. No. 1611:** A bill for an act relating to criminal procedure; providing for disposition of forfeited bail proceeds by the court; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Crime Prevention.

**Mr. Janezich introduced--**

**S.F. No. 1612:** A bill for an act relating to education; providing for high school graduation incentives; amending Minnesota Statutes 1994, sections 126.22, subdivisions 3a and 8; and 126.23.

Referred to the Committee on Education.

**Messrs. Neville and Beckman introduced--**

**S.F. No. 1613:** A bill for an act relating to corrections; authorizing the creation of a nonprofit corporation to manage correctional work programs; providing for the organization, duties, and authority of the corporation; creating a correctional work program revolving fund; providing

inmate labor to operate correctional work programs; authorizing sale of corporation services and goods to governmental entities and private enterprises; requiring reports on corporation performance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Crime Prevention.

**Messrs. Finn, Merriam and Johnson, D.E. introduced--**

**S.F. No. 1614:** A bill for an act relating to taxes; modifying provisions relating to the sales tax on mixed municipal solid waste collection and disposal services; amending Minnesota Statutes 1994, sections 297A.01, subdivision 3, and by adding a subdivision; 297A.25, subdivision 11; and 297A.45.

Referred to the Committee on Taxes and Tax Laws.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and Consent Calendar. The motion prevailed.

**CALENDAR**

**S.F. No. 155:** A bill for an act relating to wild animals; authorizing poultry farmers to trap great horned owls; amending Minnesota Statutes 1994, section 97B.705.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Berg	Johnson, D.J.	Larson	Olson	Solon
Bertram	Johnson, J.B.	Lesewski	Ourada	Stevens
Cohen	Johnston	Lessard	Pariseau	Stumpf
Day	Kelly	Metzen	Riveness	Terwilliger
Dille	Kiscaden	Moe, R.D.	Robertson	Vickerman
Frederickson	Kleis	Morse	Runbeck	
Hottinger	Knutson	Murphy	Sams	
Janezich	Kramer	Neuville	Samuelson	
Johnson, D.E.	Langseth	Oliver	Scheevel	

Those who voted in the negative were:

Anderson	Chandler	Kroening	Mondale	Ranum
Beckman	Finn	Laidig	Novak	Reichgott Junge
Belanger	Flynn	Limmer	Pappas	Spear
Berglin	Hanson	Marty	Piper	Wiener
Betzold	Krentz	Merriam	Price	

So the bill passed and its title was agreed to.

**S.F. No. 204:** A bill for an act relating to state government; requiring reporting on and certain analysis of federal mandates imposed on state agencies.

Was read the third time 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:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 446:** A bill for an act relating to commerce; restraint of trade; repealing price markup provisions in the sales discrimination law; amending Minnesota Statutes 1994, section 325D.06; and repealing Minnesota Statutes 1994, section 325D.08.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 687:** A bill for an act relating to traffic regulations; requiring minimum clearance when passing bicycle or individual on roadway or bikeway; requiring bicycle traffic laws to be included in driver's manual and driver's license tests; amending Minnesota Statutes 1994, sections 169.18, subdivision 3; 169.222, subdivision 4; and 171.13, 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 62 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Johnston	Larson	Novak
Beckman	Finn	Kelly	Lesewski	Oliver
Belanger	Flynn	Kiscaden	Lessard	Olson
Berg	Frederickson	Kleis	Marty	Ourada
Berglin	Hanson	Knutson	Merriam	Pappas
Bertram	Hottinger	Kramer	Metzen	Pariseau
Betzold	Janezich	Krentz	Moe, R.D.	Piper
Chandler	Johnson, D.E.	Kroening	Mondale	Price
Chmielewski	Johnson, D.J.	Laidig	Morse	Ranum
Cohen	Johnson, J.B.	Langseth	Murphy	Reichgott Junge



Riveness  
Robertson  
Runbeck

Sams  
Samuelson  
Solon

Spear  
Stevens

Stumpf  
Terwilliger

Vickerman  
Wiener

Messrs. Day, Limmer, Neuville and Scheevel voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 673:** A bill for an act relating to motor vehicles; providing for determination of base value of motor vehicle for purposes of registration tax; amending Minnesota Statutes 1994, sections 168.013, subdivision 1a; and 168.017, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 16:** A bill for an act relating to health; modifying provisions relating to the administration and prescription of neuroleptic medications; changing the name of a court in certain circumstances; amending Minnesota Statutes 1994, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.12, subdivision 1; and 253B.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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 144:** A bill for an act relating to traffic regulations; limiting access to data on holders of disabled parking certificates; modifying provisions governing display and use of certificates;

amending Minnesota Statutes 1994, sections 13.69, subdivision 1; and 169.345, subdivisions 1, 3, and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 193:** A bill for an act relating to veterans; authorizing an annual expense allowance for the veterans homes board of directors; amending Minnesota Statutes 1994, section 15A.081, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 380:** A bill for an act relating to the military; clarifying certain powers and duties of the governor; defining certain terms; clarifying language designating the rank of the adjutant general; clarifying language on acceptance of money by the adjutant general on behalf of the state; clarifying authority of the adjutant general to lease certain land; eliminating certain obsolete and duplicative language; amending Minnesota Statutes 1994, sections 190.02; 190.05, by adding subdivisions; 190.07; 190.16, subdivision 2; 190.25, subdivision 1; repealing Minnesota Statutes 1994, sections 190.10; 190.13; and 190.29.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Morse	Riveness
Beckman	Hanson	Kroening	Murphy	Robertson
Belanger	Hottinger	Laidig	Neuville	Runbeck
Berg	Janezich	Langseth	Novak	Sams
Bertram	Johnson, D.E.	Larson	Oliver	Samuelson
Betzold	Johnson, D.J.	Lesewski	Olson	Scheevel
Chandler	Johnson, J.B.	Lessard	Ourada	Solon
Chmielewski	Johnston	Limmer	Pappas	Spear
Cohen	Kelly	Marty	Pariseau	Stevens
Day	Kiscaden	Merriam	Piper	Stumpf
Dille	Kleis	Metzen	Price	Terwilliger
Finn	Knutson	Moe, R.D.	Ranum	Vickerman
Flynn	Kramer	Mondale	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

**S.F. No. 381:** A bill for an act relating to the military; providing greater flexibility in appointment of members of the armory building commission; authorizing the state armory building commission to use funds for construction; clarifying which municipalities may provide sites for armories; changing provisions for disposal of unused armory sites; clarifying authority for levying taxes for armory construction; clarifying the authority for conveyance of armories to the state; amending Minnesota Statutes 1994, sections 193.142, subdivisions 1, 2, and 3; 193.143; 193.144, subdivisions 1, 2, and 6; 193.145, subdivisions 2, 4, and 5; and 193.148.

Was read the third time 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:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 382:** A bill for an act relating to the military; authorizing the adjutant general to assign certain retired officers to temporary active duty; expanding the authority of the adjutant general to recommend members of the national guard for brevet rank; changing eligibility for the state service medal; changing certain penalties for wrongful disposition of military property; changing the agency to be notified in the case of temporary emergency relief payments; providing for appointment of a United States property and fiscal officer; eliminating obsolete language concerning retention of uniforms; national guard discipline, training, rifle practice, encampments, and drills; clarifying provisions related to pay for officers and enlisted persons; imposing a penalty; amending Minnesota Statutes 1994, sections 192.19; 192.20; 192.23; 192.37; 192.38, subdivision 1; 192.40; and 192.49; repealing Minnesota Statutes 1994, sections 192.36; 192.435; 192.44; 192.45; 192.46; 192.47; and 192.51, 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:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 184:** A bill for an act relating to veterans; clarifying authority for use of funds from surplus facilities of the veterans homes board; amending Minnesota Statutes 1994, section 198.003, subdivisions 3 and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 290:** A bill for an act relating to the environment; providing that contamination cleanup grants cover costs of developing a response action plan and cleanup costs incurred before the award of a grant in certain cases; modifying the application cycle for contamination cleanup grants; amending Minnesota Statutes 1994, sections 116J.552, subdivision 2; and 116J.555, 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:

Anderson	Betzold	Finn	Johnson, D.E.	Kleis
Beckman	Chandler	Flynn	Johnson, D.J.	Knutson
Belanger	Chmielewski	Frederickson	Johnson, J.B.	Kramer
Berg	Cohen	Hanson	Johnston	Krentz
Berglin	Day	Hottinger	Kelly	Kroening
Bertram	Dille	Janezich	Kiscaden	Laidig

Langseth	Metzen	Oliver	Ranum	Solon
Larson	Moe, R.D.	Olson	Riveness	Spear
Lesewski	Mondale	Ourada	Robertson	Stevens
Lessard	Morse	Pappas	Runbeck	Stumpf
Limmer	Murphy	Pariseau	Sams	Terwilliger
Marty	Neuville	Piper	Samuelson	Vickerman
Merriam	Novak	Price	Scheevel	Wiener

So the bill passed and its title was agreed to.

**S.F. No. 445:** A bill for an act relating to the environment; requiring the pollution control agency to permit the operation of certain waste combustors.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Morse	Riveness
Beckman	Hanson	Kroening	Murphy	Robertson
Belanger	Hottinger	Laidig	Neuville	Runbeck
Berg	Janezich	Langseth	Novak	Sams
Bertram	Johnson, D.E.	Larson	Oliver	Samuelson
Betzold	Johnson, D.J.	Lesewski	Olson	Scheevel
Chandler	Johnson, J.B.	Lessard	Ourada	Solon
Chmielewski	Johnston	Limmer	Pappas	Spear
Cohen	Kelly	Marty	Pariseau	Stevens
Day	Kiscaden	Merriam	Piper	Stumpf
Dille	Kleis	Metzen	Price	Terwilliger
Finn	Knutson	Moe, R.D.	Ranum	Vickerman
Flynn	Kramer	Mondale	Reichgott Junge	Wiener

Ms. Berglin voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 133:** A bill for an act relating to state lands; authorizing the private sale of certain tax-forfeited lands bordering public waters in Cook county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 444:** A bill for an act relating to state parks; adding territory to Split Rock Creek 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Neuville	Sams
Beckman	Hanson	Laidig	Novak	Samuelson
Belanger	Hottinger	Langseth	Oliver	Scheevel
Berg	Janezich	Larson	Olson	Solon
Berglin	Johnson, D.E.	Lesewski	Ourada	Spear
Bertram	Johnson, D.J.	Lessard	Pappas	Stevens
Betzold	Johnson, J.B.	Limmer	Pariseau	Stumpf
Chandler	Johnston	Marty	Piper	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Kleis	Moe, R.D.	Reichgott Junge	
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Morse	Robertson	
Flynn	Krentz	Murphy	Runbeck	

So the bill passed and its title was agreed to.

**S.F. No. 1100:** A bill for an act relating to lawful gambling; allowing unlimited use of the proceeds of lawful gambling for payment of real estate taxes and assessments for certain premises; amending Minnesota Statutes 1994, section 349.12, 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 61 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Murphy	Sams
Beckman	Hottinger	Laidig	Neuville	Samuelson
Belanger	Janezich	Langseth	Novak	Scheevel
Berg	Johnson, D.E.	Larson	Oliver	Solon
Bertram	Johnson, D.J.	Lesewski	Olson	Spear
Betzold	Johnson, J.B.	Lessard	Ourada	Stevens
Chandler	Johnston	Limmer	Pariseau	Stumpf
Chmielewski	Kelly	Marty	Piper	Terwilliger
Cohen	Kiscaden	Merriam	Price	Vickerman
Day	Kleis	Metzen	Reichgott Junge	
Dille	Knutson	Moe, R.D.	Riveness	
Finn	Kramer	Mondale	Robertson	
Frederickson	Krentz	Morse	Runbeck	

Mses. Berglin, Flynn and Pappas voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 368:** A bill for an act relating to agriculture; clarifying the employment status of certain farm crisis assistance personnel; amending Minnesota Statutes 1994, section 17.03, subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Dille	Hottinger	Johnston
Beckman	Chandler	Finn	Janezich	Kelly
Berg	Chmielewski	Flynn	Johnson, D.E.	Kiscaden
Berglin	Cohen	Frederickson	Johnson, D.J.	Kleis
Bertram	Day	Hanson	Johnson, J.B.	Knutson

Kramer	Limmer	Neuville	Price	Scheevel
Krentz	Marty	Novak	Ranum	Solon
Kroening	Merriam	Oliver	Reichgott Junge	Spear
Laidig	Metzen	Olson	Riveness	Stevens
Langseth	Moe, R.D.	Ourada	Robertson	Stumpf
Larson	Mondale	Pappas	Runbeck	Terwilliger
Lesewski	Morse	Pariseau	Sams	Vickerman
Lessard	Murphy	Piper	Samuelson	Wiener

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 680:** A bill for an act relating to state lands; authorizing the commissioner of natural resources to sell certain land in Scott county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Riveness
Beckman	Hanson	Kroening	Murphy	Robertson
Belanger	Hottinger	Laidig	Neuville	Runbeck
Berg	Janezich	Langseth	Novak	Sams
Berglin	Johnson, D.E.	Larson	Oliver	Samuelson
Bertram	Johnson, D.J.	Lesewski	Olson	Scheevel
Betzold	Johnson, J.B.	Lessard	Ourada	Solon
Chandler	Johnston	Limmer	Pappas	Spear
Chmielewski	Kelly	Marty	Pariseau	Stevens
Cohen	Kiscaden	Merriam	Piper	Stumpf
Day	Kleis	Metzen	Price	Terwilliger
Dille	Knutson	Moe, R.D.	Ranum	Vickerman
Finn	Kramer	Mondale	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 610 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 610:** A bill for an act relating to the financing of government in this state; providing tax credits; making the used farm machinery sales tax exemption permanent; repealing the political contribution refund; providing flexibility and accountability for local governments; appropriating money; amending Minnesota Statutes 1994, sections 256E.06, subdivisions 9, 12, and 13; 273.138, subdivision 2; 273.1398, subdivisions 2 and 3a; 273.166, subdivision 2; 276.04, subdivision 2; 289A.50, subdivision 1; 290.01, subdivision 6; 297A.25, subdivision 59; 471.9981, subdivision 6; 477A.012, subdivision 1; 477A.013, subdivisions 1 and 9; 477A.0132, subdivisions 1 and 2; 477A.014, subdivisions 1, 2, and 5; 477A.015; 477A.017, subdivision 3; and 477A.03, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 275; and 477A; repealing Minnesota Statutes 1994, sections 10A.322, subdivision 4; 10A.43, subdivision 5; 290.06, subdivision 23; 477A.011, subdivisions 30, 31, 32, 33, 34, 35, 36, and 37; 477A.012; 477A.013; and 477A.014, subdivision 1a.

Mr. Belanger moved to amend S.F. No. 610 as follows:

Page 14, line 32, delete "October 15, 1995" and insert "July 1, 1996"

Page 15, line 30, delete "September 1" and insert "July 1"

Page 15, line 31, delete "1995" and insert "1996"

Page 16, line 5, delete "September 30" and insert "July 15"

Page 16, line 6, delete "1995" and insert "1996" and delete "thereafter" and insert "beginning in 1996"

Page 16, line 10, delete "July" and insert "August"

Page 16, line 15, delete "May 1 and" and after "July 15" insert "and August 15"

Page 17, line 18, delete "July" and insert "August"

Page 18, line 22, delete "July" and insert "August"

Page 18, line 23, delete "July" and insert "August"

Page 19, lines 4 to 10, delete the new language and reinstate the stricken language

Page 19, delete section 16

Page 23, delete section 25 and insert:

"Sec. 24. [BUDGETARY ADJUSTMENTS.]

By amending this article to eliminate a proposed \$57,000,000 reduction in certain payments to be made to local units of government in fiscal year 1996, the legislature has created an imbalance in the state treasury in fiscal year 1996 of that amount. In order to restore the general fund of the state treasury to a projected positive ending balance for the fiscal year ending June 30, 1996, and in order to provide additional funding for K-12 education purposes during the same time period, the legislature declares its intention to enact appropriations that make the following changes for fiscal year 1996 when compared to the supplemental budget recommendations made by the governor on February 28, 1995:

- (1) for K-12 education purposes, an increase of \$62,000,000;
- (2) for health and human services, a decrease of at least \$60,000,000;
- (3) for corrections, a decrease of at least \$10,000,000;
- (4) for environmental purposes, a decrease of at least \$6,000,000;
- (5) for transportation, a decrease of at least \$5,000,000;
- (6) for criminal justice administration and programs, a decrease of at least \$15,000,000; and
- (7) for state departments, a decrease of at least \$18,000,000.

In addition, the legislature hereby declares its intention to establish and maintain a new reserve of at least \$220,000,000 in the fiscal year 1996 state budget in accordance with the supplemental budget recommendations of the governor dated February 28, 1995.

Sec. 25. [PROPERTY TAX AND EDUCATION AIDS REFORM.]

Subdivision 1. [CREATION.] The property tax and education aids reform task force is created.

Subd. 2. [MEMBERSHIP.] On or before June 1, 1995, membership of the property tax and education aids reform task force shall be appointed as follows:

- (1) two members appointed by the majority caucus leader of the senate;
- (2) two members appointed by the minority caucus leader of the senate;
- (3) two members appointed by the majority caucus leader of the house of representatives;



- (4) two members appointed by the minority caucus leader of the house of representatives; and
- (5) two members appointed by the governor.

Subd. 3. [RECOMMENDED PROGRAM.] The property tax and education aids reform task force shall prepare and recommend to the legislature a property tax reform and education aids reform program that includes:

- (1) a property tax classification and class rate system;
- (2) elementary and secondary education aids and levies; and
- (3) aids to local governments.

Subd. 4. [STANDARDS.] (a) The recommended reform program must treat the interests of the taxpayer as the primary objective, as provided in paragraphs (b) to (e).

(b) The recommended program must provide meaningful spending reform by reducing or eliminating wasteful spending, controlling excessive costs, prioritizing state program responsibilities, and by targeting limited state resources to individuals and communities which have high needs and limited local resources.

(c) The recommended program must provide accountability by:

- (1) being understandable to the taxpayer;
- (2) providing for local control over and public participation in government decisions; and
- (3) linking the costs of services to those levels of government responsible for providing the services and paying the costs.

(d) The recommended program must provide a stable and predictable revenue and expenditure system for the state and local governments.

(e) The recommended program must result in a state and local fiscal system that makes the tax system of this state and the level of quality in government services provided in this state competitive with other states.

Subd. 5. [REPORT.] The task force shall report its recommendations to the legislature on or before January 1, 1996. The report shall include proposed legislation to implement the recommendations of the task force.

#### Sec. 26. [SAVINGS CLAUSE.]

Notwithstanding the repealers in section 27 or any other provision in this act to the contrary, nothing in this act constitutes an impairment of any obligations, certificates of indebtedness, capital notes, or other debt instruments, including installment purchase contracts or lease purchase agreements, issued before the date of final enactment of this act, by a municipality as defined in Minnesota Statutes, section 469.174, subdivision 6, or a special taxing district as defined in Minnesota Statutes, section 275.066.

#### Sec. 27. [REPEALER.]

Subdivision 1. Minnesota Statutes 1994, sections 124.01; 124.05; 124.06; 124.07; 124.76; 124.82; 124.829; 124.83; 124.84; 124.85; 124.86; 124.90; 124.91; 124.912; 124.914; 124.916; 124.918; 124.95; 124.961; 124.962; 124.97; 124A.02, subdivisions 16, 23, and 24; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.0311; 124A.032; 124A.04; 124A.22, subdivisions 1, 2, 3, 4, 4a, 4b, 6, 6a, 8, and 9; 124A.23; 124A.24; 124A.26, subdivisions 1, 2, and 3; 124A.27; 124A.28; and 124A.29, subdivision 2; and Laws 1991, chapter 265, article 7, section 35, are repealed.

Subd. 2. Minnesota Statutes 1994, sections 273.13; 273.135; 273.1391; 273.1398; 473F.001; 473F.01; 473F.02; 473F.03; 473F.05; 473F.06; 473F.07; 473F.08; 473F.09; 473F.10; 473F.11; 473F.13; 477A.011; 477A.012; 477A.0121; 477A.0122; 477A.013; 477A.0132; 477A.014;

477A.015; 477A.016; 477A.017; 477A.03; 477A.11; 477A.12; 477A.13; 477A.14; and 477A.15, are repealed."

Page 23, line 17, delete "17, 19 to 22, and 24" and insert "16, 18 to 21, and 23 to 26"

Page 23, line 18, delete "Sections 18 and 25 are" and insert "Section 17 is"

Page 23, line 21, delete "23" and insert "22"

Page 23, line 22, after the period, insert "Section 27, subdivision 1, is effective for the 1997-1998 school year, and section 27, subdivision 2, is effective for taxes payable in 1997."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Mr. Frederickson imposed a call of the Senate for the balance of the proceedings on S.F. No. 610. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Belanger amendment.

The roll was called, and there were yeas 25 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Laidig	Neuville	Robertson
Berg	Kiscaden	Larson	Oliver	Runbeck
Day	Kleis	Lesewski	Olson	Scheevel
Dille	Knutson	Limmer	Ourada	Stevens
Frederickson	Kramer	Merriam	Pariseau	Terwilliger

Those who voted in the negative were:

Anderson	Flynn	Kroening	Murphy	Samuelson
Beckman	Hanson	Langseth	Novak	Solon
Berglin	Hottinger	Lessard	Piper	Spear
Bertram	Janezich	Marty	Pogemiller	Stumpf
Betzold	Johnson, D.J.	Metzen	Price	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Ranum	Wiener
Cohen	Kelly	Mondale	Reichgott Junge	
Finn	Krentz	Morse	Riveness	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 610 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 0 and nays 67, as follows:

Those who voted in the negative were:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

So the bill failed to pass.

## 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.

### Ms. Flynn from the Committee on Judiciary, to which was referred

**S.F. No. 1118:** 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 1994, sections 3A.01, subdivision 7; 3A.02, subdivision 1; 3A.11, subdivision 4; 3C.10, subdivision 3; 9.071; 11A.18, subdivision 10; 13.99, subdivision 92c; 15.061; 15.56, subdivision 5; 17.1015; 29.021; 31.495, subdivisions 1 and 5; 32.01, subdivision 6; 60B.02; 72A.20, subdivision 29; 72C.03; 72C.04, subdivision 4; 82.34, subdivision 6; 84.025, subdivision 7; 84.0895, subdivision 2; 84.0911, subdivision 2; 85.016; 90.251, subdivision 4; 92.46, subdivision 1; 97A.115, subdivision 2; 103F.516, subdivision 2; 103G.2365; 116.03, subdivision 2; 116C.724, subdivision 2; 116C.98, subdivision 3; 116J.035, subdivision 1; 116J.402; 116J.70, subdivision 2a; 124.916, subdivision 1; 126.25, subdivision 3; 134.341; 136A.40; 144.3831, subdivision 1; 145A.07, subdivision 1; 147.01, subdivision 5; 154.161, subdivision 3; 162.09, subdivision 1; 192.261, subdivision 3; 192.501, subdivision 2; 193.36, subdivision 2; 201.15, subdivision 1; 270.69, subdivision 10; 271.21, subdivision 6; 275.066; 290.01, subdivisions 3a and 19d; 290.05, subdivision 3; 294.03, subdivision 2; 297A.25, subdivision 21; 299F.72, subdivision 1; 299L.05; 299L.07, subdivision 2a; 308A.503, subdivision 3; 317A.733, subdivisions 1 and 2; 340A.503, subdivision 1; 349.12, subdivision 25; 349.17, subdivision 6; 352.01, subdivision 2a; 354.07, subdivision 7; 360.305, subdivisions 1, 2, and 5; 365.125, subdivision 2; 383A.90, subdivision 2; 383D.71, subdivision 2; 462C.12, subdivision 2; 473.121, subdivision 11; 473.149, subdivision 4; 473.192, subdivision 4; 473.3993, subdivision 1; 473.405, subdivisions 1 and 12; 473.598, subdivision 4; 473.599, subdivision 8; 473.811, subdivisions 1a and 5; 473.834, subdivision 2; 474A.061, subdivision 2a; 518.551, subdivision 5; 518C.101; 524.2-210; 525.011, subdivision 1; 554.04, subdivision 2; 609.342, subdivision 1; 609.561, subdivision 3; and 609.66, subdivision 1d; Laws 1993, chapter 273, section 1, as amended; and Laws 1994, chapter 647, article 7, section 19, subdivision 4; repealing Minnesota Statutes 1994, sections 13.99, subdivision 71; 103B.151, subdivision 3; 134.32, subdivision 2; 256B.0925; 297A.25, subdivision 50; 383B.614, subdivision 5; 469.110, subdivision 9; 469.170, subdivision 9; 611A.032; 624.01; and 624.03; Laws 1986, First Special Session chapter 1, article 9, section 18; First Special Session chapter 2, article 3, section 1; Laws 1987, chapter 254, section 8; Laws 1988, chapter 486, section 59; Laws 1990, chapter 562, article 10, section 1; Laws 1993, chapter 146, article 5, section 15; Laws 1994, chapter 485, section 14; chapter 647, article 1, section 4; article 8, section 46, paragraph (b); article 13, sections 3 and 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 76, after line 9, insert:

"Sec. 112. Laws 1994, chapter 628, article 2, section 5, is amended to read:

Sec. 5. [APPLICATION.]

This article Laws 1994, chapter 628, article 2, applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 13, after line 21, of the memorandum of explanation, insert:

"Sec. 112. Explanation. This corrects the application section of a 1994 law dealing with the metropolitan council. Hennepin county was inadvertently omitted from the seven-county metropolitan area."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 45, after the semicolon, insert "Laws 1994, chapter 628, article 2, section 5;"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1396:** A bill for an act relating to local government; requiring counties, cities, and towns to codify and print ordinances, resolutions, and rules; requiring the local governmental unit to furnish copies to the county law library; amending Minnesota Statutes 1994, sections 375.52; and 415.021.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, reinstate the stricken "may" and delete "shall"

Page 1, line 20, delete "the" and insert "any"

Page 1, line 21, delete "codified" and delete ", resolutions, or rules" and insert "adopted by the county"

Page 1, line 22, after the period, insert "A county, upon request, shall be reimbursed a reasonable charge by the county law library for a copy furnished."

Page 2, line 1, reinstate the stricken "may" and delete "shall"

Page 2, line 8, delete "the codified" and insert "any" and delete the comma

Page 2, line 9, delete "resolutions, or rules" and insert "adopted by the city or town"

Page 2, line 10, after the period, insert "A city or town, upon request, shall be reimbursed a reasonable charge by the county law library for a copy furnished."

Amend the title as follows:

Page 1, line 2, delete from "requiring" through page 1, line 3, to "ordinances,"

Page 1, line 4, delete "resolutions, and rules;" and delete "the" and insert "a"

Page 1, line 5, after "copies" insert "of any ordinances adopted"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 317:** A bill for an act relating to cities; permitting cities to close certain unlawful businesses; proposing coding for new law in Minnesota Statutes, chapter 415.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1159:** A bill for an act relating to state government; requiring notice to the commissioner of agriculture and certain other actions before an agency adopts or repeals rules that affect farming operations; amending Minnesota Statutes 1994, sections 14.11, by adding a subdivision; and 116.07, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1233:** A bill for an act relating to metropolitan government; establishing housing as a metropolitan system; amending Minnesota Statutes 1994, sections 473.145; 473.175, by adding a subdivision; and 473.852, subdivision 8; 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, lines 24 and 25, delete the new language and insert ", and housing"

Page 1, after line 26, insert:

"The metropolitan council shall prepare and adopt, as part of its metropolitan development guide, a long-range policy plan for housing in the metropolitan area. The policy plan shall be developed in cooperation with local governments and with active public participation, include a description of specific housing objectives, and indicate the strategies that will be used to achieve the objectives and specify the authority the council will require to implement the policy. The council should submit a preliminary report to the chairs of the metropolitan and local government committees by January 31, 1996, and the final plan by January 31, 1997."

Page 2, delete lines 1 to 36

Page 3, delete lines 1 to 36

Page 4, delete lines 1 to 33

Pages 4 to 7, delete sections 3 to 5

Page 7, line 25, delete "6" and insert "3"

Amend the title as follows:

Page 1, line 4, delete from "sections" through page 1, line 5, to "8" and insert "section 473.145"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 337:** A bill for an act relating to health; establishing MN ENABL, a program to postpone sexual involvement in an effort to reduce adolescent pregnancy; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [145.9255] [MN ENABL, MINNESOTA EDUCATION NOW AND BABIES LATER.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education, in consultation with the director of the office of strategic and long-range planning and the commissioner of health, shall develop and implement the Minnesota education now and babies later (MN ENABL) program, targeted to adolescents ages 12 to 14, with the goal of reducing the incidence of adolescent pregnancy in the state. The program must provide a multifaceted, primary prevention, community

health promotion approach to educating and supporting adolescents in the decision to postpone sexual involvement, modeled after the ENABL program in California. The commissioner of education shall consult with the health education section of the California department of health services for general guidance in developing and implementing the program.

Subd. 1a. [DEFINITION.] "Community-based local contractor" or "contractor" includes boards of health under section 145A.02, Indian tribal governments, nonprofit organizations, family collaboratives, or school districts. The community-based local contractors may provide the education component of MN ENABL in a variety of settings including, but not limited to, schools, religious establishments, local community centers, and youth camps.

Subd. 2. [DUTIES OF THE COMMISSIONER OF EDUCATION.] The commissioner of education shall:

(1) manage the grant process, including awarding and monitoring grants to community-based local contractors, and may contract with community-based local contractors that can demonstrate at least a 25 percent local match and agree to participate in the four MN ENABL program components under subdivision 3;

(2) provide technical assistance to the community-based local contractors as necessary under subdivision 3;

(3) develop and implement the evaluation component, and provide centralized coordination at the state level of the evaluation process; and

(4) explore and pursue the federal funding possibilities and specifically request funding from the United States Department of Health and Human Services to supplement the development and implementation of the program.

Subd. 3. [PROGRAM COMPONENTS.] The program must include the following four major components:

(a) A community organization component in which the community-based local contractors shall include:

(1) use of a postponing sexual involvement education curriculum targeted to boys and girls ages 12 to 14 in schools and/or community settings;

(2) planning and implementing community organization strategies to convey and reinforce the MN ENABL message of postponing sexual involvement, including activities promoting awareness and involvement of parents and other primary caregivers/significant adults, schools, and community; and

(3) develop local media linkages.

(b) A statewide, comprehensive media and public relations campaign to promote changes in sexual attitudes and behaviors and reinforce the message of postponing adolescent sexual involvement.

The commissioner of education, in consultation with the commissioner of health, shall contract with the attorney general's office to develop and implement the media and public relations campaign. In developing the campaign, the attorney general's office shall coordinate and consult with representatives from ethnic and local communities to maximize effectiveness of the social marketing approach to health promotion among the culturally diverse population of the state. The development and implementation of the campaign is subject to input and approval by the commissioners of health and education.

The local community-based contractors shall collaborate and coordinate efforts with other community organizations and interested persons to provide school and community-wide promotional activities that support and reinforce the message of the MN ENABL curriculum.

(c) An evaluation component which evaluates the process and the impact of the program.

The "process evaluation" must provide information to the state on the breadth and scope of the program. The evaluation must identify program areas that might need modification and identify local MN ENABL contractor strategies and procedures which are particularly effective. Contractors must keep complete records on the demographics of clients served, number of direct education sessions delivered, and other appropriate statistics and must document exactly how the program was implemented. The commissioner may select contractor sites for more in-depth case studies.

The "impact evaluation" must provide information to the state on the impact of the different components of the MN ENABL program and an assessment of the impact of the program on adolescents' related sexual knowledge, attitudes, and risk-taking behavior.

The commissioner shall compare the MN ENABL evaluation information and data with similar evaluation data from other states pursuing a similar adolescent pregnancy prevention program modeled after ENABL, use the information to improve MN ENABL, and build on aspects of the program that have demonstrated a delay in adolescent sexual involvement.

(d) A training component requiring the commissioner of education, in consultation with the commissioner of health, to provide comprehensive uniform training to the local MN ENABL community-based local contractors and the direct education program staff.

The local community-based contractors may use adolescent leaders slightly older than the adolescents in the program to impart the message to postpone sexual involvement provided:

(1) the contractor follows a protocol for adult mentors/leaders and older adolescent leaders established by the commissioner of education;

(2) the older adolescent leader is accompanied by an adult leader; and

(3) the contractor uses the curriculum as directed and required by the commissioner of the department of education to implement this part of the program. The commissioner of education shall provide technical assistance to community-based local contractors.

## Sec. 2. [APPROPRIATION.]

\$..... is appropriated from the general fund to the department of education for purposes of developing and implementing the program in section 1, and is available for the biennium."

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

### **Ms. Berglin from the Committee on Health Care, to which was referred**

**S.F. No. 730:** A bill for an act relating to human services; providing medical assistance reimbursement for a comprehensive pharmaceutical care research project; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Amend the title as follows:

Page 1, lines 4 and 5, delete "; appropriating money"

And when so amended the bill do pass. Amendments adopted. Report adopted.

### **Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1121:** A bill for an act relating to human development; appropriating money for preliminary planning and programming for a human development center.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "to," insert "administration,"

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 Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 273:** A bill for an act relating to water; providing for the classification of water supply systems and wastewater treatment facilities and certification of operators by the department of health and the pollution control agency; appropriating money; amending Minnesota Statutes 1994, sections 115.71, subdivisions 1, 4, 8, 10, and by adding subdivisions; 115.72; 115.73; 115.75; 115.76; 115.77; and 144.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1994, sections 115.71, subdivisions 2, 3, and 3a; 115.74; 115.78; 115.79; 115.80; and 115.82.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

**Mr. Berg from the Committee on Gaming Regulation, to which was referred**

**S.F. No. 1360:** A bill for an act relating to lawful gambling; providing that a city's trade area for purpose of limiting expenditures of net profits may consist of all or part of the city's school district; allowing cities and counties to adopt reporting requirements; allowing cities and counties to adopt residence requirements as a condition of approval of premises permits; amending Minnesota Statutes 1994, section 349.213.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, before "is" insert "subdivision 1,"

Page 1, delete line 13

Page 2, line 28, delete the first "or" and insert "and"

Page 2, line 29, delete "as" and insert "or districts of"

Page 3, delete lines 6 to 25

Amend the title as follows:

Page 1, delete lines 6 to 9 and insert "reporting requirements; amending Minnesota Statutes 1994, section 349.213, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 258:** A bill for an act relating to occupations and professions; board of medical practice; providing for the registration of physician assistants by the board of medical practice; providing for rulemaking; providing penalties; amending Minnesota Statutes 1994, sections 116J.70, subdivision 2a; 136A.1356, subdivision 1; 144.335, subdivision 1; 148B.60, subdivision 3; 151.01, subdivision 23; 151.37, subdivision 2a; 214.23, subdivision 1; and 604A.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 147A; repealing Minnesota Statutes 1994, sections 147.34; 147.35; and 147.36; Minnesota Rules, parts 5600.2600; 5600.2605; 5600.2610; 5600.2615; 5600.2620; 5600.2625; 5600.2630; 5600.2635; 5600.2640; 5600.2645; 5600.2650; 5600.2655; 5600.2660; 5600.2665; and 5600.2670.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, delete everything after the second period



Page 2, delete lines 5 and 6

Page 2, line 7, delete "Subd. 5."

Page 2, line 9, delete "6" and insert "5"

Page 2, line 18, delete "7" and insert "6"

Page 2, line 20, delete "8" and insert "7"

Page 2, line 22, delete "9" and insert "8"

Page 2, line 36, delete "10" and insert "9"

Page 3, line 4, delete "11" and insert "10"

Page 3, line 7, delete "12" and insert "11"

Page 3, line 9, delete "13" and insert "12"

Page 3, line 13, delete "14" and insert "13"

Page 3, line 25, delete "15" and insert "14"

Page 3, line 27, delete "16" and insert "15"

Page 3, line 32, delete "17" and insert "16"

Page 4, line 1, delete "18" and insert "17"

Page 4, line 4, delete "19" and insert "18"

Page 4, line 10, delete "20" and insert "19"

Page 4, line 28, delete "21" and insert "20"

Page 4, line 31, delete "22" and insert "21"

Page 5, line 1, delete "23" and insert "22"

Page 5, line 4, delete "24" and insert "23"

Page 5, line 10, delete "25" and insert "24"

Page 5, line 19, delete "26" and insert "25"

Page 5, line 32, delete "27" and insert "26"

Page 6, line 3, delete "28" and insert "27"

Page 29, line 4, delete "all" and delete everything after "rules"

Page 29, delete line 5

Page 29, line 6, delete everything before the colon

Pages 29 and 30, delete section 22

Page 31, line 26, delete "26" and insert "25"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was re-referred**

**S.F. No. 1365:** A bill for an act relating to public safety; regulating fireworks; modifying the definitions of the term fireworks; permitting sale of certain fireworks; amending Minnesota Statutes 1994, section 624.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 624.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 624.20, subdivision 1, is amended to read:

Subdivision 1. As used in sections 624.20 to 624.25, the term "fireworks" means any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration, or detonation, and includes blank cartridges, toy cannons, and toy canes in which explosives are used, the type of balloons which require fire underneath to propel them, firecrackers, torpedoes, skyrockets, Roman candles, daygo bombs, sparklers, or other fireworks of like construction, and any fireworks containing any explosive or inflammable compound, or any tablets or other device containing any explosive substance and commonly used as fireworks. The term "fireworks" shall not include toy pistols, toy guns, in which paper caps containing 25/100 grains or less of explosive compound are used and toy pistol caps which contain less than 20/100 grains of explosive mixture, sparklers of not more than 100 grams of mixture per item, other sparkling items which are nonexplosive and nonaerial and contain 75 grams or less of chemical compound per tube or a total of 200 grams or less for multiple tubes, snake and glow worms, smoke devices, and trick noise makers which include paper streamers, party poppers, string poppers, snappers, and drop pops each consisting of 0.25 grains or less of explosive mixture.

Sec. 2. Minnesota Statutes 1994, section 624.20, is amended by adding a subdivision to read:

Subd. 3. Any regulation of fireworks by a governmental body that is different from sections 624.20 to 624.25, is not valid.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public safety; regulating fireworks; modifying the definition of the term fireworks; preempting local regulation of fireworks; amending Minnesota Statutes 1994, section 624.20, subdivision 1, and by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1076:** A bill for an act relating to energy; regulating wind energy conversion systems siting; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, after "116C.59" delete the comma and insert a semicolon and after "116C.63" insert "; 116C.645"

Page 2, line 28, delete "(a)"

Page 3, line 11, after the semicolon, insert "and"

Page 3, line 14, delete "; and" and insert a period

Page 3, delete lines 15 to 22

And when so amended the bill do pass and be re-referred to the Committee on Metropolitan and Local Government. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S.F. Nos. 1118, 1396, 317, 1159, 1233, 730, 1360, 258 and 1365 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Kroening moved that the name of Mr. Novak be added as a co-author to S.F. No. 1424. The motion prevailed.

Mr. Limmer moved that the name of Mr. Marty be added as a co-author to S.F. No. 1437. The motion prevailed.

Ms. Reichgott Junge moved that the name of Mr. Finn be added as a co-author to S.F. No. 1492. The motion prevailed.

Mr. Solon moved that S.F. No. 730, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Price moved that S.F. No. 423, No. 26 on General Orders, be stricken and returned to its author. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 4:00 p.m. The motion prevailed. The hour of 4:00 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.

### 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, with the exception of the report on S.F. No. 1136. The motion prevailed.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 563:** A bill for an act relating to Dakota county; appropriating money to Dakota county to reimburse the county for costs of airport planning arising from the dual-track international airport planning program.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [PLANNING ASSISTANCE LOAN FUND; GRANT TO DAKOTA COUNTY.]

The metropolitan council shall pay Dakota county the sum of \$100,000 as a grant from the planning assistance loan fund established under Minnesota Statutes, section 473.867, to reimburse the county for payments the county made in 1994 and 1995 to the council to satisfy a loan made to Dakota county from the fund to enable Dakota county to participate in the site selection process of the dual-track airport planning process. The \$50,000 payment due from Dakota county to the council in 1996, as the final payment on the loan, shall be forgiven and deemed to be a grant from the fund.

Sec. 2. [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 the metropolitan council; requiring the council to pay Dakota county a sum of money to reimburse the county for payments made to the planning assistance loan fund; providing that the final payment due on the loan be deemed a grant."

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 Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1170:** A bill for an act relating to occupations and professions; requiring licensure or certification of geoscientists; adding geoscientists to the board of architecture, engineering, land surveying, landscape architecture, and interior design; providing for certain duties for the board; amending Minnesota Statutes 1994, sections 214.01, subdivision 3; 214.04, subdivision 3; 319A.02, subdivision 2; 326.02, subdivisions 1, 4, 4a, and by adding a subdivision; 326.03, subdivisions 1 and 4; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 7; 326.11, subdivision 1; 326.111, subdivisions 1, 2, 3, 4, and 6; 326.12; 326.13; and 326.14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 22, after the period, insert "Nothing in this subdivision shall be construed to permit a professional geoscientist to engage in the practice of professional engineering as defined in subdivision 3."

Page 13, line 3, after the first "the" insert "two" and delete "member and one civil engineer member" and insert "members"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1290:** A bill for an act relating to the legislature; abolishing the legislative commission to review administrative rules, the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning; amending Minnesota Statutes 1994, sections 3.846, subdivision 2; 4.071, subdivision 2; 14.131; 14.15,

subdivision 4; 14.19; 14.23; 14.26; 14.32, subdivision 2; 14.47, subdivisions 3, 6, and 8; 62J.04, subdivisions 1a and 9; 62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02; 256.9352, subdivision 3; 256B.431, subdivision 2i; 290.431; 290.432; and 473.846; repealing Minnesota Statutes 1994, sections 3.841; 3.842; 3.843; 3.844; 3.845; 3.861; 3.873; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.20, subdivision 6; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 12, line 17, reinstate the stricken "The" and after the stricken "on" insert "division of" and reinstate the stricken "Minnesota resources shall make"

Page 12, lines 18 and 19, reinstate the stricken language

Page 31, line 27, after the first semicolon, insert "216C.051;"

Page 31, line 30, delete "section" and insert "sections" and delete ", is" and insert "and 3.885, are"

Page 36, line 21, after "agency" insert ", the metropolitan council as defined in section 473.121, subdivision 3, or a metropolitan agency as defined in section 473.121, subdivision 5a,"

Amend the title as follows:

Page 1, line 36, after "3.873;" insert "3.885;"

Page 1, line 44, after "1;" insert "216C.051;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1384:** A bill for an act relating to state government; abolishing the department of human rights and transferring its responsibilities to the attorney general; amending Minnesota Statutes 1994, sections 15.01; 15.06, subdivision 1; 15A.081, subdivision 1; 43A.08, subdivision 1a; 363.06, subdivision 4; 363.071, subdivisions 2 and 7; and 363.14, subdivision 3; repealing Minnesota Statutes 1994, sections 363.01, subdivisions 8 and 12; and 363.121.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [363.062] [EVALUATION FORM.]

Once a year, the commissioner shall send an evaluation form to each charging party whose grievance is an open case file and each charging party whose case file was closed during the preceding 12 months. The evaluation form must seek the charging party's assessment of the way the party's grievance is being or was processed by the department and invite the party's suggestions for ways in which the department might improve its processing of grievances. The commissioner shall compile and summarize the responses to the forms, including summaries of favorable comments, unfavorable comments, and suggestions for improvements, and submit the

report to the committees of the legislature having jurisdiction over the department by March 15 of each year.

Sec. 2. [INITIAL FORMS.]

The initial report to the appropriate committees of the legislature required by Minnesota Statutes, section 363.062, must be submitted by March 15, 1996. The commissioner of human rights shall send the evaluation forms required by that section to charging parties in time for responses to be returned, compiled, and summarized by that date.

Sec. 3. [QUARTERLY REPORTS.]

(a) The commissioner of human rights shall submit reports to the finance divisions of the legislature having jurisdiction over the budget of the department of human rights by June 30, 1995; September 30, 1995; December 31, 1995; and March 15, 1996. The reports, at a minimum, must include the information required by paragraphs (b) and (c). The report due June 30, 1995, must contain the required information from March 15, 1995, to the date of the report. Each succeeding report must contain information for the period covered by that report, as well as cumulative information from March 15, 1995, to the date of the report.

(b) Each report must contain the following information on charges filed with the commissioner under Minnesota Statutes, section 363.06, subdivision 1:

- (1) the number of charges filed;
- (2) the nature of the unfair discriminatory practices charged;
- (3) the resolutions of the charges, including dismissals, findings of probable cause, and other outcomes;
- (4) the reasons for any dismissals;
- (5) the number of staff hours spent on processing complaints, compared with the total number of staff hours spent on other activities, with a breakdown of time spent on complaints by each staff classification;
- (6) the number of open files at the reporting date, their status, and the categories of staff level or division to which the files are assigned;
- (7) the number of days required to process charges, broken down according to staff level or division;
- (8) the cost of processing each complaint; and
- (9) any other information the commissioner considers relevant.

(c) Each report must also contain information on how the department is attempting to educate the public to eliminate and prevent discrimination and to respond to the increasing diversity of Minnesota's population. Each report must focus especially on the department's activities in response to Minnesota Statutes, section 363.05, subdivision 1, clauses (10) and (11).

Sec. 4. [REALLOCATION OF RESOURCES.]

(a) By March 15, 1996, the commissioner of human rights, in cooperation with the exclusive representatives of employees of the department of human rights, shall reallocate the resources of the department to accomplish the following goals:

(1) reduce to no more than ten percent of the total the portion of the department budget devoted to administrative and management functions, including the work of the commissioner, deputy commissioner, and legal and policy analysts; fiscal operations, human services, and information systems, except for personnel with a specific budget allocation for developing a new information system;

(2) increase the number of investigators and enforcement officers capable of carrying full

caseloads and reduce caseloads so that each investigator or enforcement officer has no more than 60 open files at any time;

(3) set specific goals for reducing the time required for processing charges and develop a plan to achieve those goals;

(4) increase the number of charges resolved in a timely fashion; and

(5) prioritize charges so that top priority go to:

(i) those with a high potential of being resolved in favor of the charging party;

(ii) those that would establish precedents for a class of persons; and

(iii) those that would affect future practices of large employers or landlords.

(b) If a reallocation required by paragraph (a) would violate the terms of a collective bargaining agreement reached under Minnesota Statutes, chapter 179A, the reallocation may not be implemented without the consent of the exclusive representative that is a party to the agreement.

#### Sec. 5. [LEGISLATIVE AUDIT.]

The legislative audit commission is asked to consider directing the legislative auditor to conduct a full program evaluation of the department of human rights in 1995."

Delete the title and insert:

"A bill for an act relating to the department of human rights; requiring the distribution of evaluation forms to charging parties; requiring reports to the legislature; requiring reallocation of resources; requesting consideration of a legislative audit; proposing coding for new law in Minnesota Statutes, chapter 363."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

#### **Ms. Flynn from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1136:** A bill for an act relating to human services; providing firearms background check; providing mental health services; adding provisions for paternity testing; adding provisions for paternity and child support; consolidating the prepaid medical assistance; providing penalties; amending Minnesota Statutes 1994, sections 245.041; 245.4871, subdivisions 12 and 33a; 245.4873, subdivision 6; 245.4874; 245.4875, subdivision 2; 245.4878; 245.4885, subdivision 2; 253B.091; 256.015, subdivision 7; 256.025, subdivisions 1 and 3; 256.12, subdivision 14; 256.74, by adding a subdivision; 256.76, subdivision 1; 256B.69, subdivisions 4, 6, and by adding subdivisions; 256E.08, subdivision 8; 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 518.171, subdivisions 1, 3, 4, 5, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 7; and 518.615, subdivision 3; repealing Minnesota Statutes 1994, sections 62C.141; 62C.143; 62D.106; and 62E.04, subdivisions 9 and 10.

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. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1022:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Koochiching county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "three" and insert "two"

Page 1, delete lines 17 to 23

Page 1, line 24, delete "3" and insert "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. 171:** A bill for an act relating to state lands; requiring the sale of certain school trust lands bordering public waters in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "shall" and insert "may"

Page 1, line 13, after the colon, insert "part of"

Page 1, line 15, before the period, insert ", and parts of the unplatted portions of Government Lots 7 and 8, Section 16, Range 60 North, Township 21 North"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1023:** A bill for an act relating to public lands; notice requirements for sales of tax-forfeited lands; leasing of tax-forfeited lands; roads used by counties on tax-forfeited lands; amending Minnesota Statutes 1994, sections 282.02; and 282.04, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 27, delete "\$3,000" and insert "\$1,500"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 1280:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Meeker county.

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. 1366:** A bill for an act relating to natural resources; authorizing Hennepin county to construct a seawall on Lake Minnetonka without a permit.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after the comma, insert "the commissioner of natural resources shall issue" and delete "is not required for" and insert "authorizing"

Page 1, line 13, delete "18" and insert "15"

Amend the title as follows:



Page 1, line 2, after the semicolon, insert "requiring the commissioner of natural resources to issue a permit"

Page 1, line 4, delete "without a permit"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1092:** A bill for an act relating to public safety; clarifying duties of the office of crime victim ombudsman; amending Minnesota Statutes 1994, sections 611A.73, subdivision 3; and 611A.74.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, delete lines 22 to 28

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 1088:** A bill for an act relating to courts; civil actions; modifying the requirements for an application to proceed in forma pauperis by an inmate; allowing the court to dismiss an inmate's action for false allegations of poverty or if it is frivolous or malicious; providing for a hearing; providing for the payment of fees and costs by inmates; providing for the disposition of damages recovered by an inmate; allowing parties to defend certain actions brought by inmates without paying costs; requiring disciplinary rules on false claims or evidence by an inmate; amending Minnesota Statutes 1994, sections 243.23, subdivision 3; and 563.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 243; 244; and 563.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 29 and 30, delete the new language and strike the old language

Page 2, line 4, delete "(5)" and insert "(4)"

Page 2, line 6, delete "(6)" and insert "(5)"

Page 2, line 7, delete "(7)" and insert "(6)"

Page 2, line 9, delete "(8)" and insert "(7)"

Page 2, line 11, delete "(9)" and insert "(8)"

Page 2, line 14, delete "(10)" and insert "(9)"

Page 2, line 17, delete "(11)" and insert "(10)"

Page 3, line 7, after "claim" insert "as determined under section 563.02, subdivision 3," and delete "testifies falsely or submits" and insert "is determined by the court to have testified falsely or to have submitted"

Page 3, line 9, delete "isolation or"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 663:** A bill for an act relating to the military; exempting the national guard and the department of military affairs from certain prohibitions concerning weapons; amending Minnesota Statutes 1994, section 609.66, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 609.66, subdivision 1g, is amended to read:

Subd. 1g. [FELONY; POSSESSION IN COURTHOUSE OR CERTAIN STATE BUILDINGS.] (a) A person who commits either of the following acts 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:

(1) possesses a dangerous weapon, ammunition, or explosives within any courthouse complex;  
or

(2) possesses a dangerous weapon, ammunition, or explosives in any state building within the capitol area described in section 15.50, other than the National Guard Armory.

(b) Unless a person is otherwise prohibited or restricted by other law to possess a dangerous weapon, this subdivision does not apply to:

(1) licensed peace officers or military personnel who are performing official duties;

(2) persons who carry pistols according to the terms of a permit issued under section 624.714 and who so notify the sheriff or the commissioner of public safety, as appropriate;

(3) persons who possess dangerous weapons for the purpose of display as demonstrative evidence during testimony at a trial or hearing or exhibition in compliance with advance notice and safety guidelines set by the sheriff or the commissioner of public safety; or

(4) persons who possess dangerous weapons in a courthouse complex with the express consent of the county sheriff or who possess dangerous weapons in a state building with the express consent of the commissioner of public safety.

(c) Notwithstanding paragraph (a), a person who would otherwise be within the exception described in paragraph (b), clause (2), who fails to provide the required notice, is guilty of a petty misdemeanor and may be fined up to \$200."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "limiting the penalty for certain persons who possess unauthorized pistols in certain locations; imposing penalties;"

Page 1, line 5, delete "subdivision" and insert "subdivisions 1g and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 390:** A bill for an act relating to driving while intoxicated; extending vehicle forfeiture penalties to include failure to appear at trial for designated driving while intoxicated offenses; amending Minnesota Statutes 1994, section 169.1217, subdivisions 7, 8, and 9.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1255:** A bill for an act relating to corrections; authorizing use of force in defense of assault in correctional facilities under the control of or licensed by the commissioner; amending Minnesota Statutes 1994, section 243.52.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 259:** A bill for an act relating to insurance; regulating the use of genetic testing and genetic characteristics by insurers; amending Minnesota Statutes 1994, section 8.31, subdivision 1; 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. [62A.307] [USE OF GENETIC TESTS.]

Subdivision 1. [NAME AND CITATION.] This section shall be known and may be cited as the "genetic discrimination act."

Subd. 2. [DEFINITION.] As used in this section, a "genetic test" means a presymptomatic test of a person's genes, gene products, or chromosomes for the purpose of determining the presence or absence of a gene or genes that exhibit abnormalities, defects, or deficiencies, including carrier status, that are known to be the cause of a disease or disorder, or are determined to be associated with a statistically increased risk of development of a disease or disorder. "Genetic test" does not include a cholesterol test or other test not conducted for the purpose of determining the presence or absence of a gene or genes.

As used in this subdivision, a "gene product" is any biochemically identifiable substance that may provide evidence of a mutation in a gene or chromosome, and "presymptomatic" means prior to the appearance of a symptom or of other evidence of a disease or disorder.

Subd. 3. [PROHIBITION.] A health carrier, in determining eligibility for health plan coverage, establishing health plan premiums, limiting health plan coverage, or renewing health plan coverage, shall not:

(1) require or request an applicant seeking coverage or an insured renewing coverage to submit to a genetic test;

(2) take into consideration the fact that a genetic test was undertaken or refused;

(3) take into consideration the results of a genetic test;

(4) make any inquiry to determine whether an applicant or insured has undergone or refused a genetic test or regarding the results of such a test; or

(5) make any inquiry regarding whether an applicant or insured's blood relatives have undergone or refused a genetic test, or regarding the results of such a test.

Subd. 4. [APPLICATION.] Subdivisions 5, 6, and 7 apply only to a life insurance company or fraternal benefit society requiring a genetic test for the purpose of determining insurability under a policy of life insurance.

Subd. 5. [INFORMED CONSENT.] A life insurance company or fraternal benefit society that requests an applicant to take a genetic test shall obtain the applicant's written informed consent for the test. Written informed consent must include a description of the specific test to be performed; its purpose, potential uses, and limitations; the meaning of its results; and the right to confidential treatment of the results. The written informed consent must inform the individual that the individual should consider consulting with a genetic counselor prior to taking the test and must state whether the insurer will pay for any such consultation. An informed consent disclosure form must be approved by the commissioner prior to its use.

Subd. 6. [NOTIFICATION.] The life insurance company or fraternal benefit society shall notify an applicant of a genetic test result by notifying the applicant or the applicant's designated physician. If the applicant tested has not given written consent authorizing a physician to receive the test results, the applicant must be urged, at the time that the applicant is informed of the genetic test result described in this subdivision, to contact a genetic counselor or other health care professional.

Subd. 7. [PAYMENT FOR TEST.] A life insurance company or fraternal benefit society shall not require a person to submit to a genetic test unless the cost of the test is paid by the life insurance company or fraternal benefit society.

Subd. 8. [ENFORCEMENT; REMEDY.] An insurer that violates this section is subject to the investigation and enforcement authority of the commissioner.

**Sec. 2. [EFFECTIVE DATE; APPLICABILITY.]**

Section 1 is effective January 1, 1996, and applies to applications for coverage made on or after that date and to policies, contracts, and certificates issued or renewed on or after that date to provide coverage to Minnesota residents."

Delete the title and insert:

"A bill for an act relating to insurance; regulating the use of genetic testing by insurers; proposing coding for new law in Minnesota Statutes, chapter 62A."

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. 1127:** A bill for an act relating to state lands; authorizing public sale of certain state land that borders public water in Hennepin county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, after "commissioner" insert "of natural resources"

Page 4, delete lines 1 to 4 and insert:

"(d) The proceeds from the sale must be deposited in the state treasury and credited to the water recreation account and are appropriated to the commissioner of natural resources for acquisition of water access sites."

Amend the title as follows:

Page 1, line 4, 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 Care, to which was re-referred**

**S.F. No. 512:** A bill for an act relating to human services; licensing; administrative hearings; vulnerable adults reporting act; imposing criminal penalties; amending Minnesota Statutes 1994, sections 13.46, subdivision 4; 13.82, subdivision 10, and by adding subdivisions; 13.88; 13.99, subdivision 113; 144.4172, subdivision 8; 144.651, subdivisions 14 and 21; 144A.103, subdivision 1; 144A.612; 144B.13; 148B.68, subdivision 1; 214.10, subdivision 2a; 245A.04, subdivisions 3 and 3b; 253B.02, subdivision 4a; 256.045, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and by adding a subdivision; 256E.03, subdivision 2; 256E.081, subdivision 4; 268.09, subdivision 1; 325F.692, subdivision 2; 525.703, subdivision 3; 609.224, subdivision 2; 609.268, subdivisions 1 and 2; 609.72, by adding a subdivision; 609.7495, subdivision 1; 626.556, subdivision 12; and 626.557, subdivisions 1, 3, 3a, 4, 5, 6, 7, 8, 9, 10, 14, 16, 17, 18, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 144; 609; and 626; repealing Minnesota Statutes 1994, sections 609.23; 609.231; and 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 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

## VULNERABLE ADULTS ACT AMENDMENTS

Section 1. Minnesota Statutes 1994, section 626.557, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature declares that the public policy of this state is to protect adults who, because of physical or mental disability or dependency on institutional services, are particularly vulnerable to ~~abuse or neglect~~ maltreatment; to assist in providing safe environments for vulnerable adults; and to provide safe institutional or residential services, community-based services, or living environments for vulnerable adults who have been ~~abused or neglected~~; and to assist persons charged with the care of vulnerable adults to provide safe environments maltreated.

In addition, it is the policy of this state to require the reporting of suspected ~~abuse or neglect~~ maltreatment of vulnerable adults, to provide for the voluntary reporting of ~~abuse or neglect~~ maltreatment of vulnerable adults, to require the investigation of the reports, and to provide protective and counseling services in appropriate cases.

Sec. 2. Minnesota Statutes 1994, section 626.557, subdivision 3, is amended to read:

Subd. 3. ~~[PERSONS MANDATED TO TIMING OF REPORT.]~~ A professional or the professional's delegate who is engaged in the care of vulnerable adults, education, social services, law enforcement, or any of the regulated occupations referenced in subdivision 2, clause (g)(3) and (4), or an employee of a rehabilitation facility certified by the commissioner of economic security for vocational rehabilitation, or an employee of or person providing services in a facility who has knowledge of the abuse or neglect of a vulnerable adult, has reasonable cause to believe (a) A mandated reporter who has reason to believe that a vulnerable adult is being or has been abused or neglected maltreated, or who has knowledge that a vulnerable adult has sustained a physical injury which is not reasonably explained by the history of injuries provided by the caretaker or caretakers of the vulnerable adult shall immediately report the information to the local police department, county sheriff, local welfare agency, or appropriate licensing or certifying agency common entry point. If an individual is a vulnerable adult solely because the individual is admitted to a facility, a mandated reporter is not required to report suspected maltreatment of the individual that occurred prior to admission, unless:

(1) the individual was admitted to the facility from another facility and the reporter has reason to believe that the vulnerable adult was maltreated in the previous facility; or

(2) the reporter knows or has reason to believe that the individual is a vulnerable adult as defined in section 626.5572, subdivision 21, clause (4). The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff and the appropriate licensing agency or agencies.

(b) A person not required to report under the provisions of this subdivision section may voluntarily report as described above. Medical examiners or coroners shall notify the police department or county sheriff and the local welfare department in instances in which they believe that a vulnerable adult has died as a result of abuse or neglect.

(c) Nothing in this subdivision shall be construed to require the reporting or transmittal of information regarding an incident of abuse or neglect or suspected abuse or neglect if the incident has been reported or transmitted to the appropriate person or entity section requires a report of known or suspected maltreatment, if the reporter knows or has reason to know that a report has been made to the common entry point.

(d) Nothing in this section shall preclude a reporter from also reporting to a law enforcement agency.

Sec. 3. Minnesota Statutes 1994, section 626.557, subdivision 3a, is amended to read:

Subd. 3a. [REPORT NOT REQUIRED.] The following events are not required to be reported under this section:

(a) A circumstance where federal law specifically prohibits a person from disclosing patient identifying information in connection with a report of suspected abuse or neglect under Laws 1983, chapter 273, section 3 maltreatment, that person need not make a required report unless the vulnerable adult, or the vulnerable adult's guardian, conservator, or legal representative, has consented to disclosure in a manner which conforms to federal requirements. Facilities whose patients or residents are covered by such a federal law shall seek consent to the disclosure of suspected abuse or neglect maltreatment from each patient or resident, or a guardian, conservator, or legal representative, upon the patient's or resident's admission to the facility. Persons who are prohibited by federal law from reporting an incident of suspected abuse or neglect maltreatment shall promptly immediately seek consent to make a report.

(b) Except as defined in subdivision 2, paragraph (d), clause (1), Verbal or physical aggression occurring between patients, residents, or clients of a facility, or self-abusive behavior of by these persons does not constitute "abuse" for the purposes of subdivision 3 abuse unless it the behavior causes serious harm. The operator of the facility or a designee shall record incidents of aggression and self-abusive behavior in a manner that facilitates periodic to facilitate review by licensing agencies and county and local welfare agencies.

(c) Accidents as defined in section 626.5572, subdivision 3.

(d) Events occurring in a facility that result from an individual's single mistake, as defined in section 626.5572, subdivision 17, paragraph (c), clause (4).

Nothing in this section shall be construed to require a report of abuse (e) Financial exploitation, as defined in section 626.5572, subdivision 2 9, paragraph (d), clause (4), solely on the basis of the transfer of money or property by gift or as compensation for services rendered.

Sec. 4. Minnesota Statutes 1994, section 626.557, subdivision 4, is amended to read:

Subd. 4. [REPORT REPORTING.] A person required to report under subdivision 3 mandated reporter shall immediately make an oral report immediately by telephone or otherwise. A person required to report under subdivision 3 shall also make a report as soon as possible in writing to the appropriate police department, the county sheriff, local welfare agency, or appropriate licensing agency. The written report shall to the common entry point. Use of a telecommunications device for the deaf or other similar device shall be considered an oral report. The common entry point may not require written reports. To the extent possible, the report must be of sufficient content to identify the vulnerable adult, the caretaker caregiver, the nature and extent of the suspected abuse or neglect maltreatment, any evidence of previous abuse or neglect maltreatment, the name and address of the reporter, the time, date, and location of the incident, and any other information that the reporter believes might be helpful in investigating the suspected abuse or neglect maltreatment. Written reports received by a police department or a county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff and the appropriate licensing agency or agencies. A mandated reporter may disclose not public data, as defined in section 13.02, and medical records under section 144.335, to the extent necessary to comply with this subdivision.

Sec. 5. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 4a. [INTERNAL REPORTING OF MALTREATMENT.] (a) Each facility shall establish and enforce an ongoing written procedure in compliance with applicable licensing rules to ensure that all cases of suspected maltreatment are reported. If a facility has an internal reporting procedure, a mandated reporter may meet the reporting requirements of this section by reporting internally. However, the facility remains responsible for complying with the immediate reporting requirements of this section.

(b) A facility with an internal reporting procedure that receives an internal report by a mandated reporter shall give the mandated reporter a written notice stating whether the facility has reported the incident to the common entry point. The written notice must be provided within two working days and in a manner that protects the confidentiality of the reporter.

(c) The written response to the mandated reporter shall note that if the mandated reporter is not satisfied with the action taken by the facility on whether to report the incident to the common entry point, then the mandated reporter may report externally.

(d) A facility may not prohibit a mandated reporter from reporting externally, and a facility is prohibited from retaliating against a mandated reporter who reports an incident to the common entry point in good faith. The written notice by the facility must inform the mandated reporter of this protection from retaliatory measures by the facility against the mandated reporter for reporting externally.

Sec. 6. Minnesota Statutes 1994, section 626.557, subdivision 5, is amended to read:

~~Subd. 5. [IMMUNITY; FROM LIABILITY PROTECTION FOR REPORTERS.]~~ (a) A person ~~making a voluntary or mandated report under subdivision 3 or participating in an investigation under this section is immune from any civil or criminal liability that otherwise might result from the person's actions, if the person is acting in good faith who makes a good faith report is immune from any civil or criminal liability that might otherwise result from making the report, or from participating in the investigation, or for failure to comply with the reporting obligation.~~

(b) A person employed by a ~~local welfare~~ lead agency or a state licensing agency who is conducting or supervising an investigation or enforcing the law in compliance with ~~subdivision 10, 11, or 12~~ this section or any related rule or provision of law is immune from any civil or criminal liability that might otherwise result from the person's actions, if the person is acting in good faith and exercising due care.

(c) A person who knows or has reason to know a report has been made to a common entry point and who in good faith participates in an investigation of alleged maltreatment is immune from civil or criminal liability that otherwise might result from making a report or from failure to comply with the reporting obligation or from participating in the investigation.

(d) The identity of any reporter may not be disclosed, except as provided in subdivision 12b.

Sec. 7. Minnesota Statutes 1994, section 626.557, subdivision 6, is amended to read:

~~Subd. 6. [FALSIFIED REPORTS.] A person or facility who intentionally makes a false report under the provisions of this section shall be liable in a civil suit for any actual damages suffered by the reported facility, or person or persons so reported and for any punitive damages set by the court or jury up to \$10,000 and attorney fees.~~

Sec. 8. Minnesota Statutes 1994, section 626.557, subdivision 7, is amended to read:

~~Subd. 7. [FAILURE TO REPORT.] (a) A person required to report by this section who intentionally fails to report is guilty of a misdemeanor.~~

~~(b) A person required by this section to report A mandated reporter who negligently or intentionally fails to report is liable for damages caused by the failure. Nothing in this subdivision imposes vicarious liability for the acts or omissions of others.~~

Sec. 9. Minnesota Statutes 1994, section 626.557, subdivision 8, is amended to read:

~~Subd. 8. [EVIDENCE NOT PRIVILEGED.] No evidence regarding the abuse or neglect maltreatment of the vulnerable adult shall be excluded in any proceeding arising out of the alleged abuse or neglect maltreatment on the grounds of lack of competency under section 595.02.~~

Sec. 10. Minnesota Statutes 1994, section 626.557, subdivision 9, is amended to read:

~~Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER THE COMMON ENTRY POINT.] A person required to report under the provisions of subdivision 3 who has reasonable cause to believe that a vulnerable adult has died as a direct or indirect result of abuse or neglect shall report that information to the appropriate medical examiner or coroner in addition to the local welfare agency, police department, or county sheriff or appropriate licensing agency or agencies. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff, the local welfare~~

agency, and, if applicable, each licensing agency. A person or agency that receives a report under this subdivision concerning a vulnerable adult who was receiving services or treatment for mental illness, mental retardation or a related condition, chemical dependency, or emotional disturbance from an agency, facility, or program as defined in section 245.91, shall also report the information and findings to the ombudsman established under sections 245.91 to 245.97. (a) Each county board shall designate a common entry point for reports of suspected maltreatment. Two or more county boards may jointly designate a single common entry point. The common entry point is the unit responsible for receiving the report of suspected maltreatment under this section.

(b) The common entry point must be available 24 hours per day to take calls from reporters of suspected maltreatment. The common entry point shall use a standard intake form that includes:

- (1) the time and date of the report;
- (2) the name, address, and telephone number of the person reporting;
- (3) the time, date, and location of the incident;
- (4) the names of the persons involved, including but not limited to, perpetrators, alleged victims, and witnesses;
- (5) whether there was a risk of imminent danger to the alleged victim;
- (6) a description of the suspected maltreatment;
- (7) the disability, if any, of the alleged victim;
- (8) the relationship of the alleged perpetrator to the alleged victim;
- (9) whether a facility was involved and, if so, which agency licenses the facility;
- (10) any action taken by the common entry point;
- (11) whether law enforcement has been notified;
- (12) whether the reporter wishes to receive notification of the initial and final reports; and
- (13) if the report is from a facility with an internal reporting procedure, the name, mailing address, and telephone number of the person who initiated the report internally.

(c) The common entry point is not required to complete each item on the form prior to dispatching the report to the appropriate investigative agency.

(d) The common entry point shall immediately report to a law enforcement agency any incident in which there is reason to believe a crime has been committed.

(e) If a report is initially made to a law enforcement agency or a lead agency, those agencies shall take the report on the appropriate common entry point intake forms and immediately forward a copy to the common entry point.

(f) The common entry point staff must receive training on how to screen and dispatch reports efficiently and in accordance with this section.

(g) When a centralized database is available, the common entry point has access to the centralized database and must log the reports in on the database.

Sec. 11. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9a. [EVALUATION AND REFERRAL OF REPORTS MADE TO THE COMMON ENTRY POINT.] The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals as follows:

- (1) if the common entry point determines that there is an immediate need for adult protective services, the common entry point agency shall immediately notify the appropriate county agency;



(2) if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;

(3) if the report references alleged or suspected maltreatment and there is no immediate need for adult protective services, the common entry point shall notify the appropriate lead agency as soon as possible, but in any event no longer than two working days;

(4) if the report does not reference alleged or suspected maltreatment, the common entry point may determine whether the information will be referred; and

(5) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies and the ombudsman established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law.

Sec. 12. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9b. [RESPONSE TO REPORTS.] Law enforcement is the primary agency to conduct investigations of any incident in which there is reason to believe a crime has been committed. Law enforcement shall initiate a response immediately. If the common entry point notified a county agency for adult protective services, law enforcement shall cooperate with that county agency when both agencies are involved and shall exchange data to the extent authorized in subdivision 12b, paragraph (g). County adult protection shall initiate a response immediately. Each lead agency shall complete the investigative process for reports within its jurisdiction. Any other lead agency, county, adult protective agency, licensed facility, or law enforcement agency shall cooperate and may assist another agency upon request within the limits of its resources and expertise and shall exchange data to the extent authorized in subdivision 12b, paragraph (g). The lead agency shall obtain the results of any investigation conducted by law enforcement officials. The lead agency has the right to enter facilities and inspect and copy records as part of investigations. The lead agency has access to not public data, as defined in section 13.02, and medical records under section 144.335, that are maintained by facilities to the extent necessary to conduct its investigation. Each lead agency shall develop guidelines for prioritizing reports for investigation.

Sec. 13. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9c. [LEAD AGENCY; NOTIFICATIONS, DISPOSITIONS, AND DETERMINATIONS.] (a) Upon request of the reporter, the lead agency shall notify the reporter that it has received the report, and provide information on the initial disposition of the report within five business days of receipt of the report, provided that the notification will not endanger the vulnerable adult or hamper the investigation.

(b) Upon conclusion of every investigation it conducts, the lead agency shall make a final disposition as defined in section 626.5572, subdivision 8.

(c) When determining whether the facility or individual is the responsible party for substantiated maltreatment, the lead agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were in accordance with, and followed the terms of, an erroneous physician order, prescription, resident care plan, or directive. This is not a mitigating factor when the facility or caregiver is responsible for the issuance of the erroneous order, prescription, plan, or directive or knows or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) the comparative responsibility between the facility, other caregivers, and requirements placed upon the employee, including but not limited to, the facility's compliance with related regulatory standards and factors such as the adequacy of facility policies and procedures, the adequacy of facility training, the adequacy of an individual's participation in the training, the adequacy of caregiver supervision, the adequacy of facility staffing levels, and a consideration of the scope of the individual employee's authority; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

(d) The lead agency shall complete its final disposition within 60 calendar days. If the lead agency is unable to complete its final disposition within 60 calendar days, the lead agency shall notify the vulnerable adult or the vulnerable adult's legal guardian, when known, and the facility, where applicable, of the reason for the delay and the projected completion date, provided that the notification will not endanger the vulnerable adult or hamper the investigation. If the lead agency is unable to complete its final disposition by a subsequent projected completion date, the lead agency shall again notify the vulnerable adult or the vulnerable adult's legal guardian, when known, and the facility, where applicable, of the reason for the delay and the revised projected completion date provided that the notification will not endanger the vulnerable adult or hamper the investigation. The lead agency is not required to notify the vulnerable adult or the vulnerable adult's legal guardian under this paragraph unless the lead agency knows that the vulnerable adult or the guardian is aware of the investigation. A lead agency's inability to complete the final disposition within 60 calendar days or by any projected completion date does not invalidate the final disposition.

(e) Within ten calendar days of completing the final disposition, the lead agency shall provide a copy of the public investigation memorandum under subdivision 12b, paragraph (b), clause (1), when required to be completed under this section, to the following persons: (1) the vulnerable adult, or the vulnerable adult's legal guardian, if known, unless the lead agency knows this notification would not endanger the well-being of the vulnerable adult; (2) the reporter, if the reporter requested notification when making the report, unless the lead agency knows this notification would not endanger the well-being of the vulnerable adult; (3) the alleged perpetrator, if known; (4) the facility; and (5) the ombudsman for long-term care, or the ombudsman for mental health and mental retardation, as appropriate.

(f) The lead agency shall notify the vulnerable adult who is the subject of the report or the vulnerable adult's legal guardian, if known, and any person or facility determined to have maltreated a vulnerable adult, of their appeal rights under this section.

(g) If the lead agency does not complete the investigation by the projected completion date, the lead agency shall again notify the vulnerable adult or the vulnerable adult's legal guardian, when known, and the facility, where applicable, of the delay and the revised projected completion date.

(h) The lead agency shall routinely provide investigation memoranda for substantiated reports to the appropriate licensing boards. These reports must include the names of substantiated perpetrators. The lead agency may not provide investigative memoranda for inconclusive or false reports to the appropriate licensing boards unless the lead agency's investigation gives reason to believe that there may have been a violation of the applicable professional practice laws. If the investigation memorandum is provided to a licensing board, the subject of the investigation memorandum shall be notified and receive a summary of the investigative findings.

(i) In order to avoid duplication, licensing boards shall consider the findings of the lead agency in their investigations if they choose to investigate. This does not preclude licensing boards from considering other information.

(j) The lead agency must provide to the commissioner of human services its final dispositions, including the names of all substantiated perpetrators. The commissioner of human services shall establish records to retain the names of substantiated perpetrators.

Sec. 14. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9d. [ADMINISTRATIVE RECONSIDERATION OF THE FINAL DISPOSITION.] Any individual or facility which a lead agency determines has maltreated a vulnerable adult, or the vulnerable adult or vulnerable adult's legal guardian, regardless of the lead agency's determination, who contests the lead agency's final disposition of an allegation of maltreatment, may request the lead agency to reconsider its final disposition. The request for reconsideration must be submitted in writing to the lead agency within 15 calendar days after receipt of notice of final disposition.

If the lead agency denies the request or fails to act upon the request within 15 calendar days after receiving the request for reconsideration, the person or facility entitled to a fair hearing under section 256.045, may submit to the commissioner of human services a written request for a hearing under that statute.

If, as a result of the reconsideration, the lead agency changes the final disposition, it shall notify the parties specified in subdivision 9c, paragraph (d).

Sec. 15. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 9e. [EDUCATION REQUIREMENTS.] (a) The commissioners of health, human services, and public safety shall cooperate in the development of a joint program for education of lead agency investigators in the appropriate techniques for investigation of complaints of maltreatment. This program must be developed by July 1, 1996. The program must include but need not be limited to the following areas: (1) information collection and preservation; (2) analysis of facts; (3) levels of evidence; (4) conclusions based on evidence; (5) interviewing skills, including specialized training to interview people with unique needs; (6) report writing; (7) coordination and referral to other necessary agencies such as law enforcement and judicial agencies; (8) human relations and cultural diversity; (9) the dynamics of adult abuse and neglect within family systems and the appropriate methods for interviewing relatives in the course of the assessment or investigation; (10) the protective social services that are available to protect alleged victims from further abuse, neglect, or financial exploitation; (11) the methods by which lead agency investigators and law enforcement workers cooperate in conducting assessments and investigations in order to avoid duplication of efforts; and (12) data practices laws and procedures, including provisions for sharing data.

(b) The commissioners of health, human services, and public safety shall offer at least annual education to others on the requirements of this section, on how this section is implemented, and investigation techniques.

(c) The commissioner of human services, in coordination with the commissioner of public safety, shall provide training for the common entry point staff as required in this subdivision and the program courses described in this subdivision, at least four times per year. At a minimum, the training must be held twice annually in the seven-county metropolitan area and twice annually outside the seven-county metropolitan area. The commissioners shall give priority in the program areas cited in paragraph (a) to persons currently performing assessments and investigations pursuant to this section.

(d) The commissioner of public safety shall notify in writing law enforcement personnel of any new requirements under this section. The commissioner of public safety shall conduct regional training for law enforcement personnel regarding their responsibility under this section.

(e) Each lead agency investigator must complete the education program specified by this subdivision within the first 12 months of work as a lead agency investigator.

A lead agency investigator employed when these requirements take effect must complete the program within the first year after training is available or as soon as training is available.

All lead agency investigators having responsibility for investigation duties under this section must receive a minimum of eight hours of continuing education or in-service training each year specific to their duties under this section.

Sec. 16. Minnesota Statutes 1994, section 626.557, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE THE COUNTY SOCIAL SERVICE AGENCY UPON A RECEIPT OF A REPORT.] (a) The local welfare Upon receipt of a report from the common entry point staff, the county social service agency shall immediately investigate assess and offer emergency and continuing protective social services for purposes of preventing further abuse or neglect maltreatment and for safeguarding and enhancing the welfare of the abused or neglected maltreated vulnerable adult. Local welfare agencies may enter facilities and inspect and copy records as part of investigations. In cases of suspected sexual abuse, the local welfare county social service agency shall immediately arrange for and make available to the victim vulnerable adult appropriate medical examination and treatment. The investigation shall not be limited to the written records of the facility, but shall include every other available source of information. When necessary in order to protect the vulnerable adult from further harm, the local welfare county social service agency shall seek authority to remove the vulnerable adult from the situation in which the neglect or abuse maltreatment occurred. The local welfare county social service agency

shall may also investigate to determine whether the conditions which resulted in the reported ~~abuse or neglect~~ maltreatment place other vulnerable adults in jeopardy of being ~~abused or neglected~~ maltreated and offer protective social services that are called for by its determination. ~~In performing any of these duties, the local welfare agency shall maintain appropriate records.~~

(b) ~~If the report indicates, or if the local welfare agency finds that the suspected abuse or neglect occurred at a facility, or while the vulnerable adult was or should have been under the care of or receiving services from a facility, or that the suspected abuse or neglect involved a person licensed by a licensing agency to provide care or services, the local welfare agency shall immediately notify each appropriate licensing agency, and provide each licensing agency with a copy of the report and of its investigative findings.~~ County social service agencies may enter facilities and inspect and copy records as part of an investigation. The county social service agency has access to not public data, as defined in section 13.02, and medical records under section 144.335, that are maintained by facilities to the extent necessary to conduct its investigation. The inquiry is not limited to the written records of the facility, but may include every other available source of information.

(c) When necessary in order to protect a vulnerable adult from serious harm, the ~~local~~ county social service agency shall immediately intervene on behalf of that adult to help the family, ~~victim~~ vulnerable adult, or other interested person by seeking any of the following:

(1) a restraining order or a court order for removal of the perpetrator from the residence of the vulnerable adult pursuant to section 518B.01;

(2) the appointment of a guardian or conservator pursuant to sections 525.539 to 525.6198, or guardianship or conservatorship pursuant to chapter 252A;

(3) replacement of ~~an abusive or neglectful~~ a guardian or conservator suspected of maltreatment and appointment of a suitable person as guardian or conservator, pursuant to sections 525.539 to 525.6198; or

(4) a referral to the prosecuting attorney for possible criminal prosecution of the perpetrator under chapter 609.

The expenses of legal intervention must be paid by the county in the case of indigent persons, under section 525.703 and chapter 563.

In proceedings under sections 525.539 to 525.6198, if a suitable relative or other person is not available to petition for guardianship or conservatorship, a county employee shall present the petition with representation by the county attorney. The county shall contract with or arrange for a suitable person or ~~nonprofit~~ organization to provide ongoing guardianship services. If the county presents evidence to the probate court that it has made a diligent effort and no other suitable person can be found, a county employee may serve as guardian or conservator. The county shall not retaliate against the employee for any action taken on behalf of the ward or conservatee even if the action is adverse to the county's interest. Any person retaliated against in violation of this subdivision shall have a cause of action against the county and shall be entitled to reasonable attorney fees and costs of the action if the action is upheld by the court.

Sec. 17. Minnesota Statutes 1994, section 626.557, is amended by adding a subdivision to read:

Subd. 12b. [DATA MANAGEMENT.] (a) [COUNTY DATA.] In performing any of the duties of this section as a lead agency, the county social service agency shall maintain appropriate records. Data collected by the county social service agency under this section are welfare data under section 13.46. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data maintained by the common entry point are confidential data on individuals or protected nonpublic data as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall destroy data one calendar year after date of receipt.

(b) [LEAD AGENCY DATA.] The commissioner of health and the commissioner of human

services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. During an investigation by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (c).

(1) The investigation memorandum must contain the following data, which is public:

(i) the name of the facility investigated;

(ii) a statement of the nature of the alleged maltreatment;

(iii) pertinent information obtained from medical or other records reviewed;

(iv) the identity of the investigator;

(v) a summary of the investigation's findings;

(vi) a statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;

(vii) a statement of any action taken by the facility;

(viii) a statement of any action taken by the lead agency; and

(ix) when a lead agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility was responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

(i) the name of the vulnerable adult;

(ii) the identity of the individual alleged to be the perpetrator;

(iii) the identity of the individual substantiated as the perpetrator; and

(iv) the identity of all individuals interviewed as part of the investigation.

(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

(c) [IDENTITY OF REPORTER.] The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) [DESTRUCTION OF DATA.] Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services must be destroyed under the following schedule:

(1) data from reports determined to be false, two years after the finding was made;

(2) data from reports determined to be inconclusive, four years after the finding was made;

(3) data from reports determined to be substantiated, seven years after the finding was made;

and

(4) data from reports which were not investigated by a lead agency and for which there is no final disposition, one year from the date of the report.

(e) [SUMMARY OF REPORTS.] The commissioners of health and human services shall each annually prepare a summary of the number and type of reports of alleged maltreatment involving licensed facilities reported under this act.

(f) [RECORD RETENTION POLICY.] Each lead agency must have a record retention policy.

(g) [EXCHANGE OF INFORMATION.] Lead agencies, prosecuting authorities, and law enforcement agencies may exchange not public data, as defined in section 13.02, if the agency or authority requesting the data determines that the data are pertinent and necessary to the requesting agency in initiating, furthering, or completing an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, and licensing agencies investigating the alleged maltreatment under this section.

(h) [COMPLETION TIME.] Each lead agency shall keep records of the length of time it takes to complete its investigations.

(i) [NOTIFICATION OF OTHER AFFECTED PARTIES.] A lead agency may notify other affected parties and their authorized representative if the agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

(j) [FEDERAL REQUIREMENTS.] Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 18. Minnesota Statutes 1994, section 626.557, subdivision 14, is amended to read:

Subd. 14. [ABUSE PREVENTION PLANS.] (a) Each facility, except home health agencies and personal care attendant services providers, shall establish and enforce an ongoing written abuse prevention plan. The plan shall contain an assessment of the physical plant, its environment, and its population identifying factors which may encourage or permit abuse, and a statement of specific measures to be taken to minimize the risk of abuse. The plan shall comply with any rules governing the plan promulgated by the licensing agency.

(b) Each facility, including a home health care agency and personal care attendant services providers, shall develop an individual abuse prevention plan for each vulnerable adult residing there or receiving services from them. ~~Facilities designated in subdivision 2, clause (b)(2) or clause (b)(3) shall develop plans for any vulnerable adults receiving services from them.~~ The plan shall contain an individualized assessment of the person's susceptibility to abuse, and a statement of the specific measures to be taken to minimize the risk of abuse to that person. For the purposes of this clause, the term "abuse" includes self-abuse.

Sec. 19. Minnesota Statutes 1994, section 626.557, subdivision 16, is amended to read:

Subd. 16. [ENFORCEMENT IMPLEMENTATION AUTHORITY.] (a) ~~A facility that has not complied with this section within 60 days of the effective date of passage of emergency rules is ineligible for renewal of its license. A person required by subdivision 3 to report and who is licensed or credentialed to practice an occupation by a licensing agency who willfully fails to comply with this section shall be disciplined after a hearing by the appropriate licensing agency. By September 1, 1995, the attorney general and the commissioners of health and human services, in coordination with representatives of other entities that receive or investigate maltreatment reports, shall develop the common report form described in subdivision 9. The form may be used by mandated reporters, county social service agencies, law enforcement entities, licensing agencies, or ombudsman offices.~~

(b) ~~Licensing agencies~~ The commissioners of health and human services shall as soon as possible promulgate rules necessary to implement the requirements of ~~subdivisions 11, 12, 13, 14, 15, and 16, clause (a) this section.~~ ~~Agencies~~ The commissioners of health and human services may promulgate emergency rules pursuant to sections 14.29 to 14.36.

~~(e) The commissioner of human services shall promulgate rules as necessary to implement the requirements of subdivision 10.~~

(c) By December 31, 1995, the commissioners of health, human services, and public safety shall develop criteria for the design of a statewide database utilizing data collected on the common intake form of the common entry point. The statewide database must be accessible to all entities required to conduct investigations under this section, and must be accessible to ombudsman and advocacy programs.

(d) By September 1, 1995, each lead agency shall develop the guidelines required in subdivision 9b.

Sec. 20. Minnesota Statutes 1994, section 626.557, subdivision 17, is amended to read:

Subd. 17. [RETALIATION PROHIBITED.] (a) A facility or person shall not retaliate against any person who reports in good faith suspected ~~abuse or neglect~~ maltreatment pursuant to this section, or against a vulnerable adult with respect to whom a report is made, because of the report.

(b) In addition to any remedies allowed under sections 181.931 to 181.935, any facility or person which retaliates against any person because of a report of suspected ~~abuse or neglect~~ maltreatment is liable to that person for actual damages and, in addition, a penalty, punitive damages up to \$10,000, and attorney fees.

(c) There shall be a rebuttable presumption that any adverse action, as defined below, within 90 days of a report, is retaliatory. For purposes of this clause, the term "adverse action" refers to action taken by a facility or person involved in a report against the person making the report or the person with respect to whom the report was made because of the report, and includes, but is not limited to:

- (1) Discharge or transfer from the facility;
- (2) Discharge from or termination of employment;
- (3) Demotion or reduction in remuneration for services;
- (4) Restriction or prohibition of access to the facility or its residents; or
- (5) Any restriction of rights set forth in section 144.651.

Sec. 21. Minnesota Statutes 1994, section 626.557, subdivision 18, is amended to read:

Subd. 18. [OUTREACH.] The commissioner of human services shall ~~establish~~ maintain an aggressive program to educate those required to report, as well as the general public, about the requirements of this section using a variety of media. The commissioner of human services shall print and make available the form developed under subdivision 9.

Sec. 22. [626.5572] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of section 626.557, the following terms have the meanings given them, unless otherwise specified.

Subd. 2. [ABUSE.] "Abuse" means:

(a) An act against a vulnerable adult that constitutes a violation of, an attempt to violate, or aiding and abetting a violation of:

- (1) assault in the first through fifth degrees as defined in sections 609.221 to 609.224;
  - (2) the use of drugs to injure or facilitate crime as defined in section 609.235;
  - (3) the solicitation, inducement, and promotion of prostitution as defined in section 609.322;
- and
- (4) criminal sexual conduct in the first through fifth degrees as defined in sections 609.342 to 609.3451.

A violation includes any action that meets the elements of the crime, regardless of whether there is a criminal proceeding or conviction.

(b) Conduct which is not an accident or therapeutic conduct as defined in this section, which produces or could reasonably be expected to produce physical pain or injury or emotional distress including, but not limited to, the following:

(1) hitting, slapping, kicking, pinching, biting, or corporal punishment of a vulnerable adult;

(2) use of repeated or malicious oral, written, or gestured language toward a vulnerable adult or the treatment of a vulnerable adult which would be considered by a reasonable person to be disparaging, derogatory, humiliating, harassing, or threatening;

(3) use of any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, including the forced separation of the vulnerable adult from other persons against the will of the vulnerable adult or the legal representative of the vulnerable adult; and

(4) use of any aversive or deprivation procedures for persons with developmental disabilities or related conditions not authorized under section 245.825.

(c) Any sexual contact as defined in section 609.341 between a facility staff person or a person providing services in the facility and a resident, patient, or client of that facility.

(d) The act of forcing, compelling, coercing, or enticing a vulnerable adult against the vulnerable adult's will to perform services for the advantage of another.

(e) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, 144A.44, chapter 145B, 145C, or 252A, or section 253B.03 or 525.539 to 525.6199, refuses consent or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or to provide nutrition and hydration parenterally or through intubation. This paragraph does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration.

(f) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult.

(g) For purposes of this section, a vulnerable adult is not abused for the sole reason that the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with:

(1) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or

(2) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship.

Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner.

Subd. 3. [ACCIDENT.] "Accident" means a sudden, unforeseen, and unexpected occurrence or event which:

(1) is not likely to occur and which could not have been prevented by exercise of due care; and

(2) if occurring while a vulnerable adult is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.



Subd. 4. [CAREGIVER.] "Caregiver" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

Subd. 5. [COMMON ENTRY POINT.] "Common entry point" means the entity designated by each county responsible for receiving reports under section 626.557.

Subd. 6. [FACILITY.] (a) "Facility" means a hospital or other entity required to be licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve adults under section 144A.02; a residential or nonresidential facility required to be licensed to serve adults under sections 245A.01 to 245A.16; a home care provider licensed or required to be licensed under section 144A.46; or a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627.

(b) For home care providers and personal care attendants, the term "facility" refers to the provider or person or organization that exclusively offers, provides, or arranges for personal care services, and does not refer to the client's home or other location at which services are rendered.

Subd. 7. [FALSE.] "False" means a preponderance of the evidence shows that an act that meets the definition of maltreatment did not occur.

Subd. 8. [FINAL DISPOSITION.] "Final disposition" is the determination of an investigation by a lead agency that a report of maltreatment under this act is substantiated, inconclusive, false, or that no determination will be made. When a lead agency determination has substantiated maltreatment, the final disposition also identifies, if known, which individual or individuals were responsible for the substantiated maltreatment, and whether a facility was responsible for the substantiated maltreatment.

Subd. 9. [FINANCIAL EXPLOITATION.] "Financial exploitation" means:

(a) In breach of a fiduciary obligation recognized elsewhere in law, including pertinent regulations, contractual obligations, documented consent by a competent person, or the obligations of a responsible party under section 144.6501 a person:

(1) engages in unauthorized expenditure of funds entrusted to the actor by the vulnerable adult which results or is likely to result in detriment to the vulnerable adult; or

(2) fails to use the financial resources of the vulnerable adult to provide food, clothing, shelter, health care, therapeutic conduct or supervision for the vulnerable adult, and the failure results or is likely to result in detriment to the vulnerable adult.

(b) In the absence of legal authority a person:

(1) willfully uses, withholds, or disposes of funds or property of a vulnerable adult;

(2) obtains for the actor or another the performance of services by a third person for the wrongful profit or advantage of the actor or another to the detriment of the vulnerable adult;

(3) acquires possession or control of, or an interest in, funds or property of a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or

(4) forces, compels, coerces, or entices a vulnerable adult against the vulnerable adult's will to perform services for the profit or advantage of another.

(c) Nothing in this definition requires a facility or caregiver to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

Subd. 10. [IMMEDIATELY.] "Immediately" means as soon as possible, but no longer than 24 hours from the time initial knowledge that the incident occurred has been received.

Subd. 11. [INCONCLUSIVE.] "Inconclusive" means there is less than a preponderance of evidence to show that maltreatment did or did not occur.

Subd. 12. [INITIAL DISPOSITION.] "Initial disposition" is the lead agency's determination of whether the report will be assigned for further investigation.

Subd. 13. [LEAD AGENCY.] "Lead agency" is the primary administrative agency responsible for investigating reports made under section 626.557.

(a) The department of health is the lead agency for the facilities which are licensed or are required to be licensed as hospitals, home care providers, nursing homes, residential care homes, or boarding care homes.

(b) The department of human services is the lead agency for the programs licensed or required to be licensed as adult day care, adult foster care, programs for people with developmental disabilities, mental health programs, chemical health programs, or personal care provider organizations.

(c) The county social service agency or its designee is the lead agency for all other reports.

Subd. 14. [LEGAL AUTHORITY.] "Legal authority" includes, but is not limited to: (1) a fiduciary obligation recognized elsewhere in law, including pertinent regulations; (2) a contractual obligation; or (3) documented consent by a competent person.

Subd. 15. [MALTREATMENT.] "Maltreatment" means abuse as defined in subdivision 2, neglect as defined in subdivision 17, or financial exploitation as defined in subdivision 9.

Subd. 16. [MANDATED REPORTER.] "Mandated reporter" means a professional or professional's delegate while engaged in: (1) social services; (2) law enforcement; (3) education; (4) the care of vulnerable adults; (5) any of the occupations referred to in section 214.01, subdivision 2; (6) an employee of a rehabilitation facility certified by the commissioner of jobs and training for vocational rehabilitation; (7) an employee or person providing services in a facility as defined in subdivision 6; or (8) a person that performs the duties of the medical examiner or coroner.

Subd. 17. [NEGLECT.] "Neglect" means:

(a) The failure or omission by a caregiver to supply a vulnerable adult with care or services, including but not limited to, food, clothing, shelter, health care, or supervision which is:

(1) reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical and mental capacity or dysfunction of the vulnerable adult; and

(2) which is not the result of an accident or therapeutic conduct.

(b) The absence or likelihood of absence of care or services, including but not limited to, food, clothing, shelter, health care, or supervision necessary to maintain the physical and mental health of the vulnerable adult which a reasonable person would deem essential to obtain or maintain the vulnerable adult's health, safety, or comfort considering the physical or mental capacity or dysfunction of the vulnerable adult.

(c) For purposes of this section, a vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, 144A.44, chapter 145B, 145C, or 252A, or section 253B.03 or 525.539 to 525.6199, refuses or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult, or to provide nutrition and hydration parenterally or through intubation; this clause does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration. Nothing in this section is intended or shall be construed to change the definition of reasonable medical practice;

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer

for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult;

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in sexual contact with: (i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner; or

(4) an individual makes a single mistake in the provision of therapeutic conduct to a vulnerable adult which: (i) does not result in injury or harm which reasonably requires the care of a physician or mental health professional, whether or not the care was sought; (ii) is immediately reported internally by the employee or person providing services in the facility; and (iii) is sufficiently documented for review and evaluation by the facility and any applicable licensing and certification agency.

(d) Nothing in this definition requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

Subd. 18. [REPORT.] "Report" means a statement concerning all the circumstances surrounding the alleged or suspected maltreatment of a vulnerable adult which are known to the reporter at the time the statement is made.

Subd. 19. [SUBSTANTIATED.] "Substantiated" means a preponderance of the evidence shows that an act that meets the definition of maltreatment occurred.

Subd. 20. [THERAPEUTIC CONDUCT.] "Therapeutic conduct" means the provision of program services, health care, or other personal care services done in good faith in the interests of the vulnerable adult by: (1) an individual, facility, or employee or person providing services in a facility under the rights, privileges and responsibilities conferred by state license, certification, or registration; or (2) a caregiver.

Subd. 21. [VULNERABLE ADULT.] "Vulnerable adult" means any person 18 years of age or older who:

(1) is a resident or inpatient of a facility;

(2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (4);

(3) receives services from a home care provider required to be licensed under section 144A.46; or from a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627; or

(4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:

(i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and

(ii) because of the dysfunction or infirmity and the need for assistance, the individual has an impaired ability to protect the individual from maltreatment.

Sec. 23. [REPEALER.]

Minnesota Statutes 1994, section 626.557, subdivisions 2, 10a, 11, 11a, 12, 13, 15, and 19, are repealed.

## ARTICLE 2 CRIMINAL PENALTIES

Section 1. Minnesota Statutes 1994, 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 during the time period between a previous conviction under this section, sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713, or any similar law of another state, and the end of the five years following discharge from sentence for that conviction, is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. Whoever violates the provisions of subdivision 1 against a family or household member as defined in section 518B.01, subdivision 2, during the time period between a previous conviction under this section or sections 609.221 to 609.2231, 609.342 to 609.345, or 609.713 against a family or household member, and the end of the five years following discharge from sentence for that conviction is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under this section or sections 609.221 to 609.2231 or 609.713 is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(c) A caregiver, as defined in section 609.232, who violates the provisions of subdivision 1 against a vulnerable adult, as defined in section 609.232, is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

### Sec. 2. [609.232] [CRIMES AGAINST VULNERABLE ADULTS; DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 609.2325, 609.233, 609.2335, and 609.234, the terms defined in this section have the meanings given.

Subd. 2. [CAREGIVER.] "Caregiver" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

Subd. 3. [FACILITY.] (a) "Facility" means a hospital or other entity required to be licensed under sections 144.50 to 144.58; a nursing home required to be licensed to serve adults under section 144A.02; a home care provider licensed or required to be licensed under section 144A.46; a residential or nonresidential facility required to be licensed to serve adults under sections 245A.01 to 245A.16; or a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627.

(b) For home care providers and personal care attendants, the term "facility" refers to the provider or person or organization that exclusively offers, provides, or arranges for personal care services, and does not refer to the client's home or other location at which services are rendered.

Subd. 4. [IMMEDIATELY.] "Immediately" means as soon as possible, but no longer than 24 hours from the time of initial knowledge that the incident occurred has been received.

Subd. 5. [LEGAL AUTHORITY.] "Legal authority" includes, but is not limited to:

- (1) a fiduciary obligation recognized elsewhere in law, including pertinent regulations;
- (2) a contractual obligation; or
- (3) documented consent by a competent person.

Subd. 6. [MALTREATMENT.] "Maltreatment" means any of the following:

- (1) abuse under section 609.2325;
- (2) neglect under section 609.233; or
- (3) financial exploitation under section 609.2335.

Subd. 7. [OPERATOR.] "Operator" means any person whose duties and responsibilities evidence actual control of administrative activities or authority for the decision making of or by a facility.

Subd. 8. [PERSON.] "Person" means any individual, corporation, firm, partnership, incorporated and unincorporated association, or any other legal, professional, or commercial entity.

Subd. 9. [REPORT.] "Report" means a statement concerning all the circumstances surrounding the alleged or suspected maltreatment, as defined in this section, of a vulnerable adult which are known to the reporter at the time the statement is made.

Subd. 10. [THERAPEUTIC CONDUCT.] "Therapeutic conduct" means the provision of program services, health care, or other personal care services done in good faith in the interests of the vulnerable adult by: (1) an individual, facility or employee, or person providing services in a facility under the rights, privileges, and responsibilities conferred by state license, certification, or registration; or (2) a caregiver.

Subd. 11. [VULNERABLE ADULT.] "Vulnerable adult" means any person 18 years of age or older who:

- (1) is a resident or inpatient of a facility;
- (2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (4);
- (3) receives services from a home care provider required to be licensed under section 144A.46; or from a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, and 256B.0627; or
- (4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:
  - (i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and
  - (ii) because of the dysfunction or infirmity and the need for assistance, the individual has an impaired ability to protect the individual from maltreatment.

### Sec. 3. [609.2325] [CRIMINAL ABUSE.]

Subdivision 1. [CRIMES.] (a) A caregiver who, with intent to produce physical or mental pain or injury to a vulnerable adult, subjects a vulnerable adult to any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, is guilty of criminal abuse and may be sentenced as provided in subdivision 3.

This paragraph does not apply to therapeutic conduct.

(b) A caregiver, facility staff person, or person providing services in a facility who engages in sexual contact, as defined in section 609.341, under circumstances other than those described in sections 609.342 to 609.3451, with a resident, patient, or client of the facility is guilty of criminal abuse and may be sentenced as provided in subdivision 3.

Subd. 2. [EXEMPTIONS.] For the purposes of this section, a vulnerable adult is not abused for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, 144A.44, chapter 145B, 145C, or 252A, or section 253B.03 or 525.539 to 525.6199, refuses to consent or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or to provide nutrition and hydration parenterally or through intubation; this clause does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration;

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult; or

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (i) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner.

Subd. 3. [PENALTIES.] (a) A person who violates subdivision 1, paragraph (a), may be sentenced as follows:

(1) if the act results in the death of a vulnerable adult, imprisonment for not more than 15 years or payment of a fine of not more than \$30,000, or both;

(2) if the act results in great bodily harm, imprisonment for not more than ten years or payment of a fine of not more than \$20,000, or both;

(3) if the act results in substantial bodily harm or the risk of death, imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both; or

(4) in other cases, imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both.

(b) A person who violates subdivision 1, paragraph (b), 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. 4. [609.233] [CRIMINAL NEGLECT.]

Subdivision 1. [CRIME.] (a) A caregiver or operator who commits any of the acts or omissions listed in paragraph (b) is guilty of criminal neglect and may be sentenced as provided in subdivision 3, if the act or omission constitutes a conscious disregard for danger to human life and reckless indifference to the risk of harm.

(b) This subdivision applies to the following acts or omissions:

(1) the failure or omission to supply a vulnerable adult with care or services, including but not limited to food, clothing, shelter, health care, or supervision when the care or services are reasonable and necessary to obtain or maintain the vulnerable adult's physical or mental health or safety, considering the physical or mental capacity or dysfunction of the vulnerable adult, and the failure or omission is not therapeutic conduct; or

(2) knowingly permitting conditions to exist by failing to take corrective action within the scope of that person's authority, resulting in the abuse, as defined in section 626.5572, subdivision 2, or neglect, as defined in section 626.5572, subdivision 17, of a vulnerable adult.

Subd. 2. [EXEMPTIONS.] A vulnerable adult is not neglected for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult, under section 144.651, 144A.44, chapter 145B, 145C, or 252A, or section 253B.03 or 525.539 to 525.6199, refuses to consent or withdraws consent, within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or to provide nutrition and hydration parenterally or through intubation; this clause does not affect the authority of other persons to make decisions regarding the provision of health care or nutrition or hydration;

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult; or

(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (i) a person including a facility staff person when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship. Nothing in this section is intended to prohibit sexual contact between a vulnerable adult and the vulnerable adult's spouse or domestic partner.

Subd. 3. [CRIMINAL PENALTIES.] A person who violates this section may be sentenced as follows:

(1) if the act results in great bodily harm, imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both;

(2) if the act results in substantial bodily harm or the risk of death, imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both; or

(3) otherwise, imprisonment for not more than one year or payment of a fine of not more than \$3,000, or both.

Subd. 4. [DEFENSES.] Nothing in this section requires a caregiver, if regulated, to provide services in excess of those required by the caregiver's license, certification, registration, or other regulation.

Sec. 5. [609.2335] [FINANCIAL EXPLOITATION OF A VULNERABLE ADULT.]

Subdivision 1. [CRIME.] Whoever does any of the following acts commits the crime of financial exploitation:

(1) in breach of a fiduciary obligation recognized elsewhere in law, including pertinent regulations, contractual obligations, documented consent by a competent person, or the obligations of a responsible party under section 144.6501, intentionally fails to use the financial resources of the vulnerable adult to provide food, clothing, shelter, health care, therapeutic conduct, or supervision for the vulnerable adult; or

(2) in the absence of legal authority:

(i) acquires possession or control of an interest in funds or property of a vulnerable adult through the use of undue influence, harassment, or duress; or

(ii) forces, compels, coerces, or entices a vulnerable adult against the vulnerable adult's will to perform services for the profit or advantage of another.

Subd. 2. [DEFENSES.] Nothing in this section requires a facility or caregiver to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

Subd. 3. [CRIMINAL PENALTIES.] A person who violates subdivision 1, clause (1) or clause (2), item (i), may be sentenced as provided in section 609.52, subdivision 3. A person who violates subdivision 1, clause (2), item (ii), may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 6. [609.234] [FAILURE TO REPORT.]

Any mandated reporter who is required to report under section 626.557, who knows or has reason to believe that a vulnerable adult is being or has been maltreated, as defined in section 626.5572, subdivision 15, and who does any of the following is guilty of a misdemeanor:

- (1) intentionally fails to make a report;
- (2) knowingly provides information which is false, deceptive, or misleading; or
- (3) intentionally fails to provide all of the material circumstances surrounding the incident which are known to the reporter when the report is made.

Sec. 7. Minnesota Statutes 1994, section 609.72, is amended by adding a subdivision to read:

Subd. 3. [CAREGIVER; PENALTY FOR DISORDERLY CONDUCT.] A caregiver, as defined in section 609.232, who violates the provisions of subdivision 1 against a vulnerable adult, as defined in section 609.232, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. [REPEALER.]

Minnesota Statutes 1994, sections 609.23 and 609.231, are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1995, and apply to crimes committed on or after that date.

### ARTICLE 3

#### OTHER LAWS AFFECTING VULNERABLE ADULTS

Section 1. Minnesota Statutes 1994, section 13.82, is amended by adding a subdivision to read:

Subd. 5c. [VULNERABLE ADULT IDENTITY DATA.] Active or inactive investigative data that identify a victim of vulnerable adult maltreatment under section 626.557 are private data on individuals. Active or inactive investigative data that identify a reporter of vulnerable adult maltreatment under section 626.557 are private data on individuals.

Sec. 2. Minnesota Statutes 1994, section 13.82, is amended by adding a subdivision to read:

Subd. 5d. [INACTIVE VULNERABLE ADULT MALTREATMENT DATA.] Investigative data that becomes inactive under subdivision 5, paragraph (a) or (b), and that relate to the alleged maltreatment of a vulnerable adult by a caregiver or facility are private data on individuals.

Sec. 3. Minnesota Statutes 1994, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of a law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

- (a) when access to the data would reveal the identity of an undercover law enforcement officer;
- (b) when access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;
- (c) when access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant;



(d) when access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual;

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred;

(f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller; or

(g) when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness; or

(h) when access to the data would reveal the identity of a mandated reporter under sections 626.556 and 626.557.

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions necessary to protect the identity of individuals described in clauses (d) and (g).

#### Sec. 4. [144.057] [BACKGROUND STUDIES ON LICENSEES.]

Subdivision 1. [BACKGROUND STUDIES REQUIRED.] The commissioner of health shall contract with the commissioner of human services to conduct background studies on individuals providing services which allow direct contact, as defined under section 245A.04, subdivision 3, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; residential care homes licensed under chapter 144B; and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.031. If a facility or program is licensed by the department of human services and subject to the background study provisions of chapter 245A and is also licensed by the department of health, the department of human services is solely responsible for the background studies of individuals in the jointly licensed programs.

Subd. 2. [RESPONSIBILITIES OF THE DEPARTMENT OF HUMAN SERVICES.] The commissioner of human services shall conduct the background studies required by subdivision 1 in compliance with the provisions of chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. For the purpose of this section, the term "residential program" shall include all facilities described in subdivision 1. The commissioner of human services shall provide necessary forms and shall conduct the necessary background studies of individuals, and shall provide notification of the results of the studies to the facilities, individuals, and the commissioner of health. Individuals shall be disqualified under the provisions of chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. If an individual is disqualified, the commissioner of human services shall notify the facility and the individual and shall inform the individual of the right to request a reconsideration of the disqualification by submitting the request to the commissioner of health.

Subd. 3. [RECONSIDERATIONS.] The commissioner of health shall review and decide reconsideration requests in accordance with the procedures and criteria contained in chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. The commissioner's decision shall be provided to the individual, the facility, and to the commissioner of human services. The commissioner's decision to grant or deny a reconsideration of disqualification is the final administrative agency action.

Subd. 4. [RESPONSIBILITIES OF FACILITIES.] Facilities described in subdivision 1 shall be

responsible for cooperating with the departments in implementing the provisions of this section. The responsibilities imposed on applicants and licensees under chapter 245A and Minnesota Rules, parts 9453.3000 to 9453.3090, shall apply to these facilities. The provision of section 245A, subdivision 3, paragraph (d), shall apply to an applicant's, a licensee's, or an individual's refusal to cooperate with the completion of the background studies.

Sec. 5. Minnesota Statutes 1994, 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) (5) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, the commissioner of health, 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); and
- (5) any person who, as an individual or as a member of an organization, exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, and 256B.0625, subdivision 19.

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), or (5) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) ~~or~~, (3), or (5) 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) (5) shall be conducted at least upon application for initial license and reapplication for a license. 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) (5), 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, the commissioner of health, 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) (5).

(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), or (5) 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) Termination of persons in paragraph (a), clause (1), (2), (3), or (4), or (5) 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.

(h) The commissioner may establish records to fulfill the requirements of this section.

(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.

(j) An individual who is subject to an applicant background study under this section and whose disqualification in connection with a license would be subject to the limitations on reconsideration set forth in subdivision 3b, paragraph (c), shall be disqualified for conviction of the crimes specified in the manner specified in subdivision 3b, paragraph (c). The commissioner of human services shall amend Minnesota Rules, part 9543.3070, to conform to this section.

(k) An individual must be disqualified if it has been determined that the individual failed to make required reports under sections 626.556, subdivision 3, or 626.557, subdivision 3, for incidents in which: (1) the final disposition under section 626.556 or 626.557 was substantiated maltreatment, and (2) the maltreatment was recurring or serious as defined in Minnesota Rules, part 9543.3020, subpart 10.

(l) An individual subject to disqualification under this subdivision has the applicable rights in subdivision 3a, 3b, or 3c.

Sec. 6. Minnesota Statutes 1994, section 256.045, subdivision 1, is amended to read:

Subdivision 1. [POWERS OF THE STATE AGENCY.] The commissioner of human services may appoint one or more state human services referees to conduct hearings and recommend orders in accordance with subdivisions 3, 3a, 3b, 4a, and 5. Human services referees designated pursuant to this section may administer oaths and shall be under the control and supervision of the commissioner of human services and shall not be a part of the office of administrative hearings established pursuant to sections 14.48 to 14.56.

Sec. 7. Minnesota Statutes 1994, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a county agency under sections 252.32, 256.031 to 256.036, and 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted

upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, or any individual or facility determined by a lead agency to have maltreated a vulnerable adult under section 626.557 after they have exercised their right to administrative reconsideration under section 626.557, may contest that action or, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

The hearing for an individual or facility under section 626.557 is the only administrative appeal to the final lead agency disposition specifically, including a challenge to the accuracy and completeness of data under section 13.04.

For purposes of this section, bargaining unit grievance procedures are not an administrative appeal.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section.

An applicant or recipient is not entitled to receive social services beyond the services included in the amended community social services plan developed under section 256E.081, subdivision 3, if the county agency has met the requirements in section 256E.081.

Sec. 8. Minnesota Statutes 1994, section 256.045, is amended by adding a subdivision to read:

Subd. 3b. [STANDARD OF EVIDENCE FOR MALTREATMENT HEARINGS.] The state human services referee shall determine that maltreatment has occurred if a preponderance of evidence exists to support the final disposition under section 626.557.

The state human services referee shall recommend an order to the commissioner of health or human services, as applicable, who shall issue a final order. The commissioner shall affirm, reverse, or modify the final disposition. Any order of the commissioner issued in accordance with this subdivision is conclusive upon the parties unless appeal is taken in the manner provided in subdivision 7. In any licensing appeal under chapter 245A and sections 144.50 to 144.58 and 144A.02 to 144A.46, the commissioner's findings as to whether maltreatment occurred is conclusive.

Sec. 9. Minnesota Statutes 1994, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] (a) All hearings held pursuant to subdivision 3, 3a, 3b, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, or former recipient, person, or facility contesting maltreatment objects. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services referee shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, or former recipient, person, or facility contesting maltreatment shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county agency at the hearing at a reasonable time before the date of the hearing and during the hearing. In cases alleging discharge for maltreatment, either party may subpoena the private data relating to the investigation memorandum prepared by the lead agency under section 626.557, provided the name of the reporter may not be disclosed.

(b) The private data must be subject to a protective order which prohibits its disclosure for any other purpose outside the hearing provided for in this section without prior order of the district court. Disclosure without court order is punishable by a sentence of not more than 90 days imprisonment or a fine of not more than \$700, or both. These restrictions on the use of private data do not prohibit access to the data under section 13.03, subdivision 6. Upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal, except in appeals brought under subdivision 3b. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3.

Sec. 10. Minnesota Statutes 1994, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF HUMAN SERVICES.] This subdivision does not apply to appeals under subdivision 3b. A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the county agency and the applicant, recipient, former recipient, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the county agency and the applicant, recipient, former recipient, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing or seek judicial review of an order issued under this section.

Sec. 11. Minnesota Statutes 1994, section 256.045, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL POWERS OF THE COMMISSIONER; SUBPOENAS.] (a) The commissioner of human services, or the commissioner of health for matters within the commissioner's jurisdiction under subdivision 3b, may initiate a review of any action or decision of a county agency and direct that the matter be presented to a state human services referee for a hearing held under subdivision 3, 3a, 3b, or 4a. In all matters dealing with human services committed by law to the discretion of the county agency, the commissioner's judgment may be substituted for that of the county agency. The commissioner may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 3, 3a, 3b, or 4a may request that the commissioner issue a subpoena to compel the attendance of witnesses at the hearing. The issuance, service, and enforcement of subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules of Civil Procedure.

(c) The commissioner may issue a temporary order staying a proposed demission by a residential facility licensed under chapter 245A while an appeal by a recipient under subdivision 3 is pending or for the period of time necessary for the county agency to implement the commissioner's order.

Sec. 12. Minnesota Statutes 1994, section 256.045, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL REVIEW.] Any party who is aggrieved by an order of the commissioner of human services, or the commissioner of health in appeals within the commissioner's jurisdiction under subdivision 3b, may appeal the order to the district court of the county responsible for furnishing assistance, or, in appeals under subdivision 3b, the county where the maltreatment occurred, by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision, with the exception of appeals taken under subdivision 3b. The commissioner may elect to become a party to the proceedings in the district court. Except for appeals under subdivision 3b, any party may demand that the commissioner furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services referee, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner under subdivision 5 may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 13. Minnesota Statutes 1994, section 256.045, subdivision 8, is amended to read:

Subd. 8. [HEARING.] Any party may obtain a hearing at a special term of the district court by serving a written notice of the time and place of the hearing at least ten days prior to the date of the hearing. Except for appeals under subdivision 3b, the court may consider the matter in or out of chambers, and shall take no new or additional evidence unless it determines that such evidence is necessary for a more equitable disposition of the appeal.

Sec. 14. Minnesota Statutes 1994, section 256.045, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] Any party aggrieved by the order of the district court may appeal the order as in other civil cases. Except for appeals under subdivision 3b, no costs or disbursements shall be taxed against any party nor shall any filing fee or bond be required of any party.

Sec. 15. Minnesota Statutes 1994, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from any employment under paragraph (a), (b), or (d) shall be disqualified for waiting week credit and benefits. For separations under paragraphs (a) and (b), the disqualification shall continue until four calendar weeks have elapsed following the individual's separation and the individual has earned eight times the individual's weekly benefit amount in insured work.

(a) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued employment with such employer. For the purpose of this paragraph, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the

employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(b) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with work or for misconduct which interferes with and adversely affects employment.

(c) [EXCEPTIONS TO DISQUALIFICATION.] An individual shall not be disqualified under paragraphs (a) and (b) under any of the following conditions:

(1) the individual voluntarily discontinued employment to accept employment offering substantially better conditions or substantially higher wages or both;

(2) the individual is separated from employment due to personal, serious illness provided that such individual has made reasonable efforts to retain employment.

An individual who is separated from employment due to the individual's illness of chemical dependency which has been professionally diagnosed or for which the individual has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment the individual knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain employment.

(3) the individual accepts work from a base period employer which involves a change in location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(4) the individual left employment because of reaching mandatory retirement age and was 65 years of age or older;

(5) the individual is terminated by the employer because the individual gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which the individual receives the individual's normal wage or salary which is equal to or greater than the weekly benefit amount;

(6) the individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(7) the individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual;

(8) the individual is separated from employment based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act on behalf of the individual;

(9) except as provided in paragraph (d), separations from part-time employment will not be disqualifying when the claim is based on sufficient full-time employment to establish a valid claim from which the claimant has been separated for nondisqualifying reasons; or

(10) the individual accepts employment which represents a substantial departure from the individual's customary occupation and experience and would not be deemed suitable work as defined under subdivision 2, paragraphs (a) and (b), and within a period of 30 days from the commencement of that work voluntarily discontinues the employment due to reasons which would have caused the work to be unsuitable under the provisions of subdivision 2 or, if in commission sales, because of a failure to earn gross commissions averaging an amount equal to or in excess of the individual's weekly benefit amount. Other provisions notwithstanding, applying this provision precludes the use of these wage credits to clear a disqualification.

(d) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross

misconduct connected with work or gross misconduct which interferes with and adversely affects the individual's employment. For a separation under this clause, the commissioner shall impose a total disqualification for the benefit year and cancel all of the wage credits from the last employer from whom the individual was discharged for gross misconduct connected with work.

For the purpose of this paragraph "gross misconduct" is defined as misconduct involving assault and battery or the malicious destruction of property or arson or sabotage or embezzlement or any other act, including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a ~~health-care facility~~, as defined in section 626.5572, gross misconduct also includes misconduct involving an act of patient or resident abuse, financial exploitation, or recurring or serious neglect, as defined in section ~~626.557, subdivision 2, clause (d) 626.5572~~ and applicable rules.

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected with the individual's work.

(e) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subsequent to an individual's separation under any of the foregoing paragraphs, excepting paragraphs (c)(3), (c)(5), and (c)(8), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure to accept an offer of suitable reemployment or to accept reemployment which offered substantially the same or better hourly wages and conditions of work as were previously provided by that employer, but was deemed unsuitable under subdivision 2, shall not be used as a factor in determining the future contribution rate of the employer whose offer of reemployment was not accepted or whose offer of reemployment was refused solely due to the distance of the available work from the individual's residence, the individual's own serious illness, the individual's other employment at the time of the offer, or if the individual is in training with the approval of the commissioner.

Benefits paid by another state as a result of Minnesota transferring wage credits under the federally required combined wage agreement shall not be directly charged to either the taxpaying or reimbursing employer.

(f) [ACTS OR OMISSIONS.] An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after separation from employment with the employer.

(g) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from the individual's own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

#### Sec. 16. [APPLICATION.]

The provision of section 7 that eliminates certain challenges to the accuracy and completeness of data under Minnesota Statutes, section 13.04, does not apply if the individual initiated a challenge under Minnesota Statutes, section 13.04, before the effective date of section 7.

### ARTICLE 4

#### CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1994, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) As used in this subdivision:

(1) "licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and



(3) "personal and personal financial data" means social security numbers, identity of and letters of reference, insurance information, reports from the bureau of criminal apprehension, health examination reports, and social/home studies.

(b) Except as provided in paragraph (c), the following data on current and former licensees are public: name, address, telephone number of licensees, licensed capacity, type of client preferred, variances granted, type of dwelling, name and relationship of other family members, previous license history, class of license, and the existence and status of complaints. When disciplinary action has been taken against a licensee or the complaint is resolved, the following data are public: the substance of the complaint, the findings of the investigation of the complaint, the record of informal resolution of a licensing violation, orders of hearing, findings of fact, conclusions of law, and specifications of the final disciplinary action contained in the record of disciplinary action.

The following data on persons subject to disqualification under section 245A.04 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245A.04, subdivision 3b, and the reasons for setting aside the disqualification; and the reasons for granting any variance under section 245A.04, subdivision 9.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision ~~12~~ 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning the disciplinary action.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, are subject to the destruction provisions of section 626.556, subdivision 11.

Sec. 2. Minnesota Statutes 1994, section 13.88, is amended to read:

13.88 [COMMUNITY DISPUTE RESOLUTION CENTER DATA.]

The guidelines shall provide that all files relating to a case in a community dispute resolution program are to be classified as private data on individuals, pursuant to section 13.02, subdivision 12, with the following exceptions:

(1) When a party to the case has been formally charged with a criminal offense, the data are to be classified as public data on individuals, pursuant to section 13.02, subdivision 15.

(2) Data relating to suspected neglect or physical or sexual abuse of children or maltreatment of vulnerable adults are to be subject to the reporting requirements of sections 626.556 and 626.557.

Sec. 3. Minnesota Statutes 1994, section 13.99, subdivision 113, is amended to read:

Subd. 113. [VULNERABLE ADULT REPORT RECORDS.] Data contained in vulnerable adult report records are classified under section 626.557, subdivision ~~12~~ 12b.

Sec. 4. Minnesota Statutes 1994, section 144.4172, subdivision 8, is amended to read:

Subd. 8. [HEALTH THREAT TO OTHERS.] "Health threat to others" means that a carrier demonstrates an inability or unwillingness to act in such a manner as to not place others at risk of exposure to infection that causes serious illness, serious disability, or death. It includes one or more of the following:

(1) With respect to an indirectly transmitted communicable disease:

(a) behavior by a carrier which has been demonstrated epidemiologically to transmit or which evidences a careless disregard for the transmission of the disease to others; or

(b) a substantial likelihood that a carrier will transmit a communicable disease to others as is evidenced by a carrier's past behavior, or by statements of a carrier that are credible indicators of a carrier's intention.

(2) With respect to a directly transmitted communicable disease:

(a) repeated behavior by a carrier which has been demonstrated epidemiologically to transmit or which evidences a careless disregard for the transmission of the disease to others;

(b) a substantial likelihood that a carrier will repeatedly transmit a communicable disease to others as is evidenced by a carrier's past behavior, or by statements of a carrier that are credible indicators of a carrier's intention;

(c) affirmative misrepresentation by a carrier of the carrier's status prior to engaging in any behavior which has been demonstrated epidemiologically to transmit the disease; or

(d) the activities referenced in clause (1) if the person whom the carrier places at risk is: (i) a minor, (ii) of diminished capacity by reason of mood altering chemicals, including alcohol, (iii) has been diagnosed as having significantly subaverage intellectual functioning, (iv) has an organic disorder of the brain or a psychiatric disorder of thought, mood, perception, orientation, or memory which substantially impairs judgment, behavior, reasoning, or understanding; (v) adjudicated as an incompetent; or (vi) a vulnerable adult as defined in section ~~626.557~~ 626.5572.

(3) Violation by a carrier of any part of a court order issued pursuant to this chapter.

Sec. 5. Minnesota Statutes 1994, section 144.651, subdivision 14, is amended to read:

Subd. 14. [~~FREEDOM FROM ABUSE~~ FREEDOM FROM ABUSE MALTREATMENT.] Patients and residents shall be free from ~~mental and physical abuse~~ maltreatment as defined in the Vulnerable Adults Protection Act. "~~Abuse~~" means ~~any act which constitutes assault, sexual exploitation, or criminal sexual~~ "Maltreatment" means conduct as described in section ~~626.557, subdivision 2d~~ 626.5572, subdivision 15, or the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress. Every patient and resident shall also be free from nontherapeutic chemical and physical restraints, except in fully documented emergencies, or as authorized in writing after examination by a patient's or resident's physician for a specified and limited period of time, and only when necessary to protect the resident from self-injury or injury to others.

Sec. 6. Minnesota Statutes 1994, section 144.651, subdivision 21, is amended to read:

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying

information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, ~~clause 2~~ paragraph (b), this right shall also be limited accordingly.

Sec. 7. Minnesota Statutes 1994, section 144A.103, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, "abuse" and "neglect" have the meanings given in section ~~626.557, subdivision 2, paragraphs (d) and (e)~~ 626.5572, subdivisions 2 and 17.

Sec. 8. Minnesota Statutes 1994, section 144A.612, is amended to read:

144A.612 [APPEALS FROM FINDINGS OF ABUSE, NEGLECT, OR MISAPPROPRIATION OF PROPERTY.]

(a) Until federal regulations are adopted under sections 1819(g)(1)(C) and 1919(g)(1)(C) of the Social Security Act that govern appeals from the state's findings of abuse, neglect, or misappropriation of property by nursing assistants employed by or working in a nursing home or boarding care home, the commissioner of health shall provide hearings under sections 14.57 to 14.62 and the rules adopted by the office of administrative hearings governing contested cases.

(b) The commissioner of health shall notify the nursing assistant of findings by sending written notice, by certified mail, to the last known address available from the facility or employer. The notice must contain a statement of the nature of the allegation and the time and date of the occurrence; the individual's right to a hearing; and the commissioner's intent to report the findings to the nurse aide registry, pending the individual's appeal.

(c) To contest the finding, the nursing assistant must request a hearing in writing no later than 30 days after receiving written notice of the finding, unless federal regulations provide otherwise.

(d) The hearing must be held within 60 days from the date of receipt of the request for a hearing. The individual must be served written notice by certified mail of the time, place, and date of the hearing at least 15 days in advance. The hearing must be held in a place and time that is convenient for the individual to attend.

(e) The hearing must provide an opportunity for the individual to present evidence, either in person, in writing, or through witnesses, and to refute the allegations. The individual is entitled to have an attorney or other representative present at the hearing. The commissioner must issue a decision within 30 days after the hearing record is complete and the parties have had an opportunity to file exceptions under section 14.61. A copy of the decision shall be mailed to the individual.

(f) If a hearing is requested and held, and if the department's findings of abuse, neglect, or misappropriation of property are upheld by a preponderance of the evidence, the commissioner's decision and findings will be sent to the registry established under section 144A.61, subdivision 1. If a hearing is not requested or if the notice to the nursing assistant is returned to the department, the commissioner has no jurisdiction to hear an appeal at a later date, and the department's findings shall be sent to the registry at the end of the 30-day period with a notation that a hearing was not requested or held. The registry must include any brief statement by the individual disputing the findings.

(g) If it is determined that the individual did not neglect, abuse, or misappropriate resident property, all records and investigative reports shall be classified as private data under section 13.39.

(h) The identity of the nursing assistant and the findings of abuse, neglect, or misappropriation of property are public when sent to the registry, notwithstanding the provisions of section 626.557, subdivision ~~12~~ 12b. The identity of the reporter, the vulnerable adult, and persons interviewed are governed by section 626.557, subdivision ~~12~~ 12b.

Sec. 9. Minnesota Statutes 1994, section 144B.13, is amended to read:

144B.13 [~~FREEDOM FROM ABUSE AND NEGLECT~~ MALTREATMENT.]

Residents shall be free from ~~abuse and neglect~~ maltreatment as defined in section ~~626.557, subdivision 2~~ 626.5572, subdivision 15. The commissioner shall by rule develop procedures for the reporting of alleged incidents of ~~abuse or neglect~~ maltreatment in residential care homes. The office of health facility complaints shall investigate reports of alleged ~~abuse or neglect~~ maltreatment according to sections 144A.51 to 144A.54.

Sec. 10. Minnesota Statutes 1994, section 148B.68, subdivision 1, is amended to read:

Subdivision 1. [~~PROHIBITED CONDUCT.~~] The commissioner may impose disciplinary action as described in section 148B.69 against any unlicensed mental health practitioner. The following conduct is prohibited and is grounds for disciplinary action:

(a) Conviction of a crime, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court in Minnesota or any other jurisdiction in the United States, reasonably related to the provision of mental health services. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.

(b) Conviction of crimes against persons. For purposes of this chapter, a crime against a person means violations of the following: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; ~~609.23; 609.231~~ 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.26, subdivision 1, clause (1) or (2); 609.265; 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; ~~and~~ 609.595; and 609.72, subdivision 3.

(c) Failure to comply with the self-reporting requirements of section 148B.63, subdivision 6.

(d) Engaging in sexual contact with a client or former client as defined in section 148A.01, or engaging in contact that may be reasonably interpreted by a client as sexual, or engaging in any verbal behavior that is seductive or sexually demeaning to the patient, or engaging in sexual exploitation of a client or former client.

(e) Advertising that is false, fraudulent, deceptive, or misleading.

(f) Conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(g) Adjudication as mentally incompetent, or as a person who is dangerous to self, or adjudication pursuant to chapter 253B, as chemically dependent, mentally ill, mentally retarded, mentally ill and dangerous to the public, or as a sexual psychopathic personality or sexually dangerous person.

(h) Inability to provide mental health services with reasonable safety to clients.

(i) The habitual overindulgence in the use of or the dependence on intoxicating liquors.

(j) Improper or unauthorized personal or other use of any legend drugs as defined in chapter 151, any chemicals as defined in chapter 151, or any controlled substance as defined in chapter 152.

(k) Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.

(l) Failure to comply with a client's request made under section 144.335, or to furnish a client record or report required by law.

(m) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.

(n) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(o) Failure to make reports as required by section 148B.63, or cooperate with an investigation of the office.

(p) Obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(q) Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.

(r) Failure to provide the client with a copy of the client bill of rights or violation of any provision of the client bill of rights.

(s) Violating any order issued by the commissioner.

(t) Failure to comply with sections 148B.60 to 148B.71, and the rules adopted under those sections.

(u) Failure to comply with any additional disciplinary grounds established by the commissioner by rule.

Sec. 11. Minnesota Statutes 1994, section 214.10, subdivision 2a, is amended to read:

Subd. 2a. [PROCEEDINGS.] A board shall initiate proceedings to suspend or revoke a license or shall refuse to renew a license of a person licensed by the board who is convicted in a court of competent jurisdiction of violating sections ~~609.23, 609.231, 609.224, subdivision 2, paragraph (c), 609.2325, 609.233, 609.2335, 609.234, 609.465, 609.466, 609.52, or 626.557~~ 609.72, subdivision 3.

Sec. 12. Minnesota Statutes 1994, section 245A.04, subdivision 3b, is amended to read:

Subd. 3b. [RECONSIDERATION OF DISQUALIFICATION.] (a) Within 30 days after receiving notice of disqualification under subdivision 3a, the individual who is the subject of the study may request reconsideration of the notice of disqualification. The individual must submit the request for reconsideration to the commissioner in writing. The individual must present information to show that:

(1) the information the commissioner relied upon is incorrect; or

(2) the subject of the study does not pose a risk of harm to any person served by the applicant or license holder.

(b) The commissioner may set aside the disqualification if the commissioner finds that the information the commissioner relied upon is incorrect or the individual does not pose a risk of harm to any person served by the applicant or license holder. The commissioner shall review the consequences of the event or events that could lead to disqualification, whether there is more than one disqualifying event, the vulnerability of the victim at the time of the event, the time elapsed without a repeat of the same or similar event, and documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event. In reviewing a disqualification, the commissioner shall give preeminent weight to the safety of each person to be served by the license holder or applicant over the interests of the license holder or applicant.

(c) Unless the information the commissioner relied on in disqualifying an individual is incorrect, the commissioner may not set aside the disqualification of an individual in connection with a license to provide family day care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home if:

(1) less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has been convicted of a violation of any offense listed in section 609.20

(manslaughter in the first degree), 609.205 (manslaughter in the second degree), 609.21 (criminal vehicular homicide), 609.215 (aiding suicide or aiding attempted suicide), 609.221 to 609.2231 (felony violations of assault in the first, second, third, or fourth degree), 609.713 (terroristic threats), 609.235 (use of drugs to injure or to facilitate crime), 609.24 (simple robbery), 609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.561 or 609.562 (arson in the first or second degree), 609.71 (riot), 609.582 (burglary in the first or second degree), 609.66 (reckless use of a gun or dangerous weapon or intentionally pointing a gun at or towards a human being), 609.665 (setting a spring gun), 609.67 (unlawfully owning, possessing, or operating a machine gun), 152.021 or 152.022 (controlled substance crime in the first or second degree), 152.023, subdivision 1, clause (3) or (4), or subdivision 2, clause (4) (controlled substance crime in the third degree), 152.024, subdivision 1, clause (2), (3), or (4) (controlled substance crime in the fourth degree), 609.224, subdivision 2, paragraph (c) (fifth degree assault by a caregiver against a vulnerable adult), 609.228 (great bodily harm caused by distribution of drugs), ~~609.23 (mistreatment of persons confined), 609.231 (mistreatment of residents or patients)~~ 609.2325 (criminal abuse of a vulnerable adult), 609.233 (criminal neglect of a vulnerable adult), 609.2335 (financial exploitation of a vulnerable adult), 609.265 (abduction), 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree), 609.267 to 609.2672 (assault of an unborn child in the first, second, or third degree), 609.268 (injury or death of an unborn child in the commission of a crime), 617.293 (disseminating or displaying harmful material to minors), 609.378 (neglect or endangerment of a child), 609.377 (a gross misdemeanor offense of malicious punishment of a child), 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state, the elements of which are substantially similar to the elements of any of the foregoing offenses;

(2) regardless of how much time has passed since the discharge of the sentence imposed for the offense, the individual was convicted of a violation of any offense listed in sections 609.185 to 609.195 (murder in the first, second, or third degree), 609.2661 to 609.2663 (murder of an unborn child in the first, second, or third degree), 609.377 (a felony offense of malicious punishment of a child), 609.322 (soliciting, inducement, or promotion of prostitution), 609.323 (receiving profit derived from prostitution), 609.342 to 609.345 (criminal sexual conduct in the first, second, third, or fourth degree), 609.352 (solicitation of children to engage in sexual conduct), 617.246 (use of minors in a sexual performance), 617.247 (possession of pictorial representations of a minor), 609.365 (incest), or an offense in any other state, the elements of which are substantially similar to any of the foregoing offenses;

(3) within the seven years preceding the study, the individual committed an act that constitutes maltreatment of a child under section 626.556, subdivision 10e, and that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence; or

(4) within the seven years preceding the study, the individual was determined under section 626.557 to be the perpetrator of a substantiated incident of abuse of a vulnerable adult that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence.

In the case of any ground for disqualification under clauses (1) to (4), if the act was committed by an individual other than the applicant or license holder residing in the applicant's or license holder's home, the applicant or license holder may seek reconsideration when the individual who committed the act no longer resides in the home.

The disqualification periods provided under clauses (1), (3), and (4) are the minimum applicable disqualification periods. The commissioner may determine that an individual should continue to be disqualified from licensure because the license holder or applicant poses a risk of harm to a person served by that individual after the minimum disqualification period has passed.

(d) The commissioner shall respond in writing to all reconsideration requests within 15 working days after receiving the request for reconsideration. If the disqualification is set aside, the commissioner shall notify the applicant or license holder in writing of the decision.

(e) Except as provided in subdivision 3c, the commissioner's decision to grant or deny a

reconsideration of disqualification under this subdivision, or to set aside or uphold the results of the study under subdivision 3, is the final administrative agency action.

Sec. 13. Minnesota Statutes 1994, section 253B.02, subdivision 4a, is amended to read:

Subd. 4a. [CRIME AGAINST THE PERSON.] "Crime against the person" means a violation of or attempt to violate any of the following provisions: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; ~~609.23; 609.231~~ 609.2325; 609.233; 609.2335; 609.235; 609.24; 609.245; 609.25; 609.255; 609.265; 609.27, subdivision 1, clause (1) or (2); 609.28 if violence or threats of violence were used; 609.322, subdivision 1, clause (2); 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; and 609.595; and 609.72, subdivision 3.

Sec. 14. Minnesota Statutes 1994, section 256E.03, subdivision 2, is amended to read:

Subd. 2. (a) "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities prescribed in section 256E.08, subdivision 1, to the following groups of persons:

(1) families with children under age 18, who are experiencing child dependency, neglect or abuse, and also pregnant adolescents, adolescent parents under the age of 18, and their children;

(2) persons who are under the guardianship of the commissioner of human services as dependent and neglected wards;

(3) adults who are in need of protection and vulnerable as defined in section ~~626.557~~ 626.5572;

(4) persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

(5) emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;

(6) persons with mental retardation as defined in section 252A.02, subdivision 2, or with related conditions as defined in section 252.27, subdivision 1a, who are unable to provide for their own needs or to independently engage in ordinary community activities;

(7) drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs;

(8) parents whose income is at or below 70 percent of the state median income and who are in need of child care services in order to secure or retain employment or to obtain the training or education necessary to secure employment; and

(9) other groups of persons who, in the judgment of the county board, are in need of social services.

(b) Except as provided in section 256E.08, subdivision 5, community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145A.09 to 145A.13.

Sec. 15. Minnesota Statutes 1994, section 256E.081, subdivision 4, is amended to read:

Subd. 4. [DENIAL, REDUCTION, OR TERMINATION OF SERVICES.] (a) Before a county denies, reduces, or terminates services to an individual due to fiscal limitations, the county must meet the requirements in subdivisions 2 and 3, and document in the person's individual service plan:

(1) the person's service needs;

(2) the alternatives considered for meeting the person's service needs; and

(3) the actions that will be taken to prevent abuse or neglect as defined in sections section 626.556, subdivision 2, paragraphs (a), (c), (d), and (k); and 626.557, subdivision 2, paragraphs (d) and (e) maltreatment as defined in section 626.5572, subdivision 15.

(b) The county must notify the individual and the individual's guardian in writing of the reason for the denial, reduction, or termination of services and of the individual's right to an appeal under section 256.045.

(c) The county must inform the individual and the individual's guardian in writing that the county will, upon request, meet to discuss alternatives and amend the individual service plan before services are terminated or reduced.

Sec. 16. Minnesota Statutes 1994, section 325F.692, subdivision 2, is amended to read:

Subd. 2. [UNAUTHORIZED INFORMATION SERVICE CHARGES; LIABILITY.] A telephone service subscriber is not responsible for information service charges for calls made by minors or other vulnerable adults as defined in section ~~626.557, subdivision 2, paragraph (b)~~ 626.5572, subdivision 2, unless expressly authorized by the subscriber or spouse.

Sec. 17. Minnesota Statutes 1994, section 525.703, subdivision 3, is amended to read:

Subd. 3. [GUARDIAN OR CONSERVATOR.] (a) When the court determines that a guardian or conservator of the person or the estate has rendered necessary services or has incurred necessary expenses for the benefit of the ward or conservatee, the court may order reimbursement or reasonable compensation to be paid from the estate of the ward or conservatee or from the county having jurisdiction over the guardianship or conservatorship if the ward or conservatee is indigent. The court may not deny an award of fees solely because the ward or conservatee is a recipient of medical assistance. In determining reasonable compensation for a guardian or conservator of an indigent person, the court shall consider a fee schedule recommended by the board of county commissioners. The fee schedule may also include a maximum compensation based on the living arrangements of the ward or conservatee. If these services are provided by a public or private agency, the county may contract on a fee for service basis with that agency.

(b) The court shall order reimbursement or reasonable compensation if the guardian or conservator requests payment and the guardian or conservator was nominated by the court or by the county adult protection unit because no suitable relative or other person was available to provide guardianship or conservatorship services necessary to prevent ~~abuse or neglect~~ maltreatment of a vulnerable adult, as defined in section ~~626.557~~ 626.5572, subdivision 15. In determining reasonable compensation for a guardian or conservator of an indigent person, the court shall consider a fee schedule recommended by the board of county commissioners. The fee schedule may also include a maximum compensation based on the living arrangements of the ward or conservatee. If these services are provided by a public or private agency, the county may contract on a fee for service basis with that agency.

(c) When a county employee serves as a guardian or conservator as part of employment duties, the court shall order reasonable compensation if the guardian or conservator performs necessary services that are not compensated by the county. The court may order reimbursement to the county from the ward's or conservatee's estate for reasonable compensation paid by the county for services rendered by a guardian or conservator who is a county employee but only if the county shows that after a diligent effort it was unable to arrange for an independent guardian or conservator.

Sec. 18. Minnesota Statutes 1994, section 609.268, subdivision 1, is amended to read:

Subdivision 1. [DEATH OF AN UNBORN CHILD.] Whoever, in the commission of a felony or in a violation of section 609.224, ~~609.23, or 609.231~~ 609.2325, or 609.233, causes the death of an unborn child is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine not more than \$30,000, or both. As used in this subdivision, "felony" does not include a violation of sections 609.185 to 609.21, 609.221 to 609.2231, or 609.2661 to 609.2665.

Sec. 19. Minnesota Statutes 1994, section 609.268, subdivision 2, is amended to read:



Subd. 2. [INJURY TO AN UNBORN CHILD.] Whoever, in the commission of a felony or in a violation of section ~~609.23 or 609.231~~ 609.2325 or 609.233, causes great or substantial bodily harm to an unborn child who is subsequently born alive, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. As used in this subdivision, "felony" does not include a violation of sections 609.21, 609.221 to 609.2231, or 609.267 to 609.2672.

Sec. 20. Minnesota Statutes 1994, section 609.7495, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Facility" means any of the following:

- (1) a hospital or other health institution licensed under sections 144.50 to 144.56;
- (2) a medical facility as defined in section 144.561;
- (3) an agency, clinic, or office operated under the direction of or under contract with the commissioner of health or a community health board, as defined in section 145A.02;
- (4) a facility providing counseling regarding options for medical services or recovery from an addiction;
- (5) a facility providing emergency shelter services for battered women, as defined in section 611A.31, subdivision 3, or a facility providing transitional housing for battered women and their children;
- (6) a residential care home or home as defined in section 144B.01, subdivision 5;
- (7) a facility as defined in section 626.556, subdivision 2, paragraph (f);
- (8) a facility as defined in section ~~626.557, subdivision 2, paragraph (a)~~ 626.5572, subdivision 6, where the services described in that paragraph are provided;
- (9) a place to or from which ambulance service, as defined in section 144.801, is provided or sought to be provided; and
- (10) a hospice program licensed under section 144A.48.

(b) "Aggrieved party" means a person whose access to or egress from a facility is obstructed in violation of subdivision 2, or the facility.

Sec. 21. Minnesota Statutes 1994, section 626.556, subdivision 12, is amended to read:

Subd. 12. [DUTIES OF FACILITY OPERATORS.] Any operator, employee, or volunteer worker at any facility who intentionally neglects, physically abuses, or sexually abuses any child in the care of that facility may be charged with a violation of section 609.255, 609.377, or 609.378. Any operator of a facility who knowingly permits conditions to exist which result in neglect, physical abuse, or sexual abuse of a child in the care of that facility may be charged with a violation of section ~~609.23 or 609.378~~.

Sec. 22. [FEE INCREASE.]

The licensing fees for nursing homes licensed under Minnesota Statutes, chapter 144A; for hospitals and boarding care homes licensed under Minnesota Statutes, sections 144.50 to 144.58; residential care homes licensed under Minnesota Statutes, chapter 148B; and board and lodging establishments that are registered to provide supportive or health supervision services under Minnesota Statutes, section 157.031, shall be increased by \$20 per bed; and the licensing fees for home care agencies licensed under Minnesota Statutes, chapter 144A; and outpatient surgical centers licensed under Minnesota Statutes, chapter 144, shall be increased by 25 percent to implement the requirements of the vulnerable adults act under Minnesota Statutes, section 626.557, and for Minnesota Statutes, section 144.057.

ARTICLE 5  
APPROPRIATIONS

Section 1. [APPROPRIATION.]

\$3,060,855 is appropriated from the state government special revenue fund to the department of health for the purposes of implementing article 1 and article 3 and is available for the biennium ending June 30, 1997."

Amend the title as follows:

Page 1, line 4, after "penalties;" 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 Care, to which was re-referred**

**S.F. No. 845:** A bill for an act relating to health; MinnesotaCare; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily uninsured; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62D.181, subdivisions 2, 3, 6, and 9; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivision 1; 62J.48; 62J.55; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.25; 62Q.30; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivisions 3, 4, and by adding a subdivision; 256B.057, subdivision 3; 270.101, subdivision 1; 290.01, subdivision 19a; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62N.34; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; and 62Q.27; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, after line 15, insert:

"Sec. 20. Minnesota Statutes 1994, section 62N.10, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION; GOVERNMENT PROGRAMS.] Integrated service networks shall, as a condition of licensure, participate in the medical assistance, general assistance medical care, and MinnesotaCare programs. The commissioner shall adopt rules specifying the participation required of the networks. The rules must be consistent with Minnesota Rules, parts 9505.5200 to 9505.5260, governing participation by health maintenance organizations in public health care programs. An integrated service network that is granted a waiver from the net worth requirements over a three-year period is not required to respond to requests for proposals to participate in the medical assistance, general assistance medical care, and MinnesotaCare programs during the first 12 months of licensure. These integrated service networks are not prohibited from responding to requests for proposals, however, if they choose to do so during that time period. After the initial 12 months of licensure, these integrated service networks are required to respond to the requests for proposals."

Page 11, line 36, delete "person" and insert "persons"

Page 12, line 9, delete "rules" and insert "rule"

Page 13, line 19, after "providers" insert ", allied health care providers, and midlevel practioners"

Page 13, line 35, delete "encourage the" and delete "of"

Page 15, line 16, before "Every" insert "(a)"

Page 15, line 17, delete "regularly" and insert ", on at least a biennial basis,"

Page 15, after line 21, insert:

"(b) Every integrated service network shall participate in the consumer survey efforts established under section 62J.451, subdivision 6b, to evaluate enrollee satisfaction, network performance, and quality of care. Participation in the consumer survey efforts of section 62J.451, subdivision 6b, shall satisfy paragraph (a) of this subdivision."

Page 16, after line 2, insert:

"Sec. 28. Minnesota Statutes 1994, section 62N.25, subdivision 2, is amended to read:

Subd. 2. [LICENSURE REQUIREMENTS GENERALLY.] To be licensed and to operate as a community integrated service network, an applicant must satisfy the requirements of chapter 62D, and all other legal requirements that apply to entities licensed under chapter 62D, except as exempted or modified in this section. Community networks must, as a condition of licensure, comply with rules adopted under section 256B.0644 that apply to entities governed by chapter 62D. A community integrated service network that phases in its net worth over a three-year period is not required to respond to requests for proposals under section 256B.0644 during the first 12 months of licensure. These community networks are not prohibited from responding to requests for proposals, however, if they choose to do so during that time period. After the initial 12 months of licensure, these community networks are required to respond to the requests for proposals as required under section 256B.0644.

Sec. 29. [REPEALER.]

Minnesota Statutes 1994, section 62N.34, is repealed."

Page 19, delete lines 25 to 36

Page 20, delete lines 1 to 9 and insert:

"Subd. 5a. [PUBLIC PROGRAMS.] (a) A risk adjustment system must be developed for state-run public programs, including medical assistance, general assistance medical care, and MinnesotaCare. The system must be developed in accordance with the general risk adjustment methodologies described in this section, must include factors in addition to age and sex adjustment, and may include additional demographic factors, different targeted conditions, and/or different payment amounts for conditions. The risk adjustment system for public programs must

attempt to reflect the special needs related to poverty, cultural, or language barriers and other needs of the public program population.

(b) The commissioners of health and human services shall jointly convene a public programs risk adjustment work group responsible for advising the commissioners in the design of the public programs risk adjustment system. The commissioner of health shall work with the risk adjustment association to ensure coordination between the risk adjustment systems for the public and private sectors. The commissioner of human services shall seek any needed federal approvals necessary for the inclusion of the medical assistance program in the public program risk adjustment system.

(c) The public programs risk adjustment work group shall be representative of the persons served by publicly paid health programs and providers and health plans that meet their needs. As much as possible, the appointing authorities shall attempt to select representatives that have historically served a significant number of persons in publicly paid health programs or the uninsured. The commissioners of health and human services shall include advocates of the disabled and other public program clients as members of the work group.

(d) The commissioners of health and human services, with the advice of the public programs risk adjustment work group, shall develop a work plan and time frame, coordinate their efforts with the private sector risk adjustment association's activities and other state initiatives related to public program managed care reimbursement."

Page 22, line 7, delete from "The" through page 22, line 18, to "commissioners." and insert "The commissioners of health and commerce shall have the authority to approve or reject the plan of operation."

Page 22, line 35, delete "To maintain protection from antitrust law,"

Page 23, line 3, delete everything after "by" and insert "an"

Page 23, line 5, delete everything before "for" and insert "shall have the authority to audit and examine data collected by the association"

Page 23, line 6, after "of" insert "the development and implementation of the" and after "adjustment" insert "system"

Page 23, lines 25 and 33, delete "review and" and after "approve" insert "or reject"

Page 23, line 35, after "approve" insert "or reject"

Page 23, after line 36, insert:

"If the commissioners reject any of the plans identified in clauses (1), (4), and (5) of this subdivision, the directors shall submit for review an appropriate revised plan within 30 days."

Page 24, delete section 16

Page 30, line 21, before "or" insert "Indian tribal government, an Indian health service unit,"

Page 33, line 11, after the period, insert "The rules shall provide for direct and appropriate access to a designated essential community provider for designated covered services for high risk and special needs population enrollees of health plan companies."

Page 33, line 14, delete "only"

Page 33, line 15, delete everything after "coverage"

Page 33, line 16, delete everything before "sections" and insert "established under"

Page 33, line 21, after "coverage" insert "for health maintenance organizations and integrated service networks"

Page 33, line 22, delete "section" and insert "subdivision"

Page 33, line 27, after "of" insert "frequency,"

Page 34, line 2, before "The" insert "(a) For integrated service networks and health maintenance organizations,"

Page 34, line 7, after the period, insert "As standard health coverage, health maintenance organizations and integrated service networks shall offer the two cost-sharing options established under section 62Q.24."

(b) For indemnity insurers, the standard health coverage must include the number three qualified plan defined under section 62E.06, with a \$1,000,000 maximum lifetime benefit, without the use of actuarial equivalents allowed under section 62E.02, subdivision 4.

(c)"

Page 34, after line 14, insert:

"Subd. 5. [MARKET ASSISTANCE.] On January 1, 1996, and every year thereafter, the commissioner of health, with the assistance of the commissioner of commerce, shall publish a market guide listing the market premiums charged by health plan companies to a selection of representative individuals and groups for standard health coverage policies sold in Minnesota.

Sec. 23. Minnesota Statutes 1994, section 62Q.23, is amended to read:

62Q.23 [GENERAL SERVICES.]

(a) Health plan companies shall comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(b) Health plan companies shall comply with sections 62A.047, 62A.27, and any other coverage required under chapter 62A of newborn infants, dependent children who do not reside with a covered person, handicapped children and dependents, and adopted children. A health plan company providing dependent coverage shall comply with section 62A.302.

(c) Health plan companies shall comply with the equal access requirements of section 62A.15.

(d) All health plan companies shall use the assessment criteria in Minnesota Rules, parts 9530.6600 to 9530.6660, when assessing and placing enrollees for chemical dependency treatment."

Page 35, after line 16, insert:

"Sec. 25. [62Q.24] [COST SHARING.]

Subdivision 1. [COPAYMENT COST SHARING; OPTION ONE.] Cost-sharing option one limits the calendar year deductible amount per person to \$500 for out-of-network services only, and otherwise provides 100 percent coverage, unless otherwise provided in this subdivision. The out-of-pocket limit is \$750 per person per calendar year, not to exceed a total of \$2,250 per family per calendar year, including both in- and out-of-network services. Services are subject to the following copayment and coinsurance requirements:

(1) a \$10 copayment for health professional office visits and physician's office surgery;

(2) a \$12 copayment for pharmaceuticals and disposable medical supplies. Health maintenance organizations and integrated service networks may lower the copayment for generic brand pharmaceuticals;

(3) a \$20 copayment for urgent care visits;

(4) a \$30 per week copayment for nutritional products for metabolic disorders;

(5) a \$75 copayment for emergency room care where there is no hospital admission;

(6) a \$100 copayment per admission for medical services, inpatient hospital services, inpatient chemical dependency care, and inpatient mental health care;

(7) if coverage for out-of-network services is offered, these services are subject to 20 percent coinsurance or twice the applicable in-network copayment, whichever is greater; and

(8) no cost sharing for age and risk appropriate routine examinations, vision and hearing examinations, mental health and chemical dependency assessment or diagnosis, and postnatal care.

Subd. 2. [COPAYMENT COST SHARING; OPTION TWO.] Cost-sharing option two shall limit the calendar year deductible amount to \$300 per person for out-of-network services only, and otherwise provide 100 percent coverage, unless otherwise provided in this subdivision. The out-of-pocket limit is \$500 per person per calendar year, not to exceed a total of \$1,500 per family per calendar year, including both in-network and out-of-network services. Services are subject to the following copayment and coinsurance requirements:

(1) an \$8 copayment for pharmaceuticals and disposable medical supplies. Health maintenance organizations and integrated service networks may reduce the copayment for generic brand pharmaceuticals;

(2) a \$15 copayment for urgent care visits;

(3) a \$30 per week copayment for nutritional products for metabolic disorders;

(4) a \$35 copayment for emergency room care where there is no hospital admission;

(5) if coverage for out-of-network services is offered, these services are subject to 20 percent coinsurance or twice the applicable in-network copayment, whichever is greater; and

(6) no cost sharing for services listed in subdivision 1, clause (8).

Subd. 3. [LIMITATION ON COPAYMENTS.] Where a copayment is assessed for an office visit in cost-sharing options one and two, any additional services pertaining to and provided at the same office visit are not subject to additional copayments."

Page 36, line 2, delete "62N.34;"

Page 36, line 6, delete "27" and insert "28"

Page 37, line 12, before "differences" insert "the implementation of the growth limits. This annual report shall describe the"

Page 37, after line 15, insert:

"(b) The commissioner, in consultation with the Minnesota health care commission, shall research and include in the annual report required in paragraph (a) for 1996, recommendations regarding the implementation of growth limits for health plan companies and providers. The commissioner shall:

(1) consider both spending and revenue approaches and report on the implementation of the interim limits as defined in sections 62J.041 and 62J.042;

(2) make recommendations regarding the enforcement mechanism and consider mechanisms to adjust future growth limits as well as mechanisms to establish financial penalties for noncompliance;

(3) address the feasibility of systemwide limits imposed on all integrated service networks; and

(4) make recommendations on the most effective way to implement growth limits on the fee-for-service system in the absence of a regulated all-payer system."

Page 37, line 16, strike "(b)" and insert "(c)"

Page 37, line 25, strike "(c)" and insert "(d)"

Page 37, line 30, strike everything after "may"

Page 37, lines 31 to 36, delete the new language and strike the old language

Page 38, line 1, strike everything before the period and insert "impose financial penalties up to the amount exceeding the applicable growth limit"

Page 38, line 2, strike "(d)"

Page 38, lines 13 to 29, delete the new language and strike the old language

Page 38, delete lines 30 to 36

Page 39, delete lines 1 to 3

Page 39, line 22, strike "the commissioner and other"

Page 41, line 5, before "The" insert "(a)"

Page 41, after line 12, insert:

"(b) As part of the report required in paragraph (a) due for 1996, the commissioner, in consultation with the health care commission, shall make recommendations on the design and development of an appropriate framework to apply regulations uniformly among all health plan companies and to ensure adequate oversight and consumer protection in the absence of a regulated all-payer system."

Page 42, line 6, delete "(a)" and insert "Subdivision 1. [DEFINITION.]"

Page 42, line 27, delete "(b)" and insert "Subd. 2. [GOAL.]"

Page 43, after line 1, insert:

"Subd. 3. [REPORT ON HEALTH CARE ACCESS.] (a) The health care commission shall annually report to the legislature regarding the extent to which the state is making progress toward the goal of universal coverage described in this section. As part of this report, the commission shall monitor the number of uninsured in the state. The annual report must be submitted no later than January 15 of each year in compliance with section 3.195.

(b) The annual report required under paragraph (a), due January 15, 1996, shall advise the legislature regarding possible additional steps in insurance reform that would be helpful in progressing toward universal coverage. The commission shall consider further initiatives involving group purchasing pools, narrowing premium variations, guaranteed issue and portability requirements, preexisting condition limitations, and other provisions that provide greater opportunities to obtain affordable health coverage. The commission shall consider the small employer reforms contained in the model laws recommended by the National Association of Insurance Commissioners and shall recommend whether these reforms should be adopted.

(c) The annual report due required under paragraph (a), required on January 15, 1996, shall advise the legislature regarding possible changes in the individual insurance market. The report shall consider initiatives regarding purchasing pools, including specific design details of a state-run or state-initiated purchasing pool for individuals, specific legislative reforms needed to encourage the formation of purchasing pools, and point-by-point consideration of the obstacles to enactment of these purchasing pools, including adverse selection. The report shall consider the creation of a standard and objective definition of eligibility for the comprehensive health association, and whether the enactment of such a definition could be coupled with guaranteed issuance for the remainder of the individual market. The report should include all other considerations of the commission as to the optimal reforms of the individual market.

(d) The annual report required under paragraph (a), due January 15, 1998, must include an evaluation of the reduction and elimination of the standard deduction required under section 62Q.166 and an assessment of any additional steps that may be necessary to achieve universal coverage as defined in this section.

(e) To the extent possible, the health care commission shall utilize existing information, including information collected by other state or federal agencies and organizations, to complete the studies and reports in this subdivision. State agencies and organizations shall provide information, technical and analytic support, and other assistance to the commission as possible, to ensure the timely and efficient completion of the studies and reports in this subdivision. Staff from the appropriate state agencies shall participate with the commission executive director no later

than June 15 each year in initial planning and coordination for the annual reports and studies of this subdivision. Following this initial planning, the executive director shall report to the legislative oversight commission on health care access by July 1 each year on the initial study plan, and on any commission tasks or studies which may not be completed as scheduled due to such constraints as lack of sufficient available information or resources."

Pages 51 to 85, delete sections 1 to 20 and insert:

"Section 1. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 115. [HEALTH DATA INSTITUTE DATA.] Data created, collected, received, maintained, or disseminated by the Minnesota health data institute established under section 62J.451 are classified under section 62J.452; access to and disclosure of such data are governed by section 62J.452.

Sec. 2. Minnesota Statutes 1994, section 62J.04, subdivision 3, is amended to read:

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, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area but excluding Chisago, Isanti, Wright, and Sherburne counties, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve spending limits;

(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) issue recommendations regarding uniform billing forms, uniform electronic billing procedures and data interchanges, patient identification cards, and other uniform claims and administrative procedures for health care providers and private and public sector payers. In developing the recommendations, the commissioner shall review the work of the work group on electronic data interchange (WEDI) and the American National Standards Institute (ANSI) at the national level, and the work being done at the state and local level. The commissioner may adopt rules requiring the use of the Uniform Bill 82/92 form, the National Council of Prescription Drug Providers (NCPDP) 3.2 electronic version, the Health Care Financing Administration 1500 form, or other standardized forms or procedures;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) ~~monitor and promote the development and implementation of practice parameters;~~

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) ~~designate referral centers for specialized and high cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;~~

(10) (8) within the limits of appropriations for these purposes, 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, undertake prevention programs including initiatives to improve birth outcomes, expand childhood immunization efforts, and provide start-up grants for worksite wellness programs; and

(11) ~~administer the data analysis unit; and~~



(12) (9) 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.

Sec. 3. Minnesota Statutes 1994, section 62J.06, is amended to read:

62J.06 [IMMUNITY FROM LIABILITY.]

No member of the Minnesota health care commission established under section 62J.05, regional coordinating boards established under section 62J.09, or the health planning technology advisory committee established under section 62J.15, data collection advisory committee established under section 62J.30, or practice parameter advisory committee established under section 62J.32 shall be held civilly or criminally liable for an act or omission by that person if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.

Sec. 4. Minnesota Statutes 1994, section 62J.212, is amended to read:

62J.212 [~~COLLABORATION ON PUBLIC HEALTH GOALS.~~] The commissioner may increase regional spending limits if public health goals for that region are achieved. The commissioner shall establish specific public health goals including, but not limited to, increased delivery of prenatal care, improved birth outcomes, and expanded childhood immunizations. The commissioner shall consider the community public health goals and the input of the statewide advisory committee on community health in establishing the statewide goals.

Sec. 5. [62J.2930] [INFORMATION CLEARINGHOUSE.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish an information clearinghouse within the department of health to facilitate the ability of consumers, employers, providers, health plan companies, and others to obtain information on health reform activities in Minnesota. The commissioner shall make available through the clearinghouse updates on federal and state health reform activities, including information developed or collected by the department of health on cost containment or other research initiatives, the development of integrated service networks, and voluntary purchasing pools, action plans submitted by health plan companies, reports or recommendations of the health technology advisory committee and other entities on technology assessments, and reports or recommendations from other formal committees applicable to health reform activities. The clearinghouse shall also refer requestors to sources of further information or assistance. The clearinghouse is subject to chapter 13.

Subd. 2. [INFORMATION ON HEALTH PLAN COMPANIES.] The information clearinghouse shall provide information on all health plan companies operating in a specific geographic area to consumers and purchasers who request it.

Subd. 3. [COORDINATION.] To the extent possible, the commissioner shall coordinate the activities of the clearinghouse with the activities of the Minnesota health data institute.

Sec. 6. [62J.301] [RESEARCH AND DATA INITIATIVES.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 62J.2930 to 62J.42, the following definitions apply:

(a) "Health outcomes data" means data used in research designed to identify and analyze the outcomes and costs of alternative interventions for a given clinical condition, in order to determine the most appropriate and cost-effective means to prevent, diagnose, treat, or manage the condition, or in order to develop and test methods for reducing inappropriate or unnecessary variations in the type and frequency of interventions.

(b) "Encounter level data" means data related to the utilization of health care services by, and the provision of health care services to individual patients, enrollees, or insureds, including claims data, abstracts of medical records, and data from patient interviews and patient surveys.

Subd. 2. [STATEMENT OF PURPOSE.] The commissioner of health shall conduct data and research initiatives in order to monitor and improve the efficiency and effectiveness of health care in Minnesota.

Subd. 3. [GENERAL DUTIES.] The commissioner shall:

(1) collect and maintain data which enable population-based monitoring and trending of the access, utilization, quality, and cost of health care services within Minnesota;

(2) collect and maintain data for the purpose of estimating total Minnesota health care expenditures and trends;

(3) collect and maintain data for the purposes of setting limits under section 62J.04, and measuring growth limit compliance;

(4) conduct applied research using existing and new data and promote applications based on existing research;

(5) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health plan companies, as defined in section 62Q.01, subdivision 4;

(6) work closely with health plan companies and health care providers to promote improvements in health care efficiency and effectiveness; and

(7) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management.

Subd. 4. [INFORMATION TO BE COLLECTED.] (a) The data collected may include health outcomes data, patient functional status, and health status. The data collected may include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records, as provided in section 62J.321, subdivision 1.

(b) The commissioner may:

(1) collect the encounter level data required for the research and data initiatives of sections 62J.301 to 62J.42, using, to the greatest extent possible, standardized forms and procedures; and

(2) process the data collected to ensure validity, consistency, accuracy, and completeness, and as appropriate, merge data collected from different sources.

(c) For purposes of estimating total health care spending and forecasting rates of growth in health care spending, the commissioner may collect from health care providers data on patient revenues and health care spending during a time period specified by the commissioner. The commissioner may also collect data on health care revenues and spending from group purchasers of health care. Health care providers and group purchasers doing business in the state shall provide the data requested by the commissioner at the times and in the form specified by the commissioner. Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers and group purchasers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements.

Subd. 5. [NONLIMITING.] Nothing in this section shall be construed to limit the powers granted to the commissioner of health under chapter 62D, 62N, 144, or 144A.

Sec. 7. [62J.311] [ANALYSIS AND USE OF DATA.]

Subdivision 1. [DATA ANALYSIS.] The commissioner shall analyze the data collected to:

(1) assist the state in developing and refining its health policy in the areas of access, utilization, quality, and cost;

(2) assist the state in promoting efficiency and effectiveness in the financing and delivery of health services;

(3) monitor and track accessibility, utilization, quality, and cost of health care services within the state;

(4) evaluate the impact of health care reform activities;

(5) assist the state in its public health activities; and

(6) evaluate and determine the most appropriate methods for ongoing data collection.

Subd. 2. [CRITERIA FOR DATA AND RESEARCH INITIATIVES.] (a) Data and research initiatives by the commissioner must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of people with low-income, and health plan companies as applicable;

(2) be based on scientifically sound and statistically valid methods;

(3) be statewide in scope, to the extent feasible, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure broad and representative health care data for research comparisons and applications;

(4) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private data collection activities, if necessary to ensure that the data collected will be in the public domain;

(5) be structured to minimize the administrative burden on health plan companies, health care providers, and the health care delivery system, and minimize any privacy impact on individuals; and

(6) promote continuous improvement in the efficiency and effectiveness of health care delivery.

(b) Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, and access; and

(4) provide data that allows the evaluation of state health care financing and delivery programs.

#### Sec. 8. [62J.321] [DATA COLLECTION AND PROCESSING PROCEDURES.]

Subdivision 1. [DATA COLLECTION.] (a) The commissioner shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner, which does not unduly burden them. The commissioner may require health care providers and health plan companies to collect and provide patient health records and claim files, and cooperate in other ways with the data collection process. The commissioner may also require health care providers and health plan companies to provide mailing lists of patients. Patient consent shall not be required for the release of data to the commissioner pursuant to sections 62J.301 to 62J.42 by any group purchaser, health plan company, health care provider, or agent, contractor, or association acting on behalf of a group purchaser or health care provider. Any group purchaser, health plan company, health care provider, or agent, contractor, or association acting on behalf of a group purchaser or health care provider, that releases data to the commissioner in good faith pursuant to sections 62J.301 to 62J.42 shall be immune from civil liability and criminal prosecution.

(b) When a group purchaser, health plan company, or health care provider submits patient identifying data, as defined in section 62J.451, to the commissioner pursuant to sections 62J.301 to 62J.42, and the data is submitted to the commissioner in electronic form, or through other electronic means including, but not limited to, the electronic data interchange system defined in section 62J.451, the group purchaser, health plan company, or health care provider shall submit the patient identifying data in encrypted form, using an encryption method specified by the commissioner. Submission of encrypted data as provided in this paragraph satisfies the requirements of section 144.335, subdivision 3b.

(c) The commissioner shall require all health care providers, group purchasers, and state agencies to use a standard patient identifier and a standard identifier for providers and health plan companies when reporting data under this chapter. The commissioner must encrypt patient identifiers to prevent identification of individual patients and to enable release of otherwise private data to researchers, providers, and group purchasers in a manner consistent with chapter 13 and sections 62J.55 and 144.335. This encryption must ensure that any data released must be in a form that makes it impossible to identify individual patients.

Subd. 2. [FAILURE TO PROVIDE DATA.] The intentional failure to provide the data requested under this chapter is grounds for disciplinary or regulatory action against a regulated provider or group purchaser. The commissioner may assess a fine against a provider or group purchaser who refuses to provide data required by the commissioner. If a provider or group purchaser refuses to provide the data required, the commissioner may obtain a court order requiring the provider or group purchaser to produce documents and allowing the commissioner to inspect the records of the provider or group purchaser for purposes of obtaining the data required.

Subd. 3. [DATA COLLECTION AND REVIEW.] Data collection must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; monitoring for changes in practice patterns; and the data and research criteria of section 62J.311, subdivision 2, to be fulfilled.

Subd. 4. [USE OF EXISTING DATA.] (a) The commissioner shall negotiate with private sector organizations currently collecting health care data of interest to the commissioner to obtain required data in a cost-effective manner and minimize administrative costs. The commissioner shall attempt to establish links between the health care data collected to fulfill sections 62J.301 to 62J.42 and existing private sector data and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The commissioner shall use existing public sector data, such as those existing for medical assistance and Medicare, to the greatest extent possible. The commissioner shall establish links between existing public sector data and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Subd. 5. [DATA CLASSIFICATION.] (a) Data collected to fulfill the data and research initiatives authorized by sections 62J.301 to 62J.42 that identify individual patients or providers are private data on individuals. Data not on individuals are nonpublic data. The commissioner shall establish procedures and safeguards to ensure that data released by the commissioner is in a form that does not identify specific patients, providers, employers, individual or group purchasers, or other specific individuals and organizations, except with the permission of the affected individual or organization, or as permitted elsewhere in this chapter.

(b) Raw unaggregated data collected from household and employer surveys used by the commissioner to monitor the number of uninsured individuals, reasons for lack of insurance coverage, and to evaluate the effectiveness of health care reform, are subject to the same data classifications as data collected pursuant to sections 62J.301 to 62J.42.

(c) Notwithstanding sections 13.03, subdivisions 6 to 8; 13.10, subdivisions 1 to 4; and 138.17, data received by the commissioner pursuant to sections 62J.301 to 62J.42, shall retain the classification designated under this section and shall not be disclosed other than pursuant to this section.

(d) Summary data collected to fulfill the data and research initiatives authorized by sections 62J.301 to 62J.42 may be disseminated under section 13.05, subdivision 7. For the purposes of this section, summary data includes nonpublic data not on individuals.

(e) Notwithstanding paragraph (a), the commissioner may publish nonpublic or private data collected pursuant to sections 62J.301 to 62J.42 on health care costs and spending, quality and outcomes, and utilization for health care institutions, individual health care professionals and groups of health care professionals, group purchasers, and integrated service networks, with a description of the methodology used for analysis. The commissioner may not make public any patient identifying information except as specified in law. The commissioner shall not reveal the

name of an institution, group of professionals, individual health care professional, group purchaser, or integrated service network until after the institution, group of professionals, individual health care professional, group purchaser, or integrated service network has had 21 days to review the data and comment. The commissioner shall include comments received in the release of the data.

(f) A provider or group purchaser may contest whether the data meets the criteria of section 62J.311, subdivision 2, paragraph (a), clause (2), in accordance with a contested case proceeding as set forth in sections 14.57 to 14.62, subject to appeal in accordance with sections 14.63 to 14.68. To obtain a contested case hearing, the provider or group purchaser must make a written request to the commissioner before the end of the time period for review and comment. Within ten days of the assignment of an administrative law judge, the provider or group purchaser shall make a clear showing to the administrative law judge of probable success in a hearing on the merits and likely irreparable injury to the provider or group purchaser if the data is published. If the administrative law judge determines that the provider or group purchaser has made such a showing, the data shall remain private or nonpublic during the contested case proceeding and appeal. If the administrative law judge determines that the provider or group purchaser has not made such a showing, the commissioner may publish the data immediately, with comments received in the release of the data. The contested case proceeding and subsequent appeal is not an exclusive remedy and any person may seek a remedy pursuant to section 13.08, subdivisions 1 to 4, or as otherwise authorized by law.

Subd. 6. [RULEMAKING.] The commissioner may adopt rules to implement sections 62J.301 to 62J.452. In adopting rules under this subdivision, in addition to the statement of need and reasonableness required by section 14.131, the commissioner shall prepare a written regulatory analysis of each proposed rule. The regulatory analysis must contain:

(1) a description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) a description of the probable short-term and long-term quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of person;

(3) the probable costs to the department of the implementation and enforcement of the proposed rule;

(4) a comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction;

(5) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule; and

(6) a description of any alternative methods for achieving the purpose of the proposed rules that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule.

Subd. 7. [FEDERAL AND OTHER GRANTS.] The commissioner may seek federal funding, and funding from private and other nonstate sources, for data and research initiatives.

Subd. 8. [CONTRACTS AND GRANTS.] To carry out the duties assigned in sections 62J.301 to 62J.42, the commissioner may contract with or provide grants to private sector entities. Any contract or grant must require the private sector entity to maintain the data which it receives according to the statutory provisions applicable to the data.

#### Sec. 9. [62J.322] [PROVIDER INFORMATION PILOT STUDY.]

The commissioner shall develop a pilot study to collect comparative data from health care providers on opportunities and barriers to the provision of quality, cost-effective health care. The provider information pilot study shall include providers in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. Health plan companies and group purchasers shall provide to the commissioner providers' names, health plan

assignment, and other appropriate data necessary for the commissioner to conduct the study. The provider information pilot study shall examine factors that increase and hinder access to the provision of quality, cost-effective health care. The study may examine:

- (1) administrative barriers and facilitators;
- (2) time spent obtaining permission for appropriate and necessary treatments;
- (3) latitude to order appropriate and necessary tests, pharmaceuticals, and referrals to specialty providers;
- (4) assistance available for decreasing administrative and other routine paperwork activities;
- (5) continuing education opportunities provided;
- (6) access to readily available information on diagnoses, diseases, outcomes, and new technologies;
- (7) continuous quality improvement activities;
- (8) inclusion in administrative decision making;
- (9) access to social services and other services that facilitate continuity of care;
- (10) economic incentives and disincentives;
- (11) peer review procedures; and
- (12) the prerogative to address public health needs.

In selecting additional data for collection, the commissioner shall consider the: (i) statistical validity of the data; (ii) public need for the data; (iii) estimated expense of collecting and reporting the data; and (iv) usefulness of the data to identify barriers and opportunities to improve quality care provision within health plan companies.

Sec. 10. Minnesota Statutes 1994, section 62J.37, is amended to read:

**62J.37 [COST CONTAINMENT DATA FROM INTEGRATED SERVICE NETWORKS.]**

The commissioner shall require integrated service networks operating under section 62N.06, subdivision 1, to submit data on health care spending and revenue for calendar year ~~1994~~ 1996 by ~~February 15, 1995~~ April 1, 1997. Each ~~February 15~~ April 1 thereafter, integrated service networks shall submit to the commissioner data on health care spending and revenue for the preceding calendar year. The data must be provided in the form specified by the commissioner. To the extent that an integrated service network is operated by a group purchaser under section 62N.06, subdivision 2, the integrated service network is exempt from this section and the group purchaser must provide data on the integrated service network under section 62J.38.

Sec. 11. Minnesota Statutes 1994, section 62J.38, is amended to read:

**62J.38 [COST CONTAINMENT DATA FROM GROUP PURCHASERS.]**

(a) The commissioner shall require group purchasers to submit detailed data on total health care spending for ~~calendar years 1990, 1991, and 1992, and for each calendar year 1993 and successive calendar years.~~ Group purchasers shall submit data for the 1993 calendar year by April 1, 1994, and each April 1 thereafter shall submit data for the preceding calendar year.

(b) The commissioner shall require each group purchaser to submit data on revenue, expenses, and member months, as applicable. Revenue data must distinguish between premium revenue and revenue from other sources and must also include information on the amount of revenue in reserves and changes in reserves. Expenditure data, including raw data from claims, ~~must~~ may be provided separately for the following categories or for other categories required by the commissioner: physician services, dental services, other professional services, inpatient hospital services, outpatient hospital services, emergency ~~and out-of-area care~~, pharmacy services and

~~prescription drugs~~ other nondurable medical goods, mental health ~~services~~, and chemical dependency services, other expenditures, subscriber liability, and administrative costs. The commissioner may require each group purchaser to submit any other data, including data in unaggregated form, for the purposes of developing spending estimates, setting spending limits, and monitoring actual spending and costs.

(c) The commissioner may collect information on:

(1) premiums, benefit levels, managed care procedures, and other features of health plan companies;

(2) prices, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses; and

(3) information on health care services not provided through health plan companies, including information on prices, costs, expenditures, and utilization.

~~(e) State agencies and~~ (d) All other group purchasers shall provide the required data using a uniform format and uniform definitions, as prescribed by the commissioner.

Sec. 12. Minnesota Statutes 1994, section 62J.40, is amended to read:

62J.40 [COST CONTAINMENT DATA FROM STATE AGENCIES AND OTHER GOVERNMENTAL UNITS.]

~~In addition to providing the data required under section 62J.38, the commissioners of human services, commerce, labor and industry, and employee relations and~~ (a) All other state departments or agencies that administer one or more health care programs shall provide to the commissioner of health any additional data on the health care programs they administer that is requested by the commissioner of health, including data in unaggregated form, for purposes of developing estimates of spending, setting spending limits, and monitoring actual spending. The data must be provided at the times and in the form specified by the commissioner of health.

(b) For purposes of estimating total health care spending as provided in section 62J.301, subdivision 4, clause (c), all local governmental units shall provide expenditure data to the commissioner. The commissioner shall consult with representatives of the affected local government units in establishing definitions, reporting formats, and reporting time frames. As much as possible, the data shall be collected in a manner that ensures that the data collected is consistent with data collected from the private sector and minimizes the reporting burden to local government.

Sec. 13. Minnesota Statutes 1994, section 62J.41, subdivision 1, is amended to read:

Subdivision 1. [COST CONTAINMENT DATA TO BE COLLECTED FROM PROVIDERS.] The commissioner shall require health care providers to collect and provide both patient specific information and descriptive and financial aggregate data on:

(1) the total number of patients served;

(2) the total number of patients served by state of residence and Minnesota county;

(3) the site or sites where the health care provider provides services;

(4) the number of individuals employed, by type of employee, by the health care provider;

(5) the services and their costs for which no payment was received;

(6) total revenue by type of payer or by groups of payers, including but not limited to, revenue from Medicare, medical assistance, MinnesotaCare, nonprofit health service plan corporations, commercial insurers, integrated service networks, health maintenance organizations, and individual patients;

(7) revenue from research activities;

- (8) revenue from educational activities;
- (9) revenue from out-of-pocket payments by patients;
- (10) revenue from donations; and

(11) any other data required by the commissioner, including data in unaggregated form, for the purposes of developing spending estimates, setting spending limits, monitoring actual spending, and monitoring costs ~~and quality~~.

The commissioner may, by rule, modify the data submission categories listed above if the commissioner determines that this will reduce the reporting burden on providers without having a significant negative effect on necessary data collection efforts.

Sec. 14. Minnesota Statutes 1994, section 62J.41, subdivision 2, is amended to read:

Subd. 2. [ANNUAL MONITORING AND ESTIMATES.] The commissioner shall require health care providers to submit the required data for the period July 1, 1993 to December 31, 1993, by April 1, 1994. Health care providers shall submit data for the 1994 calendar year by April 1, 1995, and each April 1 thereafter shall submit data for the preceding calendar year. The commissioner of revenue may collect health care service revenue data from health care providers, if the commissioner of revenue and the commissioner agree that this is the most efficient method of collecting the data. ~~The commissioner of revenue shall provide any data collected to the commissioner of health~~ commissioners of health and revenue shall have the authority to share data collected pursuant to this section.

Sec. 15. [62J.451] [MINNESOTA HEALTH DATA INSTITUTE.]

Subdivision 1. [STATEMENT OF PURPOSE.] It is the intention of the legislature to create a partnership between the public and the private sectors for the coordination of efforts related to the collection, analysis, and dissemination of cost, access, quality, utilization, and other performance data, to the extent administratively efficient and effective.

The Minnesota health data institute shall be a partnership between the commissioner of health and a board of directors representing group purchasers, health care providers, and consumers.

Subd. 2. [DEFINITIONS.] For purposes of this section and section 62J.452, the following definitions apply.

(a) "Analysis" means the identification of selected data elements, a description of the methodology used to select or analyze those data elements, and any other commentary, conclusions, or other descriptive material that the health data institute determines is appropriately included, all of which is undertaken by the health data institute for one or more of the purposes or objectives set forth in subdivisions 1 and 3, or by other authorized researchers pursuant to section 62J.452, subdivision 6.

(b) "Board" means the board of directors of the health data institute.

(c) "Database" means a compilation of selected data elements by the health data institute for the purpose of conducting an analysis or facilitating an analysis by another party.

(d) "Electronic data interchange system" or "EDI system" means the electronic data system developed, implemented, maintained, or operated by the health data institute, as permitted by subdivisions 3, clause (2), and 5, according to standards adopted by the health data institute.

(e) "Encounter level data" means data related to the utilization of health care services by, and the provision of health care services to, individual patients, enrollees, or insureds, including claims data, abstracts of medical records, and data from patient interviews and patient surveys.

(f) "Group purchaser" has the definition provided in section 62J.03, subdivision 6.

(g) "Health data institute" means the public-private partnership between the commissioner of health and the board of directors established under this section.



(h) "Health plan company" has the definition provided in section 62Q.01, subdivision 4.

(i) "Industry participant" means any group purchaser, employers with employee health benefit plans, regardless of the manner in which benefits are provided or paid for under the plan, provider, or state agency or political subdivision, with the exception of professional licensing boards or law enforcement agencies.

(j) "Industry participant identifying data" means any data that identifies a specific industry participant directly, or which identifies characteristics which reasonably could uniquely identify such specific industry participant circumstantially. For purposes of this definition, an industry participant is not "directly identified" by the use of a unique identification number, provided that the number is coded or encrypted through a reliable system that can reasonably assure that such numbers cannot be traced back by an unauthorized person to determine the identity of an industry participant with a particular number.

(k) "Patient" is an individual as defined in section 13.02, subdivision 8, except that "patient" does not include any industry participant acting as an industry participant rather than as a consumer of health care services or coverage.

(l) "Patient identifying data" means data that identifies a patient directly, or which identifies characteristics which reasonably could uniquely identify such specific patients circumstantially. For purposes of this definition, a patient is not "directly identified" by the use of a unique identification number, provided that the number is coded or encrypted through a reliable system that can reasonably assure that such numbers cannot be traced back by an unauthorized person to determine the identity of a patient with a particular number.

(m) "Performance" means the degree to which a health plan company, provider organization, or other entity delivers quality, cost-effective services compared to other similar entities, or to a given level of care set as a goal to be attained.

(n) "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

(o) "Roster data" with regard to the enrollee of a health plan company or group purchaser means an enrollee's name, address, telephone number, date of birth, gender, and enrollment status under a group purchaser's health plan. "Roster data" with regard to a patient of a provider means the patient's name, address, telephone number, date of birth, gender, and date or dates treated, including, if applicable, the date of admission and the date of discharge.

Subd. 3. [OBJECTIVES OF THE HEALTH DATA INSTITUTE.] (a) The health data institute shall:

(1) develop a data collection plan that provides coordination for public and private sector data collection efforts related to the performance measurement and improvement of the health care delivery system;

(2) establish an electronic data interchange system that may be used by the public and private sectors to exchange health care data in a cost-efficient manner;

(3) develop a mechanism to collect, analyze, and disseminate information for comparing the cost and quality of health care delivery system components, including health plan companies and provider organizations;

(4) develop policies and procedures to protect the privacy of individual-identifiable data, and to assure appropriate access to and disclosure of information specific to individual health plan companies and provider organizations collected pursuant to this section; and

(5) use and build upon existing data sources and performance measurement efforts, and improve upon these existing data sources and measurement efforts through the integration of data systems and the standardization of concepts, to the greatest extent possible.

(b) In carrying out its responsibilities, the health data institute may contract with private sector organizations currently collecting data on specific health-related areas of interest to the health data institute, in order to achieve maximum efficiency and cost-effectiveness. The health data institute

may establish links between the data collected and maintained by the health data institute and private sector data through the health data institute's electronic data interchange system, and may implement methods to streamline data collection in order to reduce public and private sector administrative costs. The health data institute may use or establish links with public sector data, such as that existing for medical assistance and Medicare, to the extent permitted by state and federal law. The health data institute may also recommend methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

(c) Any contract with a private sector entity must require the private sector entity to maintain the data collected according to the applicable data privacy provisions, as provided in section 62J.452.

Subd. 4. [DATA COLLECTION PLAN.] (a) The health data institute shall develop a plan that:

(1) identifies the health care data needs of consumers, group purchasers, providers, and the state regarding the performance of health care delivery system components including health plan companies and provider organizations;

(2) specifies data collection objectives, strategies, priorities, cost estimates, administrative and operational guidelines, and implementation timelines for the health data institute; and

(3) identifies the data needed for the health data institute to carry out the duties assigned in this section. The plan must take into consideration existing data sources and data sources that can easily be made uniform for links to other data sets.

(b) This plan shall be updated on an annual basis.

Subd. 5. [HEALTH CARE ELECTRONIC DATA INTERCHANGE SYSTEM.] (a) The health data institute shall establish an electronic data interchange system that electronically transmits, collects, archives, and provides users of data with the data necessary for their specific interests, in order to promote a high quality, cost-effective, consumer-responsive health care system. This public-private information system shall be developed to make health care claims processing and financial settlement transactions more efficient and to provide an efficient, unobtrusive method for meeting the shared electronic data interchange needs of consumers, group purchasers, providers, and the state.

(b) The health data institute shall operate the Minnesota center for health care electronic data interchange established in section 62J.57, and shall integrate the goals, objectives, and activities of the center with those of the health data institute's electronic data interchange system.

Subd. 6. [PERFORMANCE MEASUREMENT INFORMATION.] (a) The health data institute shall develop and implement a performance measurement plan to analyze and disseminate health care data to address the needs of consumers, group purchasers, providers, and the state for performance measurement at various levels of the health care system in the state. The plan shall include a mechanism to:

(1) provide comparative information to consumers, purchasers, and policymakers for use in performance assessment of health care system components, including health plan companies and provider organizations;

(2) complement and enhance, but not replace, existing internal performance improvement efforts of health care providers and plans; and

(3) reduce unnecessary administrative costs in the health care system by eliminating duplication in the collection of data for both evaluation and improvement efforts.

(b) Performance measurement at the provider organization level may be conducted on a condition-specific basis. Criteria for selecting conditions for measurement may include:

(1) relevance to consumers and purchasers;

(2) prevalence of conditions;

- (3) costs related to diagnosis and treatment;
  - (4) demonstrated efficacy of treatments;
  - (5) evidence of variability in management;
  - (6) existence of risk adjustment methodologies to control for patient and other risk factors contributing to variation in cost and quality;
  - (7) existence of practice guidelines related to the condition; and
  - (8) relevance of the condition to public health goals.
- (c) Performance measurement on a condition-specific basis may consider multiple dimensions of performance, including, but not limited to:

- (1) accessibility;
- (2) appropriateness;
- (3) effectiveness, including clinical outcomes, patient satisfaction, and functional status; and
- (4) efficiency.

(d) Collection of data for condition-specific performance measurement may be conducted at the patient level. Encounter-level data collected for this purpose may include unique identifiers for patients, providers, payers, and employers in order to link episodes of care across care settings and over time. The health data institute must encrypt patient identifiers to prevent identification of individual patients and to enable release of otherwise private data to researchers, providers, and group purchasers in a manner consistent with chapter 13 and sections 62J.452 and 144.335.

Subd. 6a. [HEALTH PLAN COMPANY PERFORMANCE MEASUREMENT.] As part of the performance measurement plan specified in subdivision 6, the health data institute shall develop a mechanism to assess the performance of health plan companies, and to disseminate this information through reports and other means to consumers, purchasers, policymakers, and other interested parties, consistent with the data policies specified in section 62J.452.

Subd. 6b. [CONSUMER SURVEYS.] (a) The health data institute shall develop and implement a mechanism for collecting comparative data on consumer perceptions of the health care system, including consumer satisfaction, through adoption of a standard consumer survey. This survey shall include enrollees in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. The health data institute, in consultation with the health care commission, shall determine a mechanism for the inclusion of the uninsured. This consumer survey may be conducted every two years. A focused survey may be conducted on the off years. Health plan companies and group purchasers shall provide to the health data institute roster data as defined in subdivision 2, including the names, addresses, and telephone numbers of enrollees and former enrollees and other data necessary for the completion of this survey. This roster data provided by the health plan companies and group purchasers is classified as provided under section 62J.452. The health data institute may analyze and prepare findings from the raw, unaggregated data, and the findings from this survey may be included in the health plan company performance reports specified in subdivision 6a, and in other reports developed and disseminated by the health data institute and the commissioner. The raw, unaggregated data is classified as provided under section 62J.452, and may be made available by the health data institute to the extent permitted under section 62J.452. The health data institute shall provide raw, unaggregated data to the commissioner. The survey may include information on the following subjects:

- (1) enrollees' overall satisfaction with their health care plan;
- (2) consumers' perception of access to emergency, urgent, routine, and preventive care, including locations, hours, waiting times, and access to care when needed;
- (3) premiums and costs;

- (4) technical competence of providers;
- (5) communication, courtesy, respect, reassurance, and support;
- (6) choice and continuity of providers;
- (7) continuity of care;
- (8) outcomes of care;
- (9) services offered by the plan, including range of services, coverage for preventive and routine services, and coverage for illness and hospitalization;
- (10) availability of information; and
- (11) paperwork.

(b) The health data institute shall appoint a consumer advisory group which shall consist of 13 individuals, representing enrollees from public and private health plan companies and programs and two uninsured consumers, to advise the health data institute on issues of concern to consumers. The advisory group must have at least one member from each regional coordinating board region of the state. The advisory group expires June 30, 1996.

Subd. 6c. [PROVIDER ORGANIZATION PERFORMANCE MEASUREMENT.] As part of the performance measurement plan specified in subdivision 6, the health data institute shall develop a mechanism to assess the performance of hospitals and other provider organizations, and to disseminate this information to consumers, purchasers, policymakers, and other interested parties, consistent with the data policies specified in section 62J.452. Data to be collected may include structural characteristics including staff-mix and nurse-patient ratios. In selecting additional data for collection, the health data institute may consider:

- (1) feasibility and statistical validity of the indicator;
- (2) purchaser and public demand for the indicator;
- (3) estimated expense of collecting and reporting the indicator; and
- (4) usefulness of the indicator for internal improvement purposes.

Subd. 7. [DISSEMINATION OF REPORTS; OTHER INFORMATION.] (a) The health data institute shall establish a mechanism for the dissemination of reports and other information to consumers, group purchasers, health plan companies, providers, and the state. When applicable, the health data institute shall coordinate its dissemination of information responsibilities with those of the commissioner, to the extent administratively efficient and effective.

(b) The health data institute may require those requesting data from its databases to contribute toward the cost of data collection through the payments of fees.

(c) The health data institute shall not allow a group purchaser or health care provider to use or have access to the electronic data interchange system or to access data under section 62J.452, subdivision 6 or 7, unless the group purchaser or health care provider cooperates with the data collection efforts of the health data institute by submitting or making available through the EDI system or other means all data requested by the health data institute. The health data institute shall prohibit group purchasers and health care providers from transferring, providing, or sharing data obtained from the health data institute under section 62J.452, subdivision 6 or 7, with a group purchaser or health care provider that does not cooperate with the data collection efforts of the health data institute.

Subd. 8. [ANNUAL REPORT.] (a) The health data institute shall submit to the chairs of the senate joint crime prevention and judiciary subcommittee on privacy, the house of representatives judiciary committee, the legislative commission on health care access, the commissioner, and the governor a report on the activities of the health data institute by February 1 of each year beginning February 1, 1996. The report shall include:

(1) a description of the data initiatives undertaken by the health data institute, including a statement of the purpose and a summary of the results of the initiative;

(2) a description of the steps taken by the health data institute to comply with the confidentiality requirements of this section and other applicable laws, and of the health data institute's internal policies and operating procedures relating to data privacy and confidentiality; and

(3) a description of the actions taken by the health data institute to ensure that the EDI system being established pursuant to section 62J.451, subdivision 3, clause (2), and subdivision 5, protects the confidentiality requirements of this section and other applicable laws.

(b) If the health data institute amends or adopts an internal policy or operating procedure relating to data privacy and confidentiality, it shall submit copies of such policy or procedure within 30 days of its adoption to the public officials identified in this subdivision.

Subd. 9. [BOARD OF DIRECTORS.] The health data institute is governed by a 20-member board of directors consisting of the following members:

(1) two representatives of hospitals, one appointed by the Minnesota Hospital Association and one appointed by the Metropolitan HealthCare Council, to reflect a mix of urban and rural institutions;

(2) four representatives of health carriers, two appointed by the Minnesota council of health maintenance organizations, one appointed by Blue Cross and Blue Shield of Minnesota, and one appointed by the Insurance Federation of Minnesota;

(3) two consumer members, one appointed by the commissioner, and one appointed by the AFL-CIO as a labor union representative;

(4) five group purchaser representatives appointed by the Minnesota consortium of health care purchasers to reflect a mix of urban and rural, large and small, and self-insured purchasers;

(5) two physicians appointed by the Minnesota Medical Association, to reflect a mix of urban and rural practitioners;

(6) one representative of teaching and research institutions, appointed jointly by the Mayo Foundation and the Minnesota Association of Public Teaching Hospitals;

(7) one nursing representative appointed by the Minnesota Nurses Association; and

(8) three representatives of state agencies, one member representing the department of employee relations, one member representing the department of human services, and one member representing the department of health.

Subd. 10. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] The board is governed by section 15.0575.

Subd. 11. [STATUTORY GOVERNANCE.] The health data institute is subject to chapter 13 and section 471.705.

Subd. 12. [STAFF.] The board may hire an executive director. The executive director and other health data institute staff are not state employees but are covered by section 3.736. The executive director and other health data institute staff may participate in the following plans for employees in the unclassified service until January 1, 1996: the state retirement plan, the state deferred compensation plan, and the health, dental, and life insurance plans. The attorney general shall provide legal services to the board.

Subd. 13. [FEDERAL AND OTHER GRANTS.] The health data institute may seek federal funding, and funding from private and other nonstate sources for the initiative required by the board.

Subd. 14. [CONTRACTS.] To carry out the duties assigned in this section, the health data institute may contract with private sector entities. Any contract must require the private sector entity to maintain the data which it receives according to the statutory provisions applicable to the data and any other applicable provision specified in section 62J.452.

Subd. 15. [NONLIMITING.] Nothing in this section shall be construed to limit the powers granted to the commissioner of health in chapter 62D, 62N, 144, or 144A.

Sec. 16. [62J.452] [PROTECTION OF PRIVACY AND CONFIDENTIALITY OF HEALTH CARE DATA.]

Subdivision 1. [STATEMENT OF PURPOSE.] The health data institute shall adopt data collection, analysis, and dissemination policies that reflect the importance of protecting the right of privacy of patients in their health care data in connection with each data initiative that the health data institute intends to undertake.

Subd. 2. [DATA CLASSIFICATIONS.] (a) Data collected, obtained, received, or created by the health data institute shall be private or nonpublic, as applicable, unless given a different classification in this subdivision. Data classified as private or nonpublic under this subdivision may be released or disclosed only as permitted under this subdivision and under the other subdivisions referenced in this subdivision. For purposes of this section, data that identify individual patients or industry participants are private data on individuals or nonpublic data, as appropriate. Data not on individuals are nonpublic data. Notwithstanding sections 13.03, subdivisions 6 to 8; 13.10, subdivisions 1 to 4; and 138.17, data received by the health data institute shall retain the classification designated under this chapter and shall not be disclosed other than pursuant to this chapter. Nothing in this subdivision prevents patients from gaining access to their health record information pursuant to section 144.335.

(b) When industry participants, as defined in section 62J.451, are required by statute to provide patient identifying data to the commissioner pursuant to this chapter or to the health data institute pursuant to section 62J.451, they shall be able to provide the data with or without patient consent, and may not be held liable for doing so.

(c) When an industry participant submits patient identifying data to the health data institute, and the data is submitted to the health data institute in electronic form, or through other electronic means including, but not limited to, the electronic data interchange system defined in section 62J.451, the industry participant shall submit the patient identifying data in encrypted form, using an encryption method supplied or specified by the health data institute. Submission of encrypted data as provided in this paragraph satisfies the requirements of section 144.335, subdivision 3b.

(d) Patient identifying data may be disclosed only as permitted under subdivision 3.

(e) Industry participant identifying data which is not patient identifying data may be disclosed only by being made public in an analysis as permitted under subdivisions 4 and 5 or through access to an approved researcher, industry participant, or contractor as permitted under subdivision 6 or 7.

(f) Data that is not patient identifying data and not industry participant identifying data is public data.

(g) Data that describes the finances, governance, internal operations, policies, or operating procedures of the health data institute, and that does not identify patients or industry participants or identifies them only in connection with their involvement with the health data institute, is public data.

Subd. 3. [PATIENT IDENTIFYING DATA.] (a) The health data institute must not make public any analysis that contains patient identifying data.

(b) The health data institute may disclose patient identifying data only as follows:

(1) to research organizations that meet the requirements set forth in subdivision 6, paragraph (a), but only to the extent that such disclosure is also permitted by section 144.335, subdivision 3a, paragraph (a); or

(2) to a contractor of, or vendor of services to the health data institute for the purposes of conducting a survey or analysis, provided that such contractor or vendor agrees to comply with all data privacy requirements applicable to the health data institute, and to destroy or return to the health data institute all copies of patient identifying data in the possession of such contractor or vendor upon completion of the contract.

Subd. 4. [ANALYSIS TO BE MADE PUBLIC BY THE HEALTH DATA INSTITUTE.] (a) Notwithstanding the classification under subdivision 2 or other provision of state law of data included or used in an analysis, the health data institute may make public data in an analysis pursuant to this subdivision and subdivision 5. Such analysis may include industry participant identifying data but must not include patient identifying data. In making its determination as to whether to make an analysis or the data used in the analysis public, the health data institute shall consider and determine, in accordance with policies and criteria developed by the health data institute, that the data and analysis are sufficiently accurate, complete, reliable, valid, and as appropriate, case-mixed and severity adjusted, and statistically and clinically significant.

(b) Prior to making an analysis public, the health data institute must provide to any industry participant identified in the analysis an opportunity to use the fair hearing procedure established under subdivision 5.

(c) Accompanying an analysis made public by the health data institute, the health data institute shall also make public descriptions of the database used in the analysis, the methods of adjusting for case mix and severity, and assuring accuracy, completeness, reliability, and statistical and clinical significance, as appropriate, and appropriate uses of the analysis and related analytical data, including precautionary statements regarding the limitations of the analysis and related analytical data.

Subd. 5. [FAIR HEARING PROCEDURE PRIOR TO MAKING AN ANALYSIS PUBLIC.] (a) The health data institute may not make public an analysis that identifies an industry participant unless the health data institute first complies with this subdivision. A draft of the portion of the analysis that identifies an industry participant must be furnished upon an industry participant's request to that industry participant prior to making that portion of the analysis public. Such draft analysis is private or nonpublic, as applicable. The industry participants so identified have the right to a hearing, at which the industry participants may object to or seek modification of the analysis. The cost of the hearing shall be borne by the industry participant requesting the hearing.

(b) The health data institute shall establish the hearing procedure in writing. The hearing procedure shall include the following:

(1) the provision of reasonable notice of the health data institute's intention to make such analysis public;

(2) an opportunity for the identified industry participants to submit written statements to the health data institute board of directors or its designate, to be represented, and to append a statement to such analysis to be included with it when and if the analysis is made public; and

(3) access by the identified industry participants to industry participant identifying data, but only as permitted by subdivision 6 or 7.

(c) The health data institute shall make the hearing procedure available in advance to industry participants which are identified in an analysis. The written hearing procedure is public data. The following data related to a hearing is public:

(1) the parties involved;

(2) the dates of the hearing; and

(3) a general description of the issue and the results of the hearing; all other data relating to the hearing is private or nonpublic.

Subd. 6. [ACCESS BY APPROVED RESEARCHERS TO DATA THAT IDENTIFIES INDUSTRY PARTICIPANTS BUT DOES NOT IDENTIFY PATIENTS.] (a) The health data institute shall provide access to industry participant identifying data, but not patient identifying data, once those data are in analyzable form, upon request to research organizations or individuals that:

(1) have as explicit goals research purposes that promote individual or public health and the release of research results to the public as determined by the health data institute according to standards it adopts for evaluating such goals;

(2) enforce strict and explicit policies which protect the confidentiality and integrity of data as determined by the health data institute according to standards it adopts for evaluating such policies;

(3) agree not to make public, redisclose, or transfer the data to any other individual or organization, except as permitted under paragraph (b);

(4) demonstrate a research purpose for the data that can be accomplished only if the data are provided in a form that identifies specific industry participants as determined by the health data institute according to standards it adopts for evaluating such research purposes; and

(5) agree to disclose analysis in a public forum or publication only pursuant to subdivisions 4 and 5 and other applicable statutes and the health data institute's operating rules governing the making of an analysis public by the health data institute.

(b) Contractors of entities that have access under paragraph (a) may also have access to industry participant identifying data, provided that the contract requires the contractor to comply with the confidentiality requirements set forth in this section and under any other statute applicable to the entity.

Subd. 7. [ACCESS BY INDUSTRY PARTICIPANTS TO DATA THAT IDENTIFIES INDUSTRY PARTICIPANTS BUT DOES NOT IDENTIFY PATIENTS.] (a) The health data institute may provide, to an industry participant, data that identifies that industry participant or other industry participants, to the extent permitted under this subdivision. An employer or an employer purchasing group may receive data relating to care provided to patients for which that employer acts as the payer. A health plan company may receive data relating to care provided to enrollees of that health plan company. A provider may receive data relating to care provided to patients of that provider.

(b) An industry participant may receive data that identifies that industry participant or other industry participants and that relates to care purchased or provided by industry participants other than the industry participant seeking the data. These data must be provided by the health data institute only with appropriate authorization from all industry participants identified.

(c) The health data institute must not provide access to any data under this subdivision that is patient identifying data as defined in section 62J.451, subdivision 2, paragraph (l), even if providing that data would otherwise be allowed under this subdivision.

(d) To receive data under this subdivision, an industry participant must cooperate with the health data institute as provided under section 62J.451, subdivision 7, paragraph (c).

(e) Contractors of entities that have access under paragraph (b) may have access to industry participant identifying data, provided that the contract requires the contractor to comply with the confidentiality requirements set forth in this section and under any other statute applicable to the entity.

Subd. 8. [STATUS OF DATA ON THE ELECTRONIC DATA INTERCHANGE SYSTEM.] (a) Data created or generated by or in the custody of an industry participant, and transferred electronically by that industry participant to another industry participant using the EDI system developed, implemented, maintained, or operated by the health data institute, as permitted by section 62J.451, subdivision 3, clause (2), and subdivision 5, is not subject to this section or to chapter 13 except as provided below.

(b) Data created or generated by or in the custody of an industry participant is subject to the privacy protections applicable to the data, including, but not limited to, chapter 13 with respect to state agencies and political subdivisions, the Minnesota insurance fair information reporting act with respect to industry participants subject to it, and section 144.335, with respect to providers and other industry participants subject to such section.

Subd. 9. [AUTHORIZATION OF STATE AGENCIES AND POLITICAL SUBDIVISIONS TO PROVIDE DATA.] (a) Notwithstanding any limitation in chapter 13 or section 62J.321, subdivision 5, regarding the disclosure of not public data, all state agencies and political subdivisions, including, but not limited to, municipalities, counties, and hospital districts may



provide not public data relating to health care costs, quality, or outcomes to the health data institute for the purposes set forth in section 62J.451.

(b) Data provided by the commissioner pursuant to paragraph (a) of this subdivision may not include patient identifying data as defined in section 62J.451, subdivision 2, paragraph (1). For data provided by the commissioner of health pursuant to paragraph (a), the health data institute and anyone receiving the data from the health data institute, is prohibited from unencrypting or attempting to link the data with other patient identifying data sources.

(c) Any data provided to the health data institute pursuant to paragraph (a) shall retain the same classification that it had with the state agency or political subdivision that provided it. The authorization in this subdivision is subject to any federal law restricting or prohibiting such disclosure of the data described above.

(d) Notwithstanding any limitation in chapter 13 or sections 62J.451 and 62J.452 regarding the disclosure of nonpublic and private data, the health data institute may provide nonpublic and private data to any state agency that is a member of the board of the health data institute. Any such data provided to a state agency shall retain nonpublic or private classification, as applicable.

Subd. 10. [CIVIL REMEDIES.] Violation of any of the confidentiality requirements set forth in subdivision 3; 4, paragraph (a); 6; or 7, by the health data institute, its board members, employees and contractors, any industry participant, or by any other person shall be subject to section 13.08, including, but not limited to, the immunities set forth in section 13.08, subdivisions 5 and 6. The health data institute shall not be liable for exercising its discretion in a manner that is not an abuse of discretion with respect to matters under its discretion by this section or section 62J.451. The health data institute shall not be liable for the actions of persons not under the direction and control of the health data institute, where it has performed its responsibilities to protect data privacy by complying with the requirements of this section and other applicable laws with regard to the disclosure of data. The remedies set forth in this section do not preclude any person from pursuing any other remedies authorized by law.

Subd. 11. [PENALTIES.] (a) Any person who willfully violates the confidentiality requirements set forth in subdivision 3; 4, paragraph (a); 6; or 7, shall be guilty of a misdemeanor.

(b) Any person who willfully violates the confidentiality requirements of subdivision 3, 4, 6, 7, 8, or 9, by willfully disclosing patient or industry participant identifying data for compensation or remuneration of any kind or for the purpose of damaging the reputation of any patient or industry participant or any other malicious purpose, shall be guilty of a gross misdemeanor.

Subd. 12. [DISCOVERABILITY OF HEALTH DATA INSTITUTE DATA.] (a) Data created, collected, received, maintained, or disseminated by the health data institute shall not be subject to discovery or introduction into evidence in any civil or criminal action. Data created, collected, received, maintained, or disseminated by the health data institute that is otherwise available from original sources is subject to discovery from those sources and may be introduced into evidence in civil or criminal actions in accordance with and subject to applicable laws and rules of evidence and civil or criminal procedure, as applicable.

(b) Information related to submission of data to the health data institute by industry participants is not discoverable in any civil or criminal action. Discovery requests prohibited under this paragraph include, but are not limited to, document requests or interrogatories that ask for "all data provided to the Minnesota health data institute."

Sec. 17. Minnesota Statutes 1994, section 62J.54, is amended to read:

**62J.54 [IDENTIFICATION AND IMPLEMENTATION OF UNIQUE IDENTIFIERS.]**

**Subdivision 1. [UNIQUE IDENTIFICATION NUMBER FOR HEALTH CARE PROVIDER ORGANIZATIONS.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify health care provider organizations, except as provided in paragraph (d).**

**(b) Following the recommendation of the workgroup for electronic data interchange, the federal tax identification number assigned to each health care provider organization by the Internal**

Revenue Service of the Department of the Treasury shall be used as the unique identification number for health care provider organizations.

(c) The unique health care provider organization identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the Medicaid Management Information System or the uniform provider identification number (UPIN) assigned by the Health Care Financing Administration.

Subd. 2. [UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify an individual health care provider, except as provided in paragraph (d).

(b) The uniform provider identification number (UPIN) assigned by the Health Care Financing Administration shall be used as the unique identification number for individual health care providers. Providers who do not currently have a UPIN number shall request one from the health care financing administration.

(c) The unique individual health care provider identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the Medicaid Management Information System or the uniform provider identification number (UPIN) assigned by the health care financing administration.

Subd. 3. [UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify group purchasers.

(b) The federal tax identification number assigned to each group purchaser by the Internal Revenue Service of the Department of the Treasury shall be used as the unique identification number for group purchasers. This paragraph applies until the codes described in paragraph (c) are available and feasible to use, as determined by the commissioner.

(c) A two-part code, consisting of 11 characters and modeled after the National Association of Insurance Commissioners company code shall be assigned to each group purchaser and used as the unique identification number for group purchasers. The first six characters, or prefix, shall contain the numeric code, or company code, assigned by the National Association of Insurance Commissioners. The last five characters, or suffix, which is optional, shall contain further codes that will enable group purchasers to further route electronic transaction in their internal systems.

(d) The unique group purchaser identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

Subd. 4. [UNIQUE PATIENT IDENTIFICATION NUMBER.] (a) On and after January 1, ~~1996~~ 1998, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify each patient who receives health care services in Minnesota, except as provided in paragraph (e).

(b) Except as provided in paragraph (d), following the recommendation of the workgroup for electronic data interchange, the social security number of the patient shall be used as the unique patient identification number.

(c) The unique patient identification number shall be used by group purchasers and health care providers for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The commissioner shall develop an alternate numbering system for patients who do not have or refuse to provide a social security number. This provision does not require that patients provide their social security numbers and does not require group purchasers or providers to demand that patients provide their social security numbers. Group purchasers and health care providers shall establish procedures to notify patients that they can elect not to have their social security number used as the unique patient identification number.

(e) The state and federal health care programs administered by the department of human services shall use the unique person master index (PMI) identification number assigned to clients participating in programs administered by the department of human services.

Sec. 18. Minnesota Statutes 1994, section 62J.55, is amended to read:

**62J.55 [PRIVACY OF UNIQUE IDENTIFIERS.]**

(a) When the unique identifiers specified in section 62J.54 are used for data collection purposes, the identifiers must be encrypted, as required in section ~~62J.30~~ 62J.321, subdivision 6 1. Encryption must follow encryption standards set by the National Bureau of Standards and approved by the American National Standards Institute as ANSIX3. 92-1982/R 1987 to protect the confidentiality of the data. Social security numbers must not be maintained in unencrypted form in the database, and the data must never be released in a form that would allow for the identification of individuals. The encryption algorithm and hardware used must not use clipper chip technology.

(b) Providers and group purchasers shall treat medical records, including the social security number if it is used as a unique patient identifier, in accordance with section 144.335. The social security number may be disclosed by providers and group purchasers to the commissioner as necessary to allow performance of those duties set forth in section 144.05.

Sec. 19. Minnesota Statutes 1994, section 62J.58, is amended to read:

**62J.58 [IMPLEMENTATION OF STANDARD TRANSACTION SETS.]**

Subdivision 1. [CLAIMS PAYMENT.] ~~(a) By July 1, 1995 Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic transfer of payment information.~~

~~(b) By July 1, 1996, and all category II industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic submission of payment information to health care providers.~~

Subd. 2. [CLAIMS SUBMISSION.] ~~Beginning July 1, 1995 Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I and category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 837 health care claim transaction set (draft standard for trial use version 3030) for the electronic transfer of health care claim information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning July 1, 1996.~~

Subd. 3. [ENROLLMENT INFORMATION.] ~~Beginning January 1, 1996 Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant to section 62J.56, subdivision 3, all category I and category II industry participants, excluding pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 834 health care enrollment transaction set (draft standard for trial use version 3030) for the electronic transfer of enrollment and health benefit information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.~~

Subd. 4. [ELIGIBILITY INFORMATION.] ~~By January 1, 1996 Six months from the date the commissioner formally recommends the use of guides to implement core transaction sets pursuant~~

to section 62J.56, subdivision 3, all category I and category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 270/271 health care eligibility transaction set (draft standard for trial use version 3030) for the electronic transfer of health benefit eligibility information. ~~Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.~~

Subd. 5. [APPLICABILITY.] This section does not require a group purchaser, health care provider, or employer to use electronic data interchange or to have the capability to do so. This section applies only to the extent that a group purchaser, health care provider, or employer chooses to use electronic data interchange.

## Sec. 20. [RULES.]

Notwithstanding Minnesota Statutes, section 14.05, subdivision 1, Minnesota Rules, chapters 4650, 4651, and 4652, shall continue in effect under the authority granted in Minnesota Statutes, section 62J.321, subdivision 6.

## Sec. 21. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is instructed to change the term "data institute" or "institute", where applicable, to "health data institute" in the 1996 edition of Minnesota Statutes and Minnesota Rules.

(b) The revisor of statutes is instructed to change any statutory reference to the information clearinghouse from Minnesota Statutes, section 62J.33 or 62J.33, subdivision 2, to 62J.2930, in the 1996 edition of Minnesota Statutes and Minnesota Rules."

Pages 85 to 87, delete sections 1 and 2 and insert:

### "Section 1. [62J.66] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of section 62J.66 and 62J.68, the following definitions apply.

Subd. 2. [DISCOUNTED PRICE.] The "discounted price" means the average wholesale price for a prescription drug minus 20 percent.

Subd. 3. [ELIGIBLE SENIOR.] "Eligible senior" means a senior citizen eligible for the senior drug discount program under section 62J.68, subdivision 3.

Subd. 4. [SENIOR CITIZEN.] "Senior citizen" means a resident of Minnesota who is age 65 or older.

Subd. 5. [SENIOR DRUG DISCOUNT PROGRAM.] "Senior drug discount program" means the program established in section 62J.68.

Subd. 6. [PARTICIPATING DRUG MANUFACTURER.] "Participating drug manufacturer" means any manufacturer who agrees to voluntarily participate in the senior drug discount program.

Subd. 7. [PARTICIPATING CLAIMS PROCESSING COMPANIES.] "Participating claims processing companies" means entities, including, but not limited to, pharmacy benefit management companies, that are awarded a contract by the department of administration to provide on-line services to process payments to participating pharmacies.

## Sec. 2. [62J.68] [SENIOR DRUG DISCOUNT PROGRAM.]

Subdivision 1. [ESTABLISHMENT AND ADMINISTRATION.] (a) The commissioner of administration shall award a contract or contracts to claims processing companies to process payments to participating pharmacies. The contract must include: (1) provisions for participating manufacturers to provide discount payments, through participating claims processing companies, equal to the difference between the discounted price and the average wholesale price; and (2) quality assurance and verification procedures and authority to conduct audits of pharmacy claims as necessary to ensure that pharmacy reimbursement payments are appropriate and justified.

(b) The commissioner of administration may establish an expert panel to assist in the development of the request for proposal for awarding the contract or contracts to process payments for the senior drug discount program.

Subd. 2. [PARTICIPATING MANUFACTURERS.] Participating manufacturers agree to: (1) pay participating pharmacies an amount equal to the difference between the discounted price and the average wholesale price; (2) process discount payments through participating claims processing companies on a monthly basis; (3) pay administrative fees established under subdivision 7.

Subd. 3. [PARTICIPATING PHARMACIES.] Participating pharmacies agree to: (1) provide eligible seniors the discounted price established by the senior drug discount program; (2) accept payments from participating claims processing companies equal to the difference between the discounted price and the average wholesale price; and (3) not charge eligible seniors a dispensing fee greater than the current dispensing fee for medical assistance programs.

Subd. 4. [ENROLLMENT.] The commissioner of human services shall determine eligibility as specified in subdivision 5 and enroll senior citizens in the senior drug discount program. The commissioner may use volunteers to assist in eligibility and enrollment duties. The commissioner of human services shall post the eligibility of the enrollees to the department's MMIS where it can be assessed by participating pharmacies through the department's eligibility verification system upon presentation of the enrollee's Minnesota health care programs card.

Subd. 5. [ELIGIBILITY.] (a) Senior citizens are eligible for the program if:

- (1) their household income does not exceed 200 percent of the federal poverty guidelines;
- (2) they are enrolled in Medicare Part A and Part B;
- (3) they do not have coverage for prescription drugs under a health plan, as defined in section 62Q.01, subdivision 3;
- (4) they do not have coverage for prescription drugs under a Medicare supplement plan, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1976 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended;

(5) they meet the residency requirements established under section 256.9359; and

(6) they do not have coverage under medical assistance, general assistance medical care, and MinnesotaCare program.

(b) The commissioner of human services shall provide each eligible senior with a Minnesota health care programs card indicating enrollment in the senior drug discount program. Eligible seniors must present this card to the participating pharmacy in order to receive the discounted price.

Subd. 6. [ENROLLMENT FEE.] The commissioner of human services may establish an annual enrollment fee of \$5 for purposes of administering the senior drug discount program. The fees shall be deposited in a special revenue account for the purpose of administration of enrollment to the senior drug discount program. This account shall be exempt from paying statewide and agency indirect costs as required under section 16A.127.

Subd. 7. [ADMINISTRATIVE FEE.] An administrative fee, may be used for administrative and contract costs. This administrative fee shall be set at a percentage of estimated acquisition cost and may be determined through negotiations between drug manufacturers, and participating claims processing companies.

Sec. 3. Minnesota Statutes 1994, section 256.9353, subdivision 1, is amended to read:

Subdivision 1. [COVERED HEALTH SERVICES.] "Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services,

special education services, private duty nursing services, adult dental care services other than preventive services, orthodontic services, nonemergency medical transportation services, personal care assistant and case management services, ~~hospice care services~~, nursing home or intermediate care facilities services, inpatient mental health services, and chemical dependency services. Outpatient mental health services covered under the MinnesotaCare program are limited to diagnostic assessments, psychological testing, explanation of findings, medication management by a physician, day treatment, partial hospitalization, and individual, family, and group psychotherapy. Covered health services shall be expanded as provided in this section.

Sec. 4. Minnesota Statutes 1994, section 256.9353, subdivision 3, is amended to read:

Subd. 3. [INPATIENT HOSPITAL SERVICES.] (a) Beginning July 1, 1993, covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees is subject to an annual benefit limit of \$10,000. ~~The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.~~

(b) Enrollees determined by the commissioner to have a basis of eligibility for medical assistance shall apply for and cooperate with the requirements of medical assistance by the last day of the third month following admission to an inpatient hospital. If an enrollee fails to apply for medical assistance within this time period, the enrollee and the enrollee's family shall be disenrolled from the plan within one calendar month. Enrollees and enrollees' families disenrolled for not applying for or not cooperating with medical assistance may not reenroll.

(c) Admissions for inpatient hospital services paid for under section 256.9362, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256.9362, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause."

Page 90, line 20, after the stricken period, insert "If the federal Health Care Financing Administration approves the section 1115 MinnesotaCare health care reform waiver request submitted by the commissioner, and federal financial participation is made available for children enrolled in the MinnesotaCare program, beginning July 1, 1995, or on the day federal financial participation for children enrolled in the MinnesotaCare program is made available, whichever is later, the definition of "eligible persons" is expanded to include all individuals and households with no children who have gross family incomes that are equal or less than 150 percent of the federal poverty guidelines and who are not eligible for medical assistance without a spenddown under chapter 256B. If the MinnesotaCare health care reform waiver request is not approved, eligibility for individuals and households shall be determined as provided in paragraph (a)."

Page 90, line 21, reinstate the stricken language

Page 90, line 22, delete the new language and reinstate the stricken language

Page 94, after line 15, insert:

"Sec. 15. Minnesota Statutes 1994, section 256.9363, subdivision 5, is amended to read:

Subd. 5. [ELIGIBILITY FOR OTHER STATE PROGRAMS.] MinnesotaCare enrollees who become eligible for medical assistance or general assistance medical care will remain in the same managed care plan if the managed care plan has a contract for that population. Contracts between the department of human services and managed care plans must include MinnesotaCare, and medical assistance and may, at the option of the commissioner of human services, also include general assistance medical care.

**Sec. 16. [256.9366] [ELIGIBILITY FOR MINNESOTACARE FOR FAMILIES AND CHILDREN UNDER THE MINNESOTACARE HEALTH CARE REFORM WAIVER.]**

Subdivision 1. [FAMILIES WITH CHILDREN; IN GENERAL.] Families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be determined eligible for MinnesotaCare according to this section, and section 256.9354, subdivisions 2 to 4, shall no longer apply. All other provisions of sections 256.9351 to 256.9363, including the insurance-related barriers to enrollment under section 256.9357, shall apply unless otherwise specified in sections 256.9366 to 256.9369.

Subd. 2. [CHILDREN.] For purposes of sections 256.9366 to 256.9369, a "child" is an individual under 21 years of age, including the unborn child of a pregnant woman, and including an emancipated minor, and the emancipated minor's spouse.

Subd. 3. [FAMILIES WITH CHILDREN.] For purposes of sections 256.9366 to 256.9369, a "family with children" means a parent or parents and their children, or legal guardians and their wards who are children, and dependent siblings, residing in the same household. The term includes children and dependent siblings who are temporarily absent from the household in settings such as schools, camps, or visitation with noncustodial parents. For purposes of this section, a "dependent sibling" means an unmarried child who is a full-time student under the age of 25 years who is financially dependent upon a parent. Proof of school enrollment will be required.

Subd. 4. [CHILDREN IN FAMILIES WITH INCOME AT OR LESS THAN 150 PERCENT OF FEDERAL POVERTY GUIDELINES.] Children who have gross family incomes that are equal to or less than 150 percent of the federal poverty guidelines and who are not otherwise insured for the covered services, are eligible for enrollment under sections 256.9366 to 256.9369. For the purposes of this section, "not otherwise insured for covered services" has the meaning given in Minnesota Rules, part 9506.0020, subpart 3, item B.

Subd. 5. [RESIDENCY.] Families and children who are otherwise eligible for enrollment under section 256.9366 are exempt from the Minnesota residency requirements of section 256.9359, if they meet the residency requirements of the medical assistance program according to chapter 256B.

Subd. 6. [COOPERATION WITH MEDICAL ASSISTANCE.] Pregnant women and children applying for MinnesotaCare under this section are not required to apply for the medical assistance program as a condition of enrollment. Other adults enrolled in MinnesotaCare determined by the commissioner to have a basis of eligibility for medical assistance must cooperate in completing an application for medical assistance by the last day of the third month following admission to an inpatient hospital. If an enrollee fails to complete an application for medical assistance within this time period, the enrollee shall be disenrolled and may not reenroll.

Subd. 7. [COOPERATION IN ESTABLISHING PATERNITY AND OTHER MEDICAL SUPPORT.] Families and children enrolled in the MinnesotaCare program must cooperate with the department of human services and the local agency in establishing paternity of an enrolled child and in obtaining medical care support and payments for the child and any other person for whom the person can legally assign rights, in accordance with applicable laws and rules governing the medical assistance program. A child shall not be ineligible for or disenrolled from the MinnesotaCare program solely because of the child's parent or caretaker's failure to cooperate in establishing paternity or obtaining medical support.

**Sec. 17. [256.9367] [COVERED SERVICES FOR PREGNANT WOMEN AND CHILDREN UNDER THE MINNESOTACARE HEALTH CARE REFORM WAIVER.]**

Children and pregnant women are eligible for coverage of all services that are eligible for reimbursement under the medical assistance program according to chapter 256B. Pregnant women and children are exempt from the provisions of section 256.9353, subdivision 7, regarding copayments.

**Sec. 18. [256.9368] [PREMIUMS.]**

Subdivision 1. [PREMIUM DETERMINATION.] Families and children enrolled according to sections 256.9366 to 256.9369 shall pay a premium determined according to a sliding fee based on the cost of coverage as a percentage of the family's gross family income. Pregnant women and children under age two are exempt from the provisions of section 256.9356, subdivision 3, clause (3), requiring disenrollment for failure to pay premiums. For pregnant women, this exemption continues until the first day of the month following the 60th day postpartum. Women who remain enrolled during pregnancy or the postpartum period, despite nonpayment of premiums, shall be disenrolled on the first of the month following the 60th day postpartum for the penalty period that otherwise applies under section 256.9356.

Subd. 2. [SLIDING SCALE TO DETERMINE PERCENTAGE OF GROSS FAMILY INCOME.] The commissioner shall establish a sliding fee scale to determine the percentage of gross family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's gross family income during the previous four months. The sliding fee scale begins with a premium of 1.5 percent of gross family income for families with incomes below the limits for the medical assistance program for families and children and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children to 275 percent of the federal poverty guidelines for the applicable family size. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family reports increased income after enrollment, premiums shall not be adjusted until eligibility renewal.

Subd. 3. [EXCEPTIONS TO SLIDING SCALE.] An annual premium of \$48 is required for all children who are eligible according to section 256.9366, subdivision 4.

Sec. 19. [256.9369] [PAYMENT RATES; SERVICES FOR FAMILIES AND CHILDREN UNDER THE MINNESOTACARE HEALTH CARE REFORM WAIVER.]

Section 256.9362, subdivision 2, shall not apply to services provided to children who are eligible to receive expanded services according to section 256.9367.

Sec. 20. Minnesota Statutes 1994, section 256B.037, subdivision 1, is amended to read:

Subdivision 1. [CONTRACT FOR DENTAL SERVICES.] The commissioner may conduct a demonstration project to contract, on a prospective per capita payment basis, with an organization or organizations licensed under chapter 62C or 62D, or 62N for the provision of all dental care services beginning July 1, 1994, under the medical assistance, general assistance medical care, and MinnesotaCare programs, or when necessary waivers are granted by the secretary of health and human services, whichever occurs later. The commissioner shall identify a geographic area or areas, including both urban and rural areas, where access to dental services has been inadequate, in which to conduct demonstration projects. The commissioner shall seek any federal waivers or approvals necessary to implement this section from the secretary of health and human services.

The commissioner may exclude from participation in the demonstration project any or all groups currently excluded from participation in the prepaid medical assistance program under section 256B.69. Except for persons excluded from participation in the demonstration project, all persons who have been determined eligible for medical assistance, general assistance medical care and, if applicable, MinnesotaCare and reside in the designated geographic areas are required to enroll in a dental plan to receive their dental care services. Except for emergency services or out-of-plan services authorized by the dental plan, recipients must receive their dental services from dental care providers who are part of the dental plan provider network.

The commissioner shall select either multiple dental plans or a single dental plan in a designated area. A dental plan under contract with the department must serve both medical assistance recipients and general assistance medical care recipients in a designated geographic area and may serve MinnesotaCare recipients. The commissioner may limit the number of dental plans with which the department contracts within a designated geographic area, taking into consideration the number of recipients within the designated geographic area; the number of potential dental plan contractors; the size of the provider network offered by dental plans; the dental care services offered by a dental plan; qualifications of dental plan personnel; accessibility of services to recipients; dental plan assurances of recipient confidentiality; dental plan marketing



and enrollment activities; dental plan compliance with this section; dental plan performance under other contracts with the department to serve medical assistance, general assistance medical care, or MinnesotaCare recipients; or any other factors necessary to provide the most economical care consistent with high standards of dental care.

For purposes of this section, "dental plan" means an organization licensed under chapter 62C, 62D, or 62N that contracts with the department to provide covered dental care services to recipients on a prepaid capitation basis. "Emergency services" has the meaning given in section 256B.0625, subdivision 4. "Multiple dental plan area" means a designated area in which more than one dental plan is offered. "Participating provider" means a dentist or dental clinic who is employed by or under contract with a dental plan to provide dental care services to recipients. "Single dental plan area" means a designated area in which only one dental plan is available.

Sec. 21. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 1a. [MULTIPLE DENTAL PLAN AREAS.] After the department has executed contracts with dental plans to provide covered dental care services in a multiple dental plan area, the department shall:

(1) inform applicants and recipients, in writing, of available dental plans, when written notice of dental plan selection must be submitted to the department, and when dental plan participation begins;

(2) randomly assign to a dental plan recipients who fail to notify the department in writing of their dental plan choice; and

(3) notify recipients, in writing, of their assigned dental plan before the effective date of the recipient's dental plan participation.

Sec. 22. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 1b. [SINGLE DENTAL PLAN AREAS.] After the department has executed a contract with a dental plan to provide covered dental care services as the sole dental plan in a geographic area, the provisions in paragraphs (a) to (c) apply.

(a) The department shall assure that applicants and recipients are informed, in writing, of participating providers in the dental plan and when dental plan participation begins.

(b) The dental plan may require the recipient to select a specific dentist or dental clinic and may assign to a specific dentist or dental clinic recipients who fail to notify the dental plan of their selection.

(c) The dental plan shall notify recipients in writing of their assigned providers before the effective date of dental plan participation.

Sec. 23. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 1c. [DENTAL CHOICE.] (a) In multiple dental plan areas, recipients may change dental plans once within the first year the recipient participates in a dental plan. After the first year of dental plan participation, recipients may change dental plans during the annual 30-day open enrollment period.

(b) In single dental plan areas, recipients may change their specific dentist or clinic at least once during the first year of dental plan participation. After the first year of dental plan participation, recipients may change their specific dentist or clinic at least once annually. The dental plan shall notify recipients of this change option.

(c) If a dental plan's contract with the department is terminated for any reason, recipients in that dental plan shall select a new dental plan and may change dental plans or a specific dentist or clinic within the first 60 days of participation in the second dental plan.

(d) Recipients may change dental plans or a specific dentist or clinic at any time as follows:

(1) in multiple dental plan areas, if the travel time from the recipient's residence to a general practice dentist is over 30 minutes, the recipient may change dental plans;

(2) in single dental plan areas, if the travel time from the recipient's residence to the recipient's specific dentist or clinic is over 30 minutes, the recipient may change providers; or

(3) if the recipient's dental plan or specific dentist or clinic was incorrectly designated due to department or dental plan error.

(e) Requests for change under this subdivision must be submitted to the department or dental plan in writing. The department or dental plan shall notify recipients whether the request is approved or denied within 30 days after receipt of the written request.

Sec. 24. Minnesota Statutes 1994, section 256B.037, subdivision 3, is amended to read:

Subd. 3. [APPEALS.] All recipients of services under this section have the right to appeal to the commissioner under section 256.045. A recipient participating in a dental plan may utilize the dental plan's internal complaint procedure but is not required to exhaust the internal complaint procedure before appealing to the commissioner. The appeal rights and procedures in Minnesota Rules, part 9500.1463, apply to recipients who enroll in dental plans.

Sec. 25. Minnesota Statutes 1994, section 256B.037, subdivision 4, is amended to read:

Subd. 4. [INFORMATION REQUIRED BY COMMISSIONER.] A contractor shall submit encounter-specific information as required by the commissioner, including, but not limited to, information required for assessing client satisfaction, quality of care, and cost and utilization of services. Dental plans and participating providers must provide the commissioner access to recipient dental records to monitor compliance with the requirements of this section.

Sec. 26. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 6. [RECIPIENT COSTS.] A dental plan and its participating providers or nonparticipating providers who provide emergency services or services authorized by the dental plan shall not charge recipients for any costs for covered services.

Sec. 27. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 7. [FINANCIAL ACCOUNTABILITY.] A dental plan is accountable to the commissioner for the fiscal management of covered dental care services. The state of Minnesota and recipients shall be held harmless for the payment of obligations incurred by a dental plan if the dental plan or a participating provider becomes insolvent and the department has made the payments due to the dental plan under the contract.

Sec. 28. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 8. [QUALITY IMPROVEMENT.] A dental plan shall have an internal quality improvement system. A dental plan shall permit the commissioner or the commissioner's agents to evaluate the quality, appropriateness, and timeliness of covered dental care services through inspections, site visits, and review of dental records.

Sec. 29. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 9. [THIRD-PARTY LIABILITY.] To the extent required under section 62A.046 and Minnesota Rules, part 9506.0080, a dental plan shall coordinate benefits for or recover the cost of dental care services provided recipients who have other dental care coverage. Coordination of benefits includes the dental plan paying applicable copayments or deductibles on behalf of a recipient.

Sec. 30. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 10. [FINANCIAL CAPACITY.] A dental plan shall demonstrate that its financial risk capacity is acceptable to its participating providers; except, an organization licensed as a health maintenance organization under chapter 62D, a nonprofit health service plan under chapter 62C, or an integrated service network or a community integrated service network under chapter 62N, is not required to demonstrate financial risk capacity beyond the requirements in those chapters for licensure or a certificate of authority.

Sec. 31. Minnesota Statutes 1994, section 256B.037, is amended by adding a subdivision to read:

Subd. 11. [DATA PRIVACY.] The contract between the commissioner and the dental plan must specify that the dental plan is an agent of the welfare system and shall have access to welfare data on recipients to the extent necessary to carry out the dental plan's responsibilities under the contract. The dental plan shall comply with chapter 13, the Minnesota government data practices act.

Sec. 32. Minnesota Statutes 1994, section 256B.04, is amended by adding a subdivision to read:

Subd. 18. [APPLICATIONS FOR MEDICAL ASSISTANCE.] The state agency may take applications for medical assistance and conduct eligibility determinations for MinnesotaCare enrollees who are required to apply for medical assistance according to section 256.9353, subdivision 3, paragraph (b).

Sec. 33. Minnesota Statutes 1994, section 256B.055, is amended by adding a subdivision to read:

Subd. 10a. [CHILDREN.] This subdivision supersedes subdivision 10, as long as the Minnesota health care reform waiver remains in effect. When the waiver expires, this subdivision expires and the commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes. Medical assistance may be paid for a child less than two years of age, whose mother was eligible for and receiving medical assistance at the time of birth and who remains in the mother's household or who is in a family with countable income that is equal to or less than the income standard established under section 256B.057, subdivision 1.

Sec. 34. Minnesota Statutes 1994, section 256B.057, is amended by adding a subdivision to read:

Subd. 1b. [PREGNANT WOMEN AND INFANTS; EXPANSION.] This subdivision supersedes subdivision 1 as long as the Minnesota health care reform waiver remains in effect. When the waiver expires, the commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes. An infant less than two years of age or a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse, is eligible for medical assistance if countable family income is equal to or less than 275 percent of the federal poverty guideline for the same family size. For purposes of this subdivision, "countable family income" means the amount of income considered available using the methodology of the AFDC program, except for the earned income disregard and employment deductions. An amount equal to the amount of earned income exceeding 275 percent of the federal poverty guideline, up to a maximum of the amount by which the combined total of 185 percent of the federal poverty guideline plus the earned income disregards and deductions of the AFDC program exceeds 275 percent of the federal poverty guideline will be deducted for pregnant women and infants less than two years of age. Eligibility for a pregnant woman or infant less than two years of age under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3.

An infant born on or after January 1, 1991, to a woman who was eligible for and receiving medical assistance on the date of the child's birth shall continue to be eligible for medical assistance without redetermination until the child's second birthday, as long as the child remains in the woman's household.

Sec. 35. Minnesota Statutes 1994, section 256B.057, is amended by adding a subdivision to read:

Subd. 2b. [NO ASSET TEST FOR CHILDREN AND THEIR PARENTS; EXPANSION.] This subdivision supersedes subdivision 2a as long as the Minnesota health care reform waiver remains in effect. When the waiver expires, this subdivision expires and the commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes. Eligibility for medical assistance for a person under age 21, and the person's parents or relative caretakers as defined in the aid to families with dependent children program according to chapter 256, who are eligible under section 256B.055, subdivision 3, and who live in the same household as the person eligible under age 21, must be determined without regard to asset standards established in section 256B.056."

Page 95, after line 8, insert:

"Sec. 37. Minnesota Statutes 1994, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. [OTHER CLINIC SERVICES.] (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, public health clinic services, and the services of a clinic meeting the criteria established in rule by the commissioner. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. A federally qualified health center that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, a federally qualified health center shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. Federally qualified health centers that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), a federally qualified health center or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the department of health according to section 62Q.19, subdivision 7. For those federally qualified health centers and rural health clinics that have applied for essential community provider status within the six month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years of essential community provider status. For federally qualified health centers and rural health clinics that either do not apply within the time specified above, that are denied essential community provider status by the department of health, or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not federally qualified health centers or rural health clinics.

This paragraph remains in effect for as long as the Minnesota health care reform waiver remains in effect. When the waiver expires, this paragraph expires, and the commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes.

Sec. 38. [256B.0645] [PROVIDER PAYMENTS; RETROACTIVE CHANGES IN ELIGIBILITY.]

Payment to a provider for a health care service provided to a general assistance medical care recipient who is later determined eligible for medical assistance or MinnesotaCare according to section 256.9367 for the period in which the health care service was provided, shall be considered payment in full, and shall not be adjusted due to the change in eligibility. This section applies to both fee-for-service payments and payments made to health plans on a prepaid capitated basis.

Sec. 39. Minnesota Statutes 1994, section 256B.69, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given.

(a) "Commissioner" means the commissioner of human services. For the remainder of this section, the commissioner's responsibilities for methods and policies for implementing the project will be proposed by the project advisory committees and approved by the commissioner.

(b) "Demonstration provider" means an individual, agency, organization, or group of these entities that participates in the demonstration project according to criteria, standards, methods, and other requirements established for the project and approved by the commissioner.

(c) "Eligible individuals" means those persons eligible for medical assistance benefits as defined in sections 256B.055, 256B.056, and 256B.06.

(d) "Limitation of choice" means suspending freedom of choice while allowing eligible individuals to choose among the demonstration providers.

(e) This paragraph supersedes paragraph (c) as long as the Minnesota health care reform waiver remains in effect. When the waiver expires, this paragraph expires and the commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes. "Eligible individuals" means those persons eligible for medical assistance benefits as defined in sections 256B.055, 256B.056, and 256B.06. Notwithstanding sections 256B.055, 256B.056, and 256B.06, an individual who becomes ineligible for the program because of failure to submit income reports or recertification forms in a timely manner, shall remain enrolled in the prepaid health plan and shall remain eligible to receive medical assistance coverage through the last day of the month following the month in which the enrollee became ineligible for the medical assistance program.

Sec. 40. Minnesota Statutes 1994, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.055, subdivision 1, and children under age 21 who are in foster placement; (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older, or unless they reside in Itasca county or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act; (3) recipients who currently have private coverage through a health maintenance organization; and (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

Sec. 41. [WAIVER REQUEST.]

(a) The commissioner shall seek federal approval to add the benefit of drug coverage for qualified Medicare beneficiaries as described in section 36 and to charge a copayment for this benefit.

(b) The commissioner shall report to the legislature by January 15, 1996, on the status of the waiver request so that the legislature may appropriate money to implement the expansion of this program.

(c) If the waiver request is granted, the commissioner may consider expanding access of this program by allowing determination of eligibility to occur at the state level as well as at the county level.

Sec. 42. [REPEALER.]

Minnesota Statutes 1994, section 256.9353, subdivisions 4 and 5, are repealed."

Page 95, after line 9, insert:

"Sections 16 to 19 (256.9366 to 256.9369), 33, 34, 35, 37, and 39 (256B.055, subdivision 10a; 256B.057, subdivision 1b; 256B.057, subdivision 2b; 256B.0625, subdivision 30; and 256B.69, subdivision 2) are effective July 1, 1995. The commissioner of human services shall publish a notice in the State Register and notify the revisor of statutes when the waiver expires and the provisions in this section expire."

Page 95, line 10, delete "13" and insert "36"

Page 102, after line 11, insert:

"Sec. 8. Minnesota Statutes 1994, section 62E.05, is amended to read:

62E.05 [~~CERTIFICATION OF INFORMATION ON QUALIFIED PLANS.~~]

Subdivision 1. [CERTIFICATION.] Upon application by an insurer, fraternal, or employer for certification of a plan of health coverage as a qualified plan or a qualified medicare supplement plan for the purposes of sections 62E.01 to 62E.16, the commissioner shall make a determination within 90 days as to whether the plan is qualified. All plans of health coverage, except Medicare supplement policies, shall be labeled as "qualified" or "nonqualified" on the front of the policy or evidence of insurance. All qualified plans shall indicate whether they are number one, two, or three coverage plans.

Subd. 2. [ANNUAL REPORT.] All health plan companies, as defined in section 62Q.01, shall annually report to the commissioner responsible for their regulation. The following information shall be reported to the appropriate commissioner on February 1 of each year:

(1) the number of individuals and groups who received coverage in the prior year through the standard coverage defined under section 62Q.22;

(2) the number of individuals and groups who received coverage in the prior year through the qualified plans; and

(3) the number of individuals and groups who received coverage in the prior year through each of the unqualified plans sold by the company."

Page 118, line 8, delete "9, 10, 14, and 18" and insert "10, 11, 15, and 19"

Page 118, line 9, delete "16" and insert "17"

Page 126, line 10, reinstate the stricken "and"

Page 126, lines 12 to 16, delete the new language

Page 126, line 29, delete "improved patient care"

Page 126, line 30, delete everything before the period and insert "accepted medical practice"

Page 129, after line 17, insert:

"Sec. 16. Minnesota Statutes 1994, section 62Q.075, subdivision 4, is amended to read:

Subd. 4. [REVIEW.] Upon receipt of the plan, the appropriate commissioner shall provide a copy to the regional coordinating boards, local community health boards, and other relevant community organizations within the managed care organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to either the

commissioner of health or commerce, as applicable, and may advise the commissioner of the managed care organization's effectiveness in assisting to achieve regional public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the managed care organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the managed care organization. The county board, or applicable city council, may submit written comments to the appropriate commissioner, and may advise the commissioner of the managed care organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. The commissioner of health shall develop recommendations to utilize the written comments submitted as part of the licensure process to ensure local public accountability. These recommendations shall be reported to the legislative commission on health care access by January 15, 1996. Copies of these written comments must be provided to the managed care organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.

Sec. 17. Minnesota Statutes 1994, section 62Q.32, is amended to read:

**62Q.32 [LOCAL OMBUDSPERSON.]**

County board or community health service agencies may establish an office of ombudsperson to provide a system of consumer advocacy for persons receiving health care services through a health plan company. The ombudsperson's functions may include, but are not limited to:

(a) mediation or advocacy on behalf of a person accessing the complaint and appeal procedures to ensure that necessary medical services are provided by the health plan company; and

(b) investigation of the quality of services provided to a person and determine the extent to which quality assurance mechanisms are needed or any other system change may be needed. The commissioner of health shall make recommendations for funding these functions including the amount of funding needed and a plan for distribution. The commissioner shall submit these recommendations to the legislative commission on health care access by January 15, 1996.

Sec. 18. Minnesota Statutes 1994, section 62Q.33, subdivision 4, is amended to read:

Subd. 4. [CAPACITY BUILDING, ACCOUNTABILITY AND FUNDING.] The recommendations required by subdivision 2 shall include:

(1) a definition of minimum outcomes for implementing core public health functions, including a local ombudsperson under the assurance of services function;

(2) the identification of counties and applicable cities with public health programs that need additional assistance to meet the minimum outcomes;

(3) a budget for supporting all functions needed to achieve the minimum outcomes, including the local ombudsperson assurance of services function;

(4) an analysis of the costs and benefits expected from achieving the minimum outcomes;

(5) strategies for improving local government public health functions throughout the state to meet the minimum outcomes including: (i) funding distribution for local government public health functions necessary to meet the minimum outcomes; and (ii) strategies for the financing of personal health care services within the uniform benefits set through the health plan companies and identifying appropriate mechanisms for the delivery of these services; and

(6) a recommended level of dedicated funding for local government public health functions in terms of a percentage of total health service expenditures by the state or in terms of a per capita basis, including methods of allocating the dedicated funds to local government. Funding recommendations must be broad-based and must consider all financial resources.

Sec. 19. Minnesota Statutes 1994, section 62Q.33, subdivision 5, is amended to read:

Subd. 5. [TIMELINE.] ~~(a) By October 1, 1994, the commissioner shall submit to the legislative commission on health care access the initial report and recommendations required by subdivisions 2 to 4.~~

~~(b) By February January 15, 1995 1996, the commissioner, in cooperation with the legislative commission on health care access, shall submit a final report to the legislature, with specific recommendations for capacity building and financing to be implemented over the period from January 1, 1996, through December 31, 1997.~~

(c) By January 1 15, 1997, and by January 1 15 of each odd-numbered year thereafter, the commissioner shall present to the legislature an updated report and recommendations."

Page 129, line 31, after "based" insert "solely"

Page 137, after line 9, insert:

"Sec. 34. Laws 1994, chapter 625, article 5, section 7, is amended to read:

Sec. 7. [24-HOUR COVERAGE.]

As part of the implementation report submitted on January 1, 1996, as required under Minnesota Statutes, section 62Q.41, the commissioners of health and labor and industry shall develop a 24-hour coverage plan incorporating and coordinating the health component of workers' compensation with health care coverage to be offered by an integrated service network. This plan shall include a 24-hour coverage pilot project or projects implemented in 1996. The commissioners shall also make recommendations of any legislative changes that may be needed to implement this plan or the pilot projects."

Page 138, line 13, delete "24 to 29" and insert "28 to 33"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "MinnesotaCare;" insert "expanding provisions of health care;"

Page 1, line 21, after "9;" insert "62E.05;"

Page 1, line 26, delete "subdivision" and insert "subdivisions"

Page 1, delete line 27 and insert "1 and 2; 62J.48; 62J.54; 62J.55; 62J.58; 62L.02, subdivisions 11, 16, 24,"

Page 1, line 32, after the comma, insert "subdivision 4, and"

Page 1, line 33, after "3;" insert "62N.25, subdivision 2;"

Page 1, line 38, after the first semicolon, insert "62Q.075, subdivision 4;"

Page 1, line 40, after "62Q.19;" insert "62Q.23;" and after "62Q.30;" insert "62Q.32; 62Q.33, subdivisions 4 and 5;"

Page 1, delete line 46 and insert "256.9353, subdivisions 1 and 3; 256.9354, subdivisions"

Page 2, delete line 3 and insert "and by adding a subdivision; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, subdivision 3, and by adding subdivisions; 256B.0625, subdivision 30; 256B.69, subdivisions 2 and 4;"

Page 2, line 9, after "1;" insert "7;"

Page 2, line 11, after "62Q;" insert "256; 256B;"

Page 2, line 20, delete "and" and before "Laws" insert "and 256.9353, subdivisions 4 and 5;"



And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 761:** A bill for an act relating to food stamps; creating a food stamp outreach program; 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, line 9, delete "\$....." and insert "\$150,000"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Ms. Piper from the Committee on Family Services, to which was re-referred**

**S.F. No. 900:** A bill for an act relating to human services; defining interpretive guidelines; changing licensing requirements and reconsideration for foster care; assessing fines; adding provisions for drop-in child care programs; changing a definition; adding provisions for the Minnesota family preservation act; expanding eligibility for Indian child welfare grants; amending Minnesota Statutes 1994, sections 14.03, subdivision 3; 245A.02, by adding a subdivision; 245A.03, subdivision 2a; 245A.04, subdivisions 3, 3b, 7, and 9; 245A.06, subdivisions 2 and 4, and by adding a subdivision; 245A.07, subdivision 3; 245A.09, by adding subdivisions; 245A.14, subdivision 6; 256.12, subdivision 14; 256.8711; 256D.02, subdivision 5; 256F.01; 256F.02; 256F.03, subdivision 5, and by adding a subdivision; 256F.04, subdivisions 1 and 2; 256F.05, subdivisions 2, 3, 4, 5, 7, 8, and by adding a subdivision; 256F.06, subdivisions 1, 2, and 4; 257.3571, subdivision 1; 257.3572; and 257.3577, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1994, sections 256F.05, subdivisions 2a and 4a; and 256F.06, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 30, after the period, insert "The commissioner's review shall be based on a review of the records submitted by the county agency and the relative."

Page 5, line 33, after the period, insert "The decision of the commissioner is the final administrative agency action."

Page 8, line 12, after the period, insert "The commissioner is not required to conduct more than one review of a subject's records from the national criminal record repository if a review of the subject's criminal history with the national criminal record repository has already been completed by the commissioner and there has been no break in the subject's affiliation with the licenseholder who initiated the background studies."

Page 21, line 21, after "services" insert "or five emergency assistance placement services"

Page 25, line 8, delete "Fifty percent of"

Page 25, line 10, delete everything after the period

Page 25, delete lines 11 and 12

Page 38, line 13, strike "total" and insert "remainder of the" and after "appropriation" insert ", after the appropriation is made under subdivision 3,"

Page 39, after line 14, insert:

"Sec. 41. Minnesota Statutes 1994, section 257.3577, subdivision 2, is amended to read:

Subd. 2. [SPECIAL FOCUS GRANTS.] The amount available for grants established under section 257.3571, subdivision 2, for local social service agencies, tribes, Indian organizations, and other social services organizations is one-fifth of the total remainder of the annual appropriation,

after the appropriation is made under subdivision 3, for Indian child welfare grants. The maximum award under this subdivision is \$100,000 a year for programs approved by the commissioner.

Sec. 42. Minnesota Statutes 1994, section 257.3577, is amended by adding a subdivision to read:

Subd. 3. [COMPLIANCE GRANTS.] The amount available for grants established under section 257.3571, subdivision 2a, to an Indian child welfare defense corporation, as defined in section 611.216, subdivision 1a, is \$100,000 per year. The remainder of the appropriation shall be allocated pursuant to subdivisions 1 and 2."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 21, delete "subdivision 1" and insert "subdivisions 1, 2, and by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 532:** A bill for an act relating to child care; requiring child care for school-age children not operated by a school to be licensed; amending Minnesota Statutes 1994, sections 245A.02, by adding a subdivision; 245A.03, subdivision 2; and 245A.14, 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 1994, section 245A.02, is amended by adding a subdivision to read:

Subd. 16. [SCHOOL AGE CHILD.] "School age child" means a child who has at least attended the first day of kindergarten but is younger than 13 years of age.

Sec. 2. Minnesota Statutes 1994, section 245A.02, is amended by adding a subdivision to read:

Subd. 17. [SCHOOL AGE CHILD CARE PROGRAM.] "School age child care program" means a nonresidential program with the primary purpose of providing child care for school age children. School age child care program does not include programs such as scouting, boys clubs, girls clubs, nor sports or art programs.

Sec. 3. Minnesota Statutes 1994, 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 unless the residential program is a foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(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 economic security;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education in a school as defined in section 120.101, subdivision 4, and programs serving children

in combined special education and regular prekindergarten programs that are operated or assisted by the commissioner of education;

(6) nonresidential programs primarily for children that provide care or supervision, without charge for ten or fewer days a year, and for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(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 operated by a school as defined in section 120.101, subdivision 4, whose primary purpose is to provide, for adults or child care to 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 provided the program is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(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;

(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 90 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative;

(22) respite care services provided as a home and community-based service to a person with mental retardation or a related condition, in the person's primary residence;

(23) 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; or

(24) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.47.

For purposes of clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

Sec. 4. Minnesota Statutes 1994, section 245A.14, subdivision 6, is amended to read:

Subd. 6. [DROPP-IN AND SCHOOL AGE CHILD CARE PROGRAMS.] (a) Except as expressly set forth in this subdivision, drop-in and school age child care programs must be licensed as a drop-in or school age program under the rules governing child care programs operated in a center.

(b) Drop-in and school age child care programs are exempt from the following Minnesota Rules:

- (1) part 9503.0040;
- (2) part 9503.0045, subpart 1, items F and G;
- (3) part 9503.0050, subpart 6, except for children less than 2-1/2 years old;
- (4) one-half the requirements of part 9503.0060, subpart 4, item A, subitems (2), (5), and (8), subpart 5, item A, subitems (2), (3), and (7), and subpart 6, item A, subitems (3) and (6);
- (5) part 9503.0070; and
- (6) part 9503.0090, subpart 2.

(c) A drop-in and school age child care program must be operated under the supervision of a person qualified as a director and a teacher.

(d) A drop-in and school age child care program must have at least two persons on staff whenever the program is operating, except that the commissioner may permit variances from this requirement under specified circumstances for parent cooperative programs, as long as all other staff-to-child ratios are met.

(e) Whenever the total number of children present to be cared for at a drop-in child care center is more than 20, children that are younger than age 2-1/2 must be in a separate group. This group may contain children up to 60 months old. This group must be cared for in an area that is physically separated from older children.

(f) A drop-in child care program must maintain a minimum staff ratio for children age 2-1/2 or greater of one staff person for each ten children. A school age child care program must maintain a minimum staff ratio of one staff person for every 15 children.

(g) If the drop-in child care program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for children age 2-1/2 or greater, by a maximum of four children, for no more than 20 minutes while additional staff are in transit.

(h) In a drop-in child care program, the minimum staff-to-child ratio for infants up to 16 months of age is one staff person for every four infants. The minimum staff-to-child ratio for children age 17 months to 30 months is one staff for every seven children.

(i) In drop-in care programs that serve both infants and older children, children up to age 2-1/2 may be supervised by assistant teachers, as long as other staff are present in appropriate ratios.

(j) The minimum staff distribution pattern for a drop-in child care program serving children age 2-1/2 or greater and a school age child care program serving school age children is: the first staff member must be a teacher; the second, third, and fourth staff members must have at least the qualifications of a child care aide; the fifth staff member must have at least the qualifications of an

assistant teacher; the sixth, seventh, and eighth staff members must have at least the qualifications of a child care aide; and the ninth staff person must have at least the qualifications of an assistant teacher.

(k) A drop-in child care program may care for siblings 16 months or older together in any group. For purposes of this subdivision, sibling is defined as sister or brother, half-sister or half-brother, or stepsister or stepbrother.

Sec. 5. [FAMILY DAY CARE AGE RESTRICTIONS.]

(a) For purposes of Minnesota Rules, chapter 9502, specifically for siblings to be in the same day care program, the following terms are defined as follows:

(1) "preschooler" means a child at least 24 months of age up to enrollment in the first day of school in the local school district; and

(2) "toddler" means a child at least 12 months of age but younger than 24 months of age.

(b) Until July 1, 1997, for purposes of reimbursement for child care assistance, a licenseholder or legally unlicensed provider shall be reimbursed at the toddler age category rate for children between the ages of 24 and 30 months.

(c) The commissioner may grant variances to these age restrictions using the standards in Minnesota Statutes, section 245A.04, subdivision 9.

(d) The commissioner shall amend the rules governing family day care to reflect the changes in paragraph (a). The amendment in this section is exempt from the rulemaking provisions in Minnesota Statutes, chapter 14, but the commissioner must comply with Minnesota Statutes, section 14.38, subdivision 7.

(e) The commissioner shall set fees which will result in the licensing of school age child care programs being cost-neutral to the state by the year 2000."

Delete the title and insert:

"A bill for an act relating to child care; requiring child care for school age children not operated by a school to be licensed; changing the definition of toddler and preschooler for family day care programs serving siblings; amending Minnesota Statutes 1994, sections 245A.02, by adding subdivisions; 245A.03, subdivision 2; and 245A.14, subdivision 6."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 1482:** A bill for an act relating to economic development and redevelopment; establishing the metropolitan revitalization fund; providing funding for housing and urban development in the metropolitan area; authorizing a special jobs opportunity program for AFDC recipients; providing for a sales tax refund for certain construction materials; creating an urban homesteading program; providing funding for affordable housing that is related to community economic development and redevelopment; providing for a sales tax refund for certain construction materials; appropriating money; amending Minnesota Statutes 1994, sections 290.01, subdivision 19b; 297A.15, by adding a subdivision; 297A.25, by adding a subdivision; 462A.201, by adding a subdivision; 462A.222, subdivision 3; 477A.011, subdivision 37; 477A.013, subdivisions 8, 9, and by adding subdivisions; and 477A.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256; and 473; repealing Minnesota Statutes 1994, sections 504.33; 504.34; and 504.35.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, delete "Subdivision 1. [GENERAL.]"

Page 2, line 5, delete "this" and after "section" insert "5"

Page 2, delete lines 6 to 8

Page 2, line 10, delete "Subdivision 1. [FUND USES.] (a)"

Pages 3 to 7, delete sections 5 to 10

Page 7, line 20, after the period, insert "\$6,000,000 is appropriated from the general fund to the metropolitan revitalization fund provided by section 2."

Page 7, delete lines 29 and 30

Page 12, line 20, after the semicolon, insert "and"

Page 12, line 22, delete from "; and" through page 12, line 25, to "council"

Page 16, line 3, delete from "The" through page 16, line 9, to "years."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the first semicolon, insert "and" and delete "477A.011,"

Page 1, delete lines 17 and 18

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1315:** A bill for an act relating to state departments; establishing the bureau of criminal apprehension as an independent agency of the executive branch; transferring the criminal justice information system unit to the bureau; transferring the responsibilities of the liquor control division to the department of commerce; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 15A.081, subdivision 1; 16B.14; 16B.46; 16B.54, subdivision 2; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 340A.201; 352B.01, subdivision 2; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "Subdivision 1. [BUREAU OF CRIMINAL APPREHENSION.]"

Page 2, delete lines 12 to 26

Page 5, line 25, reinstate the stricken "or"

Page 5, line 26, delete ", commissioner of commerce, or"

Page 6, lines 31 and 32, delete "of the department of commerce"

Page 7, line 25, strike "commissioner of" and delete "commerce" and insert "superintendent of the bureau of criminal apprehension"

Page 7, line 27, strike "commissioner" and delete "of"

Page 7, line 28, delete "commerce" and insert "superintendent of the bureau of criminal apprehension"

Page 7, line 32, strike "commissioners" and insert "commissioner" and delete "commerce" and strike "and" and after "revenue" insert "and the superintendent of the bureau of criminal apprehension"

Page 8, line 1, after "REVENUE" insert "AND SUPERINTENDENT OF THE BUREAU OF CRIMINAL APPREHENSION"

Page 8, line 3, strike "department of"

Page 8, line 4, delete "commerce" and insert "bureau of criminal apprehension"

Page 8, line 11, strike "commissioner of"

Page 8, line 12, delete "commerce" and insert "superintendent of the bureau of criminal apprehension"

Page 8, line 19, strike "commissioner" and delete "of commerce" and insert "superintendent of the bureau of criminal apprehension"

Page 14, lines 17 and 18, delete "commissioner of commerce" and insert "superintendent of the bureau of criminal apprehension"

Page 19, line 7, delete "Subdivision 1. [BUREAU OF CRIMINAL APPREHENSION.]"

Page 19, delete lines 26 to 36

Page 20, delete lines 1 to 4

Amend the title as follows:

Page 1, delete lines 6 and 7

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 1170, 1290, 1022, 171, 1023, 1280, 1366, 1092, 1088, 663, 390, 1255 and 259 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 121 a Special Order to be heard immediately.

## SPECIAL ORDER

**S.F. No. 121:** A bill for an act relating to insurance; providing a remedy to an insured when an insurer refuses in bad faith to pay or to settle a claim; regulating fire loss claims; amending Minnesota Statutes 1994, sections 72A.20, subdivision 12; and 72A.201, subdivisions 4 and 8; proposing coding for new law in Minnesota Statutes, chapter 72A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Chandler	Johnson, D.J.	Merriam	Ranum
Beckman	Chmielewski	Johnson, J.B.	Metzen	Riveness
Belanger	Finn	Krentz	Moe, R.D.	Sams
Berg	Flynn	Kroening	Morse	Samuelson
Berglin	Hanson	Laidig	Novak	Spear
Bertram	Hottinger	Lessard	Piper	Stumpf
Betzold	Janezich	Marty	Price	Vickerman

Those who voted in the negative were:

Day	Kiscaden	Larson	Olson	Runbeck
Dille	Kleis	Lesewski	Ourada	Scheevel
Johnson, D.E.	Knutson	Murphy	Pariseau	Stevens
Johnston	Kramer	Oliver	Robertson	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1018 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1018:** A bill for an act relating to courts; guardians ad litem; specifying the responsibilities of a guardian ad litem in juvenile and family court; requiring a report by the state court administrator; amending Minnesota Statutes 1994, sections 260.155, subdivision 4; and 518.165, 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:

Anderson	Hanson	Langseth	Novak	Sams
Beckman	Hottinger	Larson	Oliver	Samuelson
Belanger	Janezich	Lesewski	Olson	Scheevel
Berg	Johnson, D.E.	Lessard	Ourada	Spear
Berglin	Johnson, D.J.	Limmer	Pappas	Stevens
Betzold	Johnson, J.B.	Marty	Pariseau	Stumpf
Chandler	Johnston	Merriam	Piper	Terwilliger
Chmielewski	Kiscaden	Metzen	Pogemiller	Vickerman
Cohen	Kleis	Moe, R.D.	Price	Wiener
Day	Knutson	Mondale	Ranum	
Dille	Kramer	Morse	Reichgott Junge	
Flynn	Krentz	Murphy	Robertson	
Frederickson	Kroening	Neuville	Runbeck	

Messrs. Bertram and Finn voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 299 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 299:** A bill for an act relating to employment; changing references to visually handicapped people; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1994, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.10; 248.11; 268A.02, subdivision 2; 268A.03; and 268A.11, subdivisions 1 and 3; repealing Minnesota Statutes 1994, section 268A.12.

Mr. Larson moved to amend S.F. No. 299 as follows:

Page 1, lines 19 and 22, strike "and visually" and delete "disabled"

Page 1, line 23, strike "and"

Page 1, line 24, strike "visually" and delete "disabled"

Page 1, line 27, strike "AND VISUALLY" and delete "DISABLED"



Page 2, lines 2 and 16, strike "and visually" and delete "disabled"

Page 5, lines 33 and 35, strike "and visually" and delete "disabled"

Page 6, line 9, strike "and"

Page 6, line 10, strike "visually" and delete "disabled"

Page 6, line 17, strike "and visually"

Page 6, line 18, delete "disabled"

Page 6, lines 20 and 28, strike "and visually" and delete "disabled"

Page 11, line 5, delete "until July 1, 1996"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 299 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Robertson
Beckman	Frederickson	Kroening	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Hottinger	Langseth	Oliver	Samuelson
Berglin	Janezich	Larson	Olson	Scheevel
Bertram	Johnson, D.E.	Lesewski	Ourada	Spear
Betzold	Johnson, D.J.	Lessard	Pappas	Stevens
Chandler	Johnson, J.B.	Limmer	Pariseau	Terwilliger
Chmielewski	Johnston	Marty	Piper	Vickerman
Cohen	Kiscaden	Merriam	Pogemiller	Wiener
Day	Kleis	Metzen	Price	
Dille	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Reichgott Junge	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 364 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 364:** A bill for an act relating to employment; authorizing certain employees to communicate certain threats; amending Minnesota Statutes 1994, section 268A.05, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Finn	Johnson, D.E.	Knutson
Beckman	Chandler	Flynn	Johnson, D.J.	Kramer
Belanger	Chmielewski	Frederickson	Johnson, J.B.	Krentz
Berg	Cohen	Hanson	Johnston	Kroening
Berglin	Day	Hottinger	Kiscaden	Laidig
Bertram	Dille	Janezich	Kleis	Langseth

Larson	Mondale	Ourada	Reichgott Junge	Spear
Lesewski	Morse	Pappas	Riveness	Stevens
Lessard	Murphy	Pariseau	Robertson	Terwilliger
Limmer	Neuville	Piper	Runbeck	Vickerman
Marty	Novak	Pogemiller	Sams	Wiener
Merriam	Oliver	Price	Samuelson	
Metzen	Olson	Ranum	Scheevel	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1440 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1440:** A bill for an act relating to human services; adding to definition of base level funding; adding provisions for local children's mental health collaborative; changing provisions for integrated fund task force; requiring approval for a collaborative's integrated service system; amending Minnesota Statutes 1994, sections 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; and 256B.0625, subdivision 37; proposing coding for new law in Minnesota Statutes, chapter 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Riveness
Beckman	Frederickson	Kroening	Neuville	Robertson
Belanger	Hanson	Laidig	Novak	Runbeck
Berg	Hottinger	Langseth	Oliver	Sams
Berglin	Janezich	Larson	Olson	Samuelson
Bertram	Johnson, D.E.	Lesewski	Ourada	Scheevel
Betzold	Johnson, D.J.	Lessard	Pappas	Spear
Chandler	Johnson, J.B.	Limmer	Pariseau	Stevens
Chmielewski	Johnston	Marty	Piper	Terwilliger
Cohen	Kiscaden	Merriam	Pogemiller	Vickerman
Day	Kleis	Metzen	Price	Wiener
Dille	Knutson	Mondale	Ranum	
Finn	Kramer	Morse	Reichgott Junge	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 373 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 373:** A bill for an act relating to health; requiring efforts to seek certain waivers; defining subacute care; amending Minnesota Statutes 1994, section 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

Ms. Berglin moved to amend S.F. No. 373 as follows:

Page 1, line 15, before the period, insert "in order to assure that subacute care occurs in the most cost-effective setting available"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 3, delete from "amending" through page 1, line 5, to "subdivision;"

The motion prevailed. So the amendment was adopted.

S.F. No. 373 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 52 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kramer	Mondale	Reichgott Junge
Beckman	Finn	Krentz	Morse	Riveness
Belanger	Flynn	Kroening	Murphy	Sams
Berg	Hanson	Laidig	Novak	Samuelson
Berglin	Hottinger	Langseth	Ourada	Spear
Bertram	Janezich	Larson	Pappas	Stumpf
Betzold	Johnson, D.J.	Lessard	Pariseau	Vickerman
Chandler	Johnson, J.B.	Marty	Piper	Wiener
Chmielewski	Johnston	Merriam	Pogemiller	
Cohen	Kiscaden	Metzen	Price	
Day	Kleis	Moe, R.D.	Ranum	

Those who voted in the negative were:

Frederickson	Lesewski	Oliver	Robertson	Scheevel
Johnson, D.E.	Limmer	Olson	Runbeck	Stevens
Knutson	Neuville			

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 239 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 239:** A bill for an act relating to state lands; authorizing the 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Neuville	Robertson
Beckman	Frederickson	Laidig	Novak	Runbeck
Belanger	Hanson	Langseth	Oliver	Sams
Berg	Hottinger	Larson	Olson	Samuelson
Berglin	Janezich	Lesewski	Ourada	Scheevel
Bertram	Johnson, D.E.	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Limmer	Pariseau	Stevens
Chandler	Johnson, J.B.	Marty	Piper	Stumpf
Chmielewski	Johnston	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Krentz	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 282 a Special Order to be heard immediately.

**SPECIAL ORDER**

**H.F. No. 282:** A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Mondale	Reichgott Junge
Beckman	Hanson	Kroening	Morse	Riveness
Berglin	Hottinger	Laidig	Murphy	Sams
Bertram	Janezich	Langseth	Novak	Samuelson
Betzold	Johnson, D.E.	Lesewski	Ourada	Spear
Chandler	Johnson, D.J.	Lessard	Pappas	Stumpf
Chmielewski	Johnson, J.B.	Limmer	Piper	Terwilliger
Cohen	Johnston	Marty	Pogemiller	Vickerman
Finn	Kleis	Metzen	Price	Wiener
Flynn	Kramer	Moe, R.D.	Ranum	

Those who voted in the negative were:

Belanger	Kiscaden	Merriam	Olson	Runbeck
Berg	Knutson	Neuville	Pariseau	Scheevel
Day	Larson	Oliver	Robertson	Stevens
Dille				

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 893 a Special Order to be heard immediately.

**SPECIAL ORDER**

**S.F. No. 893:** A bill for an act relating to insurance; the comprehensive health association; changing benefits; changing the association's enrollment freeze date; amending Minnesota Statutes 1994, sections 62E.12; and 62Q.18, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Riveness
Beckman	Frederickson	Kroening	Neuville	Robertson
Belanger	Hanson	Laidig	Novak	Runbeck
Berg	Hottinger	Langseth	Oliver	Sams
Berglin	Janezich	Lesewski	Olson	Samuelson
Bertram	Johnson, D.E.	Lessard	Ourada	Scheevel
Betzold	Johnson, D.J.	Limmer	Pappas	Spear
Chandler	Johnson, J.B.	Marty	Pariseau	Stevens
Chmielewski	Johnston	Merriam	Piper	Stumpf
Cohen	Kiscaden	Metzen	Pogemiller	Terwilliger
Day	Kleis	Moe, R.D.	Price	Vickerman
Dille	Knutson	Mondale	Ranum	Wiener
Finn	Kramer	Morse	Reichgott Junge	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 477 a Special Order to be heard immediately.

**SPECIAL ORDER**

**S.F. No. 477:** A bill for an act relating to education; consolidating and restructuring certain higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 15.38, subdivision 3; 136E.01, subdivision 1; 136E.02, subdivisions 1 and 3; 136E.021, subdivision 2; 136E.03; 136E.04, subdivisions 1, 3, and 7; 136E.05; 136E.31; 136E.525, subdivisions 1 and 2; and 136E.692, subdivisions 1, 3, and 4; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 15.38, subdivision 4; 136.01; 136.015; 136.017; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136E.04, subdivisions 2, 4, 5, and 6; and 136E.395; Laws 1994, chapter 532, article 6, section 12, paragraph (a).

Was read the third time 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 14, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Morse	Ranum
Beckman	Frederickson	Laidig	Murphy	Riveness
Belanger	Hanson	Langseth	Neuville	Robertson
Berg	Hottinger	Larson	Novak	Runbeck
Bertram	Janezich	Lessard	Oliver	Spear
Betzold	Johnson, D.J.	Marty	Ourada	Stumpf
Chandler	Johnson, J.B.	Merriam	Pappas	Terwilliger
Cohen	Johnston	Metzen	Piper	Vickerman
Day	Kiscaden	Moe, R.D.	Pogemiller	Wiener
Dille	Krentz	Mondale	Price	

Those who voted in the negative were:

Berglin	Johnson, D.E.	Kramer	Pariseau	Scheevel
Chmielewski	Kleis	Lesewski	Sams	Stevens
Finn	Knutson	Limmer	Samuelson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 172 a Special Order to be heard immediately.

**SPECIAL ORDER**

**S.F. No. 172:** A bill for an act relating to motor vehicles; providing for issuance of manufacturer test plates; amending Minnesota Statutes 1994, section 168.012, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168; and 297B.

Was read the third time 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:

Anderson	Flynn	Kroening	Murphy	Runbeck
Beckman	Frederickson	Laidig	Novak	Sams
Belanger	Hanson	Langseth	Oliver	Samuelson
Berg	Hottinger	Larson	Olson	Scheevel
Berglin	Janezich	Lesewski	Ourada	Spear
Bertram	Johnson, D.E.	Lessard	Pappas	Stevens
Betzold	Johnson, D.J.	Limmer	Pariseau	Stumpf
Chandler	Johnson, J.B.	Marty	Piper	Terwilliger
Chmielewski	Johnston	Merriam	Pogemiller	Vickerman
Cohen	Kleis	Metzen	Price	Wiener
Day	Knutson	Moe, R.D.	Ranum	
Dille	Kramer	Mondale	Reichgott Junge	
Finn	Krentz	Morse	Riveness	

Ms. Kiscaden, Mr. Neuville and Ms. Robertson voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 830 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 830:** A bill for an act relating to state lands; allowing the sale of certain state forest lands; requiring the commissioner of natural resources to convey certain land to the city of Akeley for public purposes; proposing coding for new law in Minnesota Statutes, chapter 89.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Riveness
Beckman	Frederickson	Kroening	Murphy	Robertson
Belanger	Hanson	Laidig	Neuville	Runbeck
Berg	Hottinger	Langseth	Novak	Sams
Berglin	Janezich	Larson	Oliver	Samuelson
Bertram	Johnson, D.E.	Lesewski	Olson	Scheevel
Betzold	Johnson, D.J.	Lessard	Ourada	Spear
Chandler	Johnson, J.B.	Limmer	Pappas	Stevens
Chmielewski	Johnston	Marty	Pariseau	Stumpf
Cohen	Kiscaden	Merriam	Piper	Terwilliger
Day	Kleis	Metzen	Pogemiller	Vickerman
Dille	Knutson	Moe, R.D.	Price	Wiener
Finn	Kramer	Mondale	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 605 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 605:** A bill for an act relating to recreational vehicles; requiring youthful snowmobile operators and passengers to wear helmets; amending Minnesota Statutes 1994, section 84.872, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Morse	Riveness
Beckman	Frederickson	Kroening	Murphy	Robertson
Belanger	Hanson	Laidig	Neuville	Runbeck
Berg	Hottinger	Langseth	Novak	Sams
Berglin	Janezich	Larson	Oliver	Samuelson
Bertram	Johnson, D.E.	Lesewski	Olson	Scheevel
Betzold	Johnson, D.J.	Lessard	Ourada	Spear
Chandler	Johnson, J.B.	Limmer	Pappas	Stevens
Chmielewski	Johnston	Marty	Pariseau	Stumpf
Cohen	Kiscaden	Merriam	Piper	Terwilliger
Day	Kleis	Metzen	Pogemiller	Vickerman
Dille	Knutson	Moe, R.D.	Price	Wiener
Finn	Kramer	Mondale	Ranum	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 752 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 752:** A bill for an act relating to telecommunications; allowing for alternative regulation of telephone companies for a limited period; authorizing rulemaking to promote fair and reasonable competition for local exchange service; making technical changes; amending Minnesota Statutes 1994, sections 237.01, subdivision 6; 237.035; 237.09; 237.16; and 237.461, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 237.

Mr. Novak moved to amend S.F. No. 752 as follows:

Page 5, line 25, after "municipality" insert "or town"

Page 5, line 27, strike "and" and insert a comma and after "wires" insert ", and other equipment or facilities on, below, or above the streets, alleys, or other public grounds"

Page 5, line 28, strike the second "and" and insert a comma

Page 5, line 29, after "alleys" insert ", and other public grounds"

Page 17, line 31, after "an" insert "initial"

Page 27, line 28, after "department" insert "of public service"

Page 27, line 36, delete "January 1" and insert "February 15"

Page 27, after line 36, insert:

"Sec. 23. [STATEMENT OF INTENT.]

The amendments to Minnesota Statutes, section 237.16, subdivision 1, paragraph (d), in this law are solely intended for clarification. No substantive changes in powers of regulation are intended, nor are to be implied.

Sec. 24. [MUNICIPAL FRANCHISE FEES; UTILITIES.]

The department of public service shall study the issue of franchise fees and related compensation paid to local governments by utilities and cable communication companies. The study shall include a survey of fees and related compensation currently paid to municipalities by utilities and cable communication companies, and the purpose for which the franchise fees and related compensation are remitted to municipalities by utilities and cable communication

companies. The department shall develop recommendations on a state policy regarding these fees and related compensation, particularly addressing the issues of the purposes for which such fees may be assessed and paid, the amount of the fees, and uses of such fee revenue and related compensation. The department shall report its findings and recommendations to the legislature by February 15, 1996."

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. 752 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Murphy	Riveness
Beckman	Frederickson	Kroening	Neuville	Robertson
Belanger	Hanson	Langseth	Novak	Runbeck
Berg	Hottinger	Larson	Oliver	Sams
Berglin	Janezich	Lesewski	Olson	Samuelson
Bertram	Johnson, D.E.	Lessard	Ourada	Scheevel
Betzold	Johnson, D.J.	Limmer	Pappas	Solon
Chandler	Johnson, J.B.	Marty	Pariseau	Spear
Chmielewski	Johnston	Merriam	Piper	Stevens
Cohen	Kiscaden	Metzen	Pogemiller	Terwilliger
Day	Kleis	Moe, R.D.	Price	Vickerman
Dille	Knutson	Mondale	Ranum	Wiener
Finn	Kramer	Morse	Reichgott Junge	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 759 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 759:** A bill for an act relating to economic development; changing certain departmental operating procedures; altering the corporate structure of Advantage Minnesota, Inc.; clarifying economic development authority powers; amending Minnesota Statutes 1994, sections 116J.58, subdivision 1; 116J.693, subdivisions 2, 3, 4, and 5; 116N.02, subdivision 1; 116N.06; and 446A.03, 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:

Anderson	Flynn	Kroening	Murphy	Riveness
Beckman	Frederickson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Bertram	Johnson, D.J.	Lessard	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Chmielewski	Kiscaden	Merriam	Piper	Stevens
Cohen	Kleis	Metzen	Pogemiller	Stumpf
Day	Knutson	Moe, R.D.	Price	Terwilliger
Dille	Kramer	Mondale	Ranum	Vickerman
Finn	Krentz	Morse	Reichgott Junge	Wiener



So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1200 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1200:** A bill for an act relating to crime prevention; requiring county sheriffs to be licensed as peace officers before taking office; amending Minnesota Statutes 1994, sections 204B.06, by adding a subdivision; 387.01; and 626.846, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Laidig	Novak	Runbeck
Beckman	Frederickson	Langseth	Oliver	Sams
Belanger	Hottinger	Larson	Olson	Samuelson
Berg	Janezich	Lesewski	Ourada	Scheevel
Berglin	Johnson, D.E.	Lessard	Pappas	Solon
Bertram	Johnson, D.J.	Limmer	Pariseau	Spear
Betzold	Johnson, J.B.	Marty	Piper	Stevens
Chandler	Johnston	Merriam	Pogemiller	Stumpf
Chmielewski	Kiscaden	Metzen	Price	Terwilliger
Cohen	Kleis	Moe, R.D.	Ranum	Vickerman
Day	Knutson	Morse	Reichgott Junge	Wiener
Dille	Kramer	Murphy	Riveness	
Finn	Krentz	Neuville	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 644 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 644:** A bill for an act relating to state lands; modifying the provisions of a land sale to the city of Anoka; amending Laws 1991, chapter 185, section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Laidig	Novak	Sams
Beckman	Frederickson	Larson	Oliver	Samuelson
Belanger	Hottinger	Lesewski	Olson	Scheevel
Berg	Janezich	Lessard	Pappas	Solon
Berglin	Johnson, D.E.	Limmer	Pariseau	Spear
Bertram	Johnson, D.J.	Marty	Piper	Stevens
Betzold	Johnson, J.B.	Merriam	Pogemiller	Stumpf
Chandler	Johnston	Metzen	Price	Terwilliger
Chmielewski	Kiscaden	Moe, R.D.	Ranum	Vickerman
Cohen	Kleis	Mondale	Reichgott Junge	Wiener
Day	Knutson	Morse	Riveness	
Dille	Kramer	Murphy	Robertson	
Finn	Krentz	Neuville	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 320 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 320:** A bill for an act relating to criminal procedure; allowing warrantless probable cause arrests for certain offenses committed on school property; proposing coding for new law in Minnesota Statutes, chapter 629.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Murphy	Riveness
Beckman	Frederickson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Bertram	Johnson, D.J.	Lessard	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Chmielewski	Kiscaden	Merriam	Piper	Stevens
Cohen	Kleis	Metzen	Pogemiller	Stumpf
Day	Knutson	Moe, R.D.	Price	Terwilliger
Dille	Kramer	Mondale	Ranum	Vickerman
Finn	Krentz	Morse	Reichgott Junge	Wiener

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 292 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 292:** A bill for an act relating to public safety; changing name of McGruff program; amending Minnesota Statutes 1994, section 299A.28.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson	Kroening	Oliver	Samuelson
Belanger	Hanson	Laidig	Olson	Scheevel
Berg	Hottinger	Langseth	Ourada	Solon
Berglin	Janezich	Lesewski	Pappas	Spear
Bertram	Johnson, D.E.	Lessard	Pariseau	Stevens
Betzold	Johnson, D.J.	Marty	Piper	Stumpf
Chandler	Johnson, J.B.	Metzen	Pogemiller	Terwilliger
Chmielewski	Johnston	Moe, R.D.	Price	Vickerman
Cohen	Kiscaden	Mondale	Ranum	Wiener
Day	Kleis	Morse	Reichgott Junge	
Dille	Knutson	Murphy	Riveness	
Finn	Kramer	Neuville	Robertson	
Flynn	Krentz	Novak	Sams	

Ms. Anderson, Messrs. Larson and Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 577 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 577:** A bill for an act relating to health; modifying provisions relating to nursing home administrators; amending Minnesota Statutes 1994, section 144A.04, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Neuville	Runbeck
Beckman	Frederickson	Laidig	Novak	Sams
Belanger	Hanson	Langseth	Oliver	Samuelson
Berg	Hottinger	Larson	Olson	Scheevel
Berglin	Janezich	Lesewski	Ourada	Solon
Bertram	Johnson, D.E.	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Limmer	Pariseau	Stevens
Chandler	Johnson, J.B.	Marty	Piper	Stumpf
Chmielewski	Johnston	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Riveness	
Finn	Kramer	Murphy	Robertson	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1060 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1060:** A bill for an act relating to employment; modifying provisions relating to reemployment insurance; amending Minnesota Statutes 1994, sections 268.04, subdivision 10; 268.06, subdivisions 3a, 18, 19, 20, and 22; 268.08, subdivision 6, and by adding a subdivision; 268.10, subdivision 2; 268.12, subdivision 12; 268.16, subdivisions 3a, 6, and by adding a subdivision; 268.161, subdivisions 8 and 9; 268.162, subdivision 2; 268.163, subdivision 3; 268.164, subdivision 3; 268.18, subdivisions 1, 2, 3, and 6; 270A.09, subdivision 1a; 352.01, subdivision 2b; 352.22, subdivision 10; and 574.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 268.10, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10; and 268.12, subdivisions 9, 10, and 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Janezich	Kroening	Moe, R.D.
Beckman	Cohen	Johnson, D.E.	Laidig	Mondale
Belanger	Dille	Johnson, D.J.	Langseth	Morse
Berg	Finn	Johnson, J.B.	Lesewski	Murphy
Berglin	Flynn	Kleis	Lessard	Novak
Bertram	Frederickson	Knutson	Marty	Ourada
Betzold	Hanson	Kramer	Merriam	Pappas
Chandler	Hottinger	Krentz	Metzen	Piper

Pogemiller	Reichgott Junge	Runbeck	Solon	Terwilliger
Price	Riveness	Sams	Spear	Vickerman
Ranum	Robertson	Samuelson	Stumpf	Wiener

Those who voted in the negative were:

Johnston	Larson	Neuville	Olson	Scheevel
Kiscaden	Limmer	Oliver	Pariseau	Stevens

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 793 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 793:** A bill for an act relating to agriculture; eliminating requirements for certain periodic reports by the department of agriculture; amending Minnesota Statutes 1994, sections 18.0228, subdivision 3; and 42.04, subdivision 2; repealing Minnesota Statutes 1994, sections 18.023, subdivision 11; 32.73, subdivision 7; 40A.17; and 41.53, 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:

Anderson	Frederickson	Kroening	Neuville	Robertson
Beckman	Hanson	Laidig	Novak	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Janezich	Lesewski	Olson	Samuelson
Berglin	Johnson, D.E.	Lessard	Ourada	Scheevel
Bertram	Johnson, D.J.	Limmer	Pappas	Solon
Betzold	Johnson, J.B.	Marty	Pariseau	Spear
Chandler	Johnston	Merriam	Piper	Stevens
Chmielewski	Kiscaden	Metzen	Pogemiller	Stumpf
Cohen	Kleis	Moe, R.D.	Price	Terwilliger
Day	Knutson	Mondale	Ranum	Vickerman
Finn	Kramer	Morse	Reichgott Junge	Wiener
Flynn	Krentz	Murphy	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 839 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 839:** A bill for an act relating to agriculture; changing certain pesticide dealer requirements; changing expiration of pesticide applicator certifications; requiring consideration of passive bioremediation in certain cases; amending Minnesota Statutes 1994, sections 18B.31; 18B.36, subdivision 2; and 18D.105, subdivision 3a.

Mr. Dille moved to amend S.F. No. 839 as follows:

Page 3, line 24, strike everything after "certification"

Page 3, line 25, strike "the first year of certification, and expires" and before "March" insert "shall expire"

Page 3, line 26, after "third" insert "calendar" and after "year" insert "after certification"

The motion prevailed. So the amendment was adopted.

Mr. Dille then moved to amend S.F. No. 839 as follows:

Page 4, after line 1, insert:

"Sec. 4. Minnesota Statutes 1994, section 171.02, subdivision 2a, is amended to read:

Subd. 2a. ~~[EXCEPTION TO HAZARDOUS MATERIALS ENDORSEMENT EXCEPTIONS.]~~ Notwithstanding subdivision 2, (1) a hazardous materials endorsement is not required to operate a vehicle having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 200 gallons of petroleum products and (2) a class CC license or hazardous materials endorsement is not required to operate a vehicle having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 1,500 gallons of liquid fertilizer."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "changing classification and endorsement requirements to operate a vehicle carrying liquid fertilizer;"

Page 1, line 7, delete "and" and before the period, insert "; and 171.02, subdivision 2a"

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend S.F. No. 839 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1994, section 18B.07, subdivision 3, is amended to read:

Subd. 3. [POSTING.] ~~(a) All fields receiving applications of pesticide(s) bearing the label statement "Notify workers of the application by warning them orally and by posting signs at entrances to treated areas" must be posted in accordance with labeling and rules adopted under this chapter.~~

~~(b) Sites being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. The posting must be done in accordance with labeling and rules adopted under this chapter.~~

~~(c) If federal worker protection standards are not applicable, soil applied insecticides are exempt from posting requirements."~~

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying pesticide posting requirements;"

Page 1, line 6, after "sections" insert "18B.07, subdivision 3;"

The motion prevailed. So the amendment was adopted.

S.F. No. 839 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Johnson, J.B.	Larson	Murphy
Belanger	Finn	Johnston	Lesewski	Neuville
Berg	Frederickson	Kiscaden	Lessard	Novak
Bertram	Hanson	Kleis	Limmer	Oliver
Chandler	Hottinger	Knutson	Metzen	Olson
Chmielewski	Janezich	Kramer	Moe, R.D.	Ourada
Cohen	Johnson, D.E.	Laidig	Mondale	Pariseau
Day	Johnson, D.J.	Langseth	Morse	Piper

Price	Robertson	Scheevel	Stumpf	Wiener
Reichgott Junge	Runbeck	Solon	Terwilliger	
Riveness	Samuelson	Stevens	Vickerman	

Those who voted in the negative were:

Anderson	Flynn	Marty	Pappas	Sams
Berglin	Krentz	Merriam	Pogemiller	Spear
Betzold	Kroening			

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1209 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1209:** A bill for an act relating to Hennepin county; modifying certain provisions concerning the county medical examiners office; amending Minnesota Statutes 1994, section 383B.225, subdivisions 5, 6, 7, 9, 11, and 12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Riveness
Beckman	Hanson	Laidig	Neuville	Robertson
Belanger	Hottinger	Langseth	Novak	Runbeck
Berg	Janezich	Larson	Oliver	Sams
Berglin	Johnson, D.E.	Lesewski	Olson	Samuelson
Bertram	Johnson, D.J.	Lessard	Ourada	Scheevel
Betzold	Johnson, J.B.	Limmer	Pappas	Solon
Chandler	Johnston	Marty	Pariseau	Spear
Chmielewski	Kiscaden	Merriam	Piper	Stevens
Cohen	Kleis	Metzen	Pogemiller	Terwilliger
Day	Knutson	Moe, R.D.	Price	Vickerman
Finn	Kramer	Mondale	Ranum	Wiener
Flynn	Krentz	Morse	Reichgott Junge	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 838 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 838:** A bill for an act relating to barbers; exempting persons performing barbering services for charitable purposes from registration and other requirements; amending Minnesota Statutes 1994, section 154.04.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Sams
Beckman	Hanson	Langseth	Oliver	Samuelson
Belanger	Hottinger	Larson	Olson	Scheevel
Berg	Janezich	Lesewski	Ourada	Solon
Berglin	Johnson, D.E.	Lessard	Pappas	Spear
Bertram	Johnson, D.J.	Limmer	Pariseau	Stevens
Betzold	Johnson, J.B.	Marty	Piper	Stumpf
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Chmielewski	Kiscaden	Metzen	Price	Vickerman
Cohen	Kleis	Moe, R.D.	Ranum	Wiener
Day	Knutson	Mondale	Reichgott Junge	
Dille	Kramer	Morse	Riveness	
Finn	Krentz	Murphy	Robertson	
Flynn	Kroening	Neuville	Runbeck	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1086 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1086:** A bill for an act relating to elections; campaign finance; prohibiting lobbying by a principal campaign committee or political party committee that issues refund receipt forms; amending Minnesota Statutes 1994, sections 10A.322, subdivisions 1, 2, 4, and by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

Mrs. Pariseau moved to amend S.F. No. 1086 as follows:

Page 3, line 22, after "to" insert "half"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "reducing contributions eligible for political contribution refunds;"

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	Johnston	Laidig	Neuville	Robertson
Bertram	Kiscaden	Larson	Oliver	Runbeck
Dille	Kleis	Lesewski	Olson	Scheevel
Frederickson	Knutson	Limmer	Ourada	Stevens
Johnson, D.E.	Kramer	Merriam	Pariseau	

Those who voted in the negative were:

Anderson	Day	Kroening	Novak	Samuelson
Beckman	Finn	Lessard	Pappas	Solon
Berg	Hanson	Marty	Piper	Spear
Berglin	Hottinger	Metzen	Pogemiller	Stumpf
Betzold	Janezich	Moe, R.D.	Price	Vickerman
Chandler	Johnson, D.J.	Mondale	Reichgott Junge	Wiener
Chmielewski	Johnson, J.B.	Morse	Riveness	
Cohen	Krentz	Murphy	Sams	

The motion did not prevail. So the amendment was not adopted.

Mrs. Pariseau then moved to amend S.F. No. 1086 as follows:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1994, section 10A.27, is amended by adding a subdivision to read:

Subd. 13. [CANDIDATES WHO ACCEPT PUBLIC SUBSIDY.] A candidate may not accept a contribution from a political committee or political fund during the same election cycle in which the candidate's principal campaign committee issues a political contribution receipt form under section 290.06, subdivision 23, or in which the candidate accepts a public subsidy under this chapter."

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 40, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Larson	Oliver	Runbeck
Berg	Kleis	Lesewski	Olson	Scheevel
Frederickson	Knutson	Limmer	Ourada	Stevens
Johnson, D.E.	Kramer	Merriam	Pariseau	Terwilliger
Johnston	Laidig	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Day	Johnson, J.B.	Murphy	Riveness
Beckman	Dille	Krentz	Novak	Sams
Berglin	Finn	Kroening	Pappas	Samuelson
Bertram	Flynn	Marty	Piper	Solon
Betzold	Hanson	Metzen	Pogemiller	Spear
Chandler	Hottinger	Moe, R.D.	Price	Stumpf
Chmielewski	Janezich	Mondale	Ranum	Vickerman
Cohen	Johnson, D.J.	Morse	Reichgott Junge	Wiener

The motion did not prevail. So the amendment was not adopted.

Mrs. Pariseau then moved to amend S.F. No. 1086 as follows:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1994, section 10A.27, is amended by adding a subdivision to read:

Subd. 13. [CANDIDATES WHO USE POLITICAL CONTRIBUTION REFUND PROGRAM.] A candidate may not accept a contribution from a political committee or political fund during the same election cycle in which the candidate's principal campaign committee issues a political contribution receipt form under section 290.06, subdivision 23."

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 22 and nays 44, as follows:

Those who voted in the affirmative were:

Belanger	Kleis	Lesewski	Ourada	Stevens
Frederickson	Knutson	Limmer	Pariseau	Terwilliger
Johnson, D.E.	Kramer	Neuville	Robertson	
Johnston	Laidig	Oliver	Runbeck	
Kiscaden	Larson	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Chandler	Flynn	Krentz	Metzen
Beckman	Chmielewski	Hanson	Kroening	Moe, R.D.
Berg	Cohen	Hottinger	Langseth	Mondale
Berglin	Day	Janezich	Lessard	Morse
Bertram	Dille	Johnson, D.J.	Marty	Murphy
Betzold	Finn	Johnson, J.B.	Merriam	Novak



Pappas	Price	Riveness	Solon	Vickerman
Piper	Ranum	Sams	Spear	Wiener
Pogemiller	Reichgott Junge	Samuelson	Stumpf	

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.J. moved to amend S.F. No. 1086 as follows:

Page 1, line 10, after "[10A.062]" insert "[LOBBYING LIMITATION.]"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved that S.F. No. 1086 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 474 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 474:** A bill for an act relating to insurance; accident and sickness; regulating policy reinstatement; amending Minnesota Statutes 1994, section 62A.04, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Neuville	Robertson
Beckman	Frederickson	Laidig	Novak	Runbeck
Belanger	Hottinger	Langseth	Oliver	Sams
Berg	Janezich	Larson	Olson	Samuelson
Berglin	Johnson, D.E.	Lesewski	Ourada	Scheevel
Bertram	Johnson, D.J.	Lessard	Pappas	Solon
Betzold	Johnson, J.B.	Limmer	Pariseau	Spear
Chandler	Johnston	Marty	Piper	Stevens
Chmielewski	Kelly	Merriam	Pogemiller	Stumpf
Cohen	Kiscaden	Metzen	Price	Terwilliger
Day	Kleis	Moe, R.D.	Ranum	Vickerman
Dille	Knutson	Mondale	Reichgott Junge	Wiener
Finn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 873 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 873:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Isanti 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:

Anderson	Flynn	Kramer	Murphy	Robertson
Beckman	Frederickson	Krentz	Neuville	Runbeck
Belanger	Hanson	Laidig	Novak	Sams
Berg	Hottinger	Larson	Oliver	Samuelson
Berglin	Janezich	Lesewski	Olson	Scheevel
Bertram	Johnson, D.E.	Lessard	Ourada	Solon
Betzold	Johnson, D.J.	Limmer	Pappas	Spear
Chandler	Johnson, J.B.	Marty	Pariseau	Stevens
Chmielewski	Johnston	Merriam	Piper	Stumpf
Cohen	Kelly	Metzen	Pogemiller	Terwilliger
Day	Kiscaden	Moe, R.D.	Price	Vickerman
Dille	Kleis	Mondale	Ranum	Wiener
Finn	Knutson	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 965 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 965:** A bill for an act relating to transportation; authorizing issuance of permits for 12-foot wide loads of baled straw; amending Minnesota Statutes 1994, sections 169.851, subdivision 1; and 169.862.

Mr. Dille moved to amend S.F. No. 965 as follows:

Page 2, after line 32, insert:

"Sec. 3. Minnesota Statutes 1994, section 171.02, subdivision 2a, is amended to read:

Subd. 2a. ~~[EXCEPTION TO HAZARDOUS MATERIALS ENDORSEMENT EXCEPTIONS.]~~ Notwithstanding subdivision 2, (1) a hazardous materials endorsement is not required to operate a vehicle having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 200 gallons of petroleum products and (2) a class CC license or hazardous materials endorsement is not required to operate a vehicle having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 1,500 gallons of liquid fertilizer.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 965 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kleis	Metzen	Piper
Beckman	Flynn	Knutson	Moe, R.D.	Pogemiller
Belanger	Frederickson	Kramer	Mondale	Price
Berg	Hanson	Krentz	Morse	Ranum
Berglin	Hottinger	Laidig	Murphy	Reichgott Junge
Bertram	Janezich	Langseth	Neuville	Riveness
Betzold	Johnson, D.E.	Larson	Novak	Robertson
Chandler	Johnson, D.J.	Lesewski	Oliver	Runbeck
Chmielewski	Johnson, J.B.	Lessard	Olson	Sams
Cohen	Johnston	Limmer	Ourada	Samuelson
Day	Kelly	Marty	Pappas	Scheevel
Dille	Kiscaden	Merriam	Pariseau	Solon

Spear  
Stevens

Stumpf

Terwilliger

Vickerman

Wiener

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 386 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 386:** A bill for an act relating to health; modifying provisions relating to nursing home moratorium exceptions; amending Minnesota Statutes 1994, sections 144A.071, subdivisions 2, 4a, and by adding a subdivision; and 144A.073, subdivisions 1, 2, 3, 4, 8, and by adding a subdivision; repealing Minnesota Statutes 1994, section 144A.073, subdivision 3a.

Ms. Berglin moved to amend S.F. No. 386 as follows:

Page 13, line 19, after "proposals" insert "or amendments to proposals previously approved under this section"

Page 13, line 27, after the period, insert "Proposals and amendments approved under this subdivision are not subject to the six-mile limit in subdivision 5, paragraph (e), and an amendment under this section to a proposal originally approved before April 1, 1995, involving the replacement of 102 licensed and certified beds may include the relocation of 50 percent of the beds to each of two other locations. A project previously approved under this section that applies for and is granted an amendment under this subdivision prior to July 1, 1995, shall have an additional six months to commence construction beyond the limit established in subdivision 3b."

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 386 as follows:

Page 13, line 30, strike "(a)"

Page 13, line 34, delete "paragraph" and insert "subdivision"

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 386 as follows:

Page 14, line 35, after "supply" insert "(A)" and after "counties" insert "in the seven-county metropolitan area"

Page 15, line 1, before the semicolon, insert "and (B) in other counties so that the supply in the 50-mile radius surrounding the project under review moves toward the statewide mean"

The motion prevailed. So the amendment was adopted.

S.F. No. 386 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Novak	Sams
Beckman	Hanson	Langseth	Oliver	Samuelson
Belanger	Janezich	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Ourada	Solon
Berglin	Johnson, D.J.	Lessard	Pappas	Spear
Bertram	Johnson, J.B.	Limmer	Pariseau	Stevens
Betzold	Johnston	Marty	Piper	Stumpf
Chandler	Kelly	Merriam	Pogemiller	Terwilliger
Chmielewski	Kiscaden	Metzen	Price	Vickerman
Cohen	Kleis	Moe, R.D.	Ranum	Wiener
Day	Knutson	Mondale	Reichgott Junge	
Dille	Kramer	Morse	Riveness	
Finn	Krentz	Murphy	Robertson	
Flynn	Kroening	Neuville	Runbeck	

So the bill, as amended, was passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 447 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 447:** A bill for an act relating to commerce; relating to the administrative duties of the commissioner; regulating service of orders and other papers; modifying enforcement powers; regulating notaries public; amending Minnesota Statutes 1994, sections 45.027, subdivision 7, and by adding a subdivision; 214.101, by adding a subdivision; 359.01; 359.02; and 332.34; proposing coding for new law in Minnesota Statutes, chapters 45; and 359.

Was read the third time 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:

Anderson	Hanson	Kroening	Murphy	Robertson
Beckman	Hottinger	Laidig	Novak	Runbeck
Berg	Janezich	Langseth	Oliver	Sams
Berglin	Johnson, D.E.	Larson	Olson	Samuelson
Bertram	Johnson, D.J.	Lesewski	Ourada	Scheevel
Betzold	Johnson, J.B.	Lessard	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Cohen	Kelly	Marty	Piper	Stumpf
Day	Kiscaden	Merriam	Pogemiller	Terwilliger
Dille	Kleis	Metzen	Price	Vickerman
Finn	Knutson	Moe, R.D.	Ranum	Wiener
Flynn	Kramer	Mondale	Reichgott Junge	
Frederickson	Krentz	Morse	Riveness	

Messrs. Belanger, Chmielewski and Neuville voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 615 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 615:** A bill for an act relating to transportation; establishing a high-speed bus service pilot project in the metropolitan area.

Was read the third time 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:

Anderson	Flynn	Kramer	Mondale	Robertson
Beckman	Frederickson	Krentz	Morse	Runbeck
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Samuelson
Berglin	Janezich	Langseth	Novak	Scheevel
Bertram	Johnson, D.E.	Larson	Oliver	Spear
Betzold	Johnson, D.J.	Lesewski	Ourada	Stevens
Chandler	Johnson, J.B.	Lessard	Pariseau	Stumpf
Chmielewski	Johnston	Limmer	Piper	Terwilliger
Cohen	Kelly	Marty	Price	Wiener
Day	Kiscaden	Merriam	Ranum	
Dille	Kleis	Metzen	Reichgott Junge	
Finn	Knutson	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1042 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1042:** A bill for an act relating to limited liability organizations; modifying name requirements; eliminating a filing requirement; clarifying when debts arise or accrue for limited liability partnerships; amending Minnesota Statutes 1994, sections 319A.02, subdivision 7; 319A.07; 319A.08; 322A.02; 322A.72; 322B.12, subdivision 1; 323.14, by adding a subdivision; 323.44, by adding a subdivision; and 323.45, subdivision 1.

Mr. Berg moved to amend S.F. No. 1042 as follows:

Page 7, after line 27, insert:

"Sec. 10. Minnesota Statutes 1994, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, ~~limited liability company~~, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, ~~limited liability company~~, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Livestock that are delivered for slaughter or processing may be fed and cared for by a corporation up to 20 days prior to slaughter or processing. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to (s) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to (s):

(a) a bona fide encumbrance taken for purposes of security;

(b) a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) agricultural land operated for research or experimental purposes with the approval of the

commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod. An entity that is organized to raise livestock other than dairy cattle under this clause that does not meet the definition requirement for an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and

(2) report its total production and sales annually to the commissioner of agriculture;

(f) agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation,

an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, or limited partnership. Notwithstanding the five-year divestiture requirement under this clause, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period. Livestock acquired by a pension or investment fund, corporation, or limited partnership in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is later;

(j) agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

(k) agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) all agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) a corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) an interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) the acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(s) agricultural land owned or leased as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3."

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "removing limitations on ownership and use of agricultural lands by limited liability companies;"

Page 1, line 9, delete "and" and before the period, insert "; and 500.24, subdivision 3"

Mr. Morse questioned whether the amendment was germane.

The President ruled that the amendment was germane.

### CALL OF THE SENATE

Mr. Morse imposed a call of the Senate for the balance of the proceedings on S.F. No. 1042. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Dille moved to amend the Berg amendment to S.F. No. 1042 as follows:

Pages 1 to 6, delete section 10 and insert:

"Sec. 10. Minnesota Statutes 1994, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations or limited liability companies; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock. References in Minnesota Statutes to a family farm corporation, as defined in this paragraph, include a family farm limited liability company as defined in paragraph (1).

(d) "Authorized farm corporation" means a corporation meeting the following standards under clause (1) or (2):

(1)(i) its shareholders do not exceed five in number;

(ii) all its shareholders, other than any estate are natural persons;

(iii) it does not have more than one class of shares; ~~and~~

(iv) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; ~~and~~

(v) shareholders holding 51 percent or more of the interest in the corporation must be residing on the farm or actively engaging in farming;



(vi) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(vii) a shareholder of the authorized farm corporation is not a shareholder in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; or

(2)(i) the corporation is engaged in the production of livestock other than dairy cattle; and is not engaged in farming activities otherwise prohibited under this section;

(ii) all its shareholders other than an estate, are natural persons or a family farm corporation;

(iii) it does not have more than one class of shares;

(iv) its revenue from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts;

(v) shareholders holding 75 percent or more of the control and financial investment in the corporation must be farmers residing in Minnesota and at least 51 percent of the required percentage of farmers must be actively engaged in livestock production;

(vi) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state;

(vii) a shareholder of the authorized farm corporation is not a shareholder in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(viii) the corporation was formed for the production of livestock other than dairy cattle by natural persons or family farm corporations that provide 75 percent or more of the capital investment.

References in Minnesota Statutes to an authorized farm corporation, as defined in this paragraph, include an authorized farm limited liability company as defined in paragraph (m).

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(h) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

(i) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) its partners do not exceed five in number;

(3) all its partners, other than an estate, are natural persons;

(4) its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) the authorized farm partnership, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(8) a limited partner of the authorized farm partnership is not a limited partner in other authorized farm partnerships that directly or indirectly in combination with the authorized farm partnership own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

(j) "Farmer" means a person who regularly participates in physical labor or operations management in the farmer's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

(k) "Actively engaged in livestock production" means that a person performs day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation.

(l) "Family farm limited liability company" means a limited liability company founded for the purpose of farming and the ownership of agricultural land in which the majority of the membership interests in the limited liability company are held by and the majority of the members are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law. At least one of the related persons must be residing on or actively operating the farm, and none of the members may be corporations or limited liability companies. A family farm limited liability company does not cease to qualify as such because of a devise or bequest of a membership interest in the limited liability company.

(m) "Authorized farm limited liability company" means a limited liability company meeting the following standards under clause (1) or (2):

(1)(i) its members do not exceed five in number;

(ii) all its members, other than an estate, are natural persons;

(iii) it does not have more than one class of membership interest;

(iv) its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;

(v) members holding 51 percent or more of both the governance rights and financial rights in the limited liability company must be residing on the farm or actively engaged in farming;

(vi) the limited liability company, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(vii) a member of the limited liability company is not a member in one or more other authorized farm limited liability companies that directly or indirectly in combination with the authorized farm limited liability company own more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; or

(2)(i) the limited liability company is engaged in the production of livestock other than dairy cattle; and is not engaged in farming activities otherwise prohibited under this section;

(ii) all its members other than an estate, are natural persons or a family farm limited liability company;

(iii) it does not have more than one class of membership interest;

(iv) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(v) members holding 75 percent or more of both the governance rights and financial rights in the limited liability company must be farmers residing in Minnesota and at least 51 percent of the required percentage of farmers must be actively engaged in livestock production;

(vi) the limited liability company, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state;

(vii) a member of the limited liability company is not a member in other authorized farm limited liability companies that directly or indirectly in combination with the authorized farm limited liability company, own more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(viii) the limited liability company was formed for the production of livestock, other than dairy cattle, by natural persons or family farm limited liability companies that provide 75 percent or more of the capital investment."

Amend the title amendment as follows:

Page 6, line 27, delete "removing"

Page 6, delete lines 28 and 29 and insert "providing for family farm limited liability companies and authorized farm limited liability companies;"

Page 6, line 31, delete "3" and insert "2"

The question was taken on the adoption of the Dille amendment to the Berg amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Berg	Johnston	Laidig	Merriam	Robertson
Chmielewski	Kelly	Langseth	Neuville	Rumbeck
Day	Kiscaden	Larson	Oliver	Scheevel
Dille	Kleis	Lesewski	Olson	Stevens
Frederickson	Knutson	Lessard	Ourada	Stumpf
Johnson, D.E.	Kramer	Limmer	Pariseau	Terwilliger

Those who voted in the negative were:

Anderson	Flynn	Marty	Piper	Solon
Beckman	Hanson	Metzen	Pogemiller	Spear
Berglin	Hottinger	Moe, R.D.	Price	Vickerman
Bertram	Janezich	Mondale	Ranum	Wiener
Betzold	Johnson, D.J.	Morse	Reichgott Junge	
Chandler	Johnson, J.B.	Murphy	Riveness	
Cohen	Krentz	Novak	Sams	
Finn	Kroening	Pappas	Samuelson	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Berg amendment.

The roll was called, and there were yeas 30 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Lesewski	Novak	Runbeck
Berg	Johnston	Lessard	Oliver	Samuelson
Chmielewski	Kleis	Limmer	Olson	Scheevel
Day	Knutson	Merriam	Ourada	Solon
Dille	Laidig	Metzen	Pariseau	Stevens
Flynn	Larson	Neuville	Robertson	Terwilliger

Those who voted in the negative were:

Anderson	Frederickson	Kramer	Murphy	Sams
Beckman	Hanson	Krentz	Pappas	Spear
Berglin	Hottinger	Kroening	Piper	Stumpf
Bertram	Janezich	Langseth	Pogemiller	Vickerman
Betzold	Johnson, D.J.	Marty	Price	Wiener
Chandler	Johnson, J.B.	Moe, R.D.	Ranum	
Cohen	Kelly	Mondale	Reichgott Junge	
Finn	Kiscaden	Morse	Riveness	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1042 was read the third time 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:

Anderson	Frederickson	Kroening	Neuville	Runbeck
Beckman	Hanson	Laidig	Novak	Sams
Belanger	Hottinger	Langseth	Oliver	Samuelson
Berg	Janezich	Larson	Olson	Scheevel
Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Bertram	Johnson, D.J.	Lessard	Pappas	Spear
Betzold	Johnson, J.B.	Limmer	Pariseau	Stevens
Chandler	Johnston	Marty	Piper	Stumpf
Chmielewski	Kelly	Merriam	Pogemiller	Terwilliger
Cohen	Kiscaden	Metzen	Price	Vickerman
Day	Kleis	Moe, R.D.	Ranum	Wiener
Dille	Knutson	Mondale	Reichgott Junge	
Finn	Kramer	Morse	Riveness	
Flynn	Krentz	Murphy	Robertson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 163 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 163:** A bill for an act relating to crimes; changing expiration for the crime victim and witness advisory council; amending Minnesota Statutes 1994, section 611A.71, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Neuville	Robertson
Beckman	Frederickson	Kroening	Novak	Runbeck
Belanger	Hanson	Laidig	Oliver	Sams
Berg	Hottinger	Langseth	Olson	Samuelson
Berglin	Johnson, D.E.	Larson	Ourada	Scheevel
Bertram	Johnson, D.J.	Lesewski	Pappas	Solon
Betzold	Johnson, J.B.	Lessard	Pariseau	Spear
Chandler	Johnston	Limmer	Piper	Stevens
Chmielewski	Kelly	Marty	Pogemiller	Stumpf
Cohen	Kiscaden	Merriam	Price	Terwilliger
Day	Kleis	Metzen	Ranum	Vickerman
Dille	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Finn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1055 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1055:** A bill for an act relating to occupations and professions; exempting certain social workers from requirement to obtain home care provider license; exempting some social workers employed in a hospital or nursing home from examination; modifying licensure requirements; requiring hospital and nursing home social workers to be licensed; amending Minnesota Statutes 1994, sections 144A.46, subdivision 2; 148B.23, subdivisions 1 and 2; 148B.27, subdivision 2, and by adding a subdivision; and 148B.60, subdivision 3; repealing Minnesota Statutes 1994, sections 148B.23, subdivision 1a; and 148B.28, 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 63 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kroening	Neuville	Runbeck
Beckman	Frederickson	Laidig	Novak	Sams
Belanger	Hanson	Langseth	Olson	Samuelson
Berg	Hottinger	Larson	Ourada	Scheevel
Berglin	Johnson, D.E.	Lesewski	Pappas	Solon
Bertram	Johnson, D.J.	Lessard	Pariseau	Spear
Betzold	Johnson, J.B.	Limmer	Piper	Stevens
Chandler	Johnston	Marty	Pogemiller	Stumpf
Chmielewski	Kelly	Merriam	Price	Terwilliger
Cohen	Kleis	Metzen	Ranum	Vickerman
Day	Knutson	Moe, R.D.	Reichgott Junge	Wiener
Dille	Kramer	Mondale	Riveness	
Finn	Krentz	Morse	Robertson	

Ms. Kiscaden and Mr. Oliver voted in the negative.

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 1086 be taken from the table. The motion prevailed.

**S.F. No. 1086:** A bill for an act relating to elections; campaign finance; prohibiting lobbying by a principal campaign committee or political party committee that issues refund receipt forms; amending Minnesota Statutes 1994, sections 10A.322, subdivisions 1, 2, 4, and by adding a subdivision; and 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

Mr. Neuville moved to amend S.F. No. 1086 as follows:

Page 1, after line 19, insert:

"Sec. 2. [10A.063] [LOBBYING LIMITATION: LOCAL GOVERNMENTS.]

A political subdivision may not use local government aid or homestead and agricultural credit aid to make expenditures:

(1) for the purpose of attempting to influence legislative or administrative action or the official action of a metropolitan government unit by communicating or urging others to communicate with public or local officials; or

(2) for direct payments to lobbyists in this state."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Johnson, D.J. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 1086 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 45 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Kroening	Mondale	Reichgott Junge
Beckman	Flynn	Langseth	Morse	Riveness
Berg	Hanson	Larson	Novak	Sams
Berglin	Hottinger	Lesewski	Ourada	Samuelson
Bertram	Johnson, D.J.	Lessard	Pappas	Solon
Betzold	Johnson, J.B.	Marty	Piper	Spear
Chandler	Johnston	Merriam	Pogemiller	Stumpf
Chmielewski	Kelly	Metzen	Price	Vickerman
Cohen	Krentz	Moe, R.D.	Ranum	Wiener

Those who voted in the negative were:

Belanger	Johnson, D.E.	Kramer	Oliver	Runbeck
Day	Kiscaden	Laidig	Olson	Scheevel
Dille	Kleis	Limmer	Pariseau	Stevens
Frederickson	Knutson	Neuville	Robertson	Terwilliger

So the bill, as amended, was passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1099.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1995

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. 257:** A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, subdivision 1.

Senate File No. 257 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1995

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 257, 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. 957, 990, 1371, 1065 and 1431.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 3, 1995

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

**H.F. No. 957:** A resolution memorializing the President and Congress to abandon the proposed sale of the Western Area Power Administration.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 777.

**H.F. No. 990:** A bill for an act relating to consumer protection; providing warranties for new assistive devices; providing enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Judiciary.

**H.F. No. 1371:** A bill for an act relating to commerce; securities; regulating disclosure of payment received for directing order flow; amending Minnesota Statutes 1994, section 80A.06, subdivision 5.

Referred to the Committee on Commerce and Consumer Protection.

**H.F. No. 1065:** A bill for an act relating to St. Louis county; modifying certain accounting and expenditure requirements for road and bridge fund tax money derived from unorganized townships; proposing coding for new law in Minnesota Statutes, chapter 383C.

Referred to the Committee on Metropolitan and Local Government.

**H.F. No. 1431:** A bill for an act relating to wood measurement; providing standard measurements for pulpwood, firewood, and other timber; amending Minnesota Statutes 1994, section 239.33.

Referred to the Committee on Jobs, Energy and Community Development.

## 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 Transportation and Public Transit, to which was referred**

**S.F. No. 1329:** 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; making technical changes; amending Minnesota Statutes 1994, sections 15A.081, subdivision 1; 174.02, subdivisions 4, 5, and by adding subdivisions; 174.06, by adding a subdivision; 174.10; 218.041, subdivision 6; and 219.074, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1994, sections 174A.01; 174A.02; 174A.03; 174A.04; 174A.05; 174A.06; 218.011, subdivision 7; and 218.041, subdivision 7; and Minnesota Rules, part 8850.6900.

Reports the same back with the recommendation that the bill be amended as follows:

Page 13, after line 31, insert:

"Sec. 14. [TRANSITION STUDY.]

The transportation regulation board and the commissioner of transportation shall conduct a transition study which must result in recommendations concerning the most effective and efficient means to implement sections 1 to 13 and transfer the powers, duties, and functions of the board to an appropriate agency. In performing the study and making recommendations, the board and commissioner shall solicit input from truckers and other transportation organizations and entities concerning the effects of the federal preemption and the transfer of powers, duties, and functions from the board to an appropriate agency. The board and commissioner shall report its recommendations to the legislature no later than February 1, 1996."

Page 13, line 32, delete "14" and insert "15"

Page 13, after line 36, insert:

"Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 13 and 15 are effective on July 1, 1996. Section 14 is effective on July 1, 1995."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

**Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred**

**S.F. No. 654:** A bill for an act relating to agriculture; expanding eligibility for the value-added agricultural product loan program; appropriating money; amending Minnesota Statutes 1994, section 41B.046, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 10, insert:

"(1) Agricultural commodity has the meaning given in section 17.90."

Page 1, line 11, strike "(1)" and insert "(2)"

Page 1, lines 15, 16, and 21, delete "produce" and insert "commodities"

Page 1, line 19, strike "(2)" and insert "(3)"



Page 1, line 20, after "from" insert "an" and delete "produce" and insert "commodity"

Page 2, delete sections 3 and 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance.  
Amendments adopted. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 1479:** A bill for an act relating to consumer protection; providing warranties for new assistive devices; providing enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 325G.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

**Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred**

**S.F. No. 836:** A bill for an act relating to commerce; rental-purchase agreements; regulating the cost of lease services; providing for the application of certain other law; amending Minnesota Statutes 1994, sections 325F.84, by adding a subdivision; 325F.85; and 325F.91, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, before the period, insert "but in no event shall the total payments necessary to acquire ownership of the leased property exceed twice the cash price of the property"

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 Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1421:** A bill for an act relating to local government; protecting shooting ranges from planning and zoning laws and ordinances; limiting closings of ranges and providing for relocating costs; proposing coding for new law as Minnesota Statutes, chapter 87A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "for" insert "the voluntary guidance of"

Page 1, line 19, delete "emergency and permanent rules of"

Page 2, line 6, delete everything after the period

Page 2, delete line 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1207:** A bill for an act relating to economic development; authorizing an appropriation

for a grant for the Prairieland Expo facility to be used for land acquisition; amending Laws 1994, chapter 643, section 21, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

**Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred**

**S.F. No. 1244:** A bill for an act relating to taxes; establishing a rental tax equity program for Duluth, Minneapolis, Saint Paul, and other eligible cities; appropriating money.

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. Chmielewski from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 832:** A bill for an act relating to taxation; changing the gasoline excise tax rate; indexing the rate of taxation on gasoline; removing metropolitan council transit bonding limitation; allowing metropolitan council to impose a metropolitan area sales tax; limiting metropolitan council transit taxing authority; requiring continued study of road pricing; requiring study of trunk highway turnback; amending Minnesota Statutes 1994, sections 296.02, subdivision 1b, and by adding a subdivision; 473.39, subdivision 1; and 473.446, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1994, sections 473.39, subdivisions 1a and 1b; and 473.446, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 24, delete "and"

Page 4, after line 24, insert:

"(5) to provide to applicants receiving assistance for a replacement service program an amount not to exceed the allowable amount calculated under section 473.388, subdivision 4, for taxes payable in 1995; and"

Page 4, line 25, delete "(5)" and insert "(6)"

Page 8, line 32, delete "subdivision" and insert "subdivisions 1a and"

Amend the title as follows:

Page 1, line 15, delete "subdivision" and insert "subdivisions 1a and"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

**Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 1406:** A bill for an act relating to employment; establishing and modifying certain salary limits; amending Minnesota Statutes 1994, sections 3.855, subdivision 3; 15A.083, subdivisions 5, 6a, and 7; and 43A.17, subdivisions 1, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1994, sections 15A.081, subdivisions 1, 7, and 7b; and 43A.18, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, after the semicolon, insert "(and)"

Page 2, lines 5 to 7, strike the old language

Page 2, line 8, delete "(d)"

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1994, section 15A.081, subdivision 8, is amended to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in ~~subdivision 1 subdivisions 3 and 4, and constitutional officers, and the commissioner of iron range resources and rehabilitation~~ are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may ~~promulgate~~ adopt rules to assure the proper expenditure of these funds, and to provide for reimbursement."

Page 2, line 17, delete "5" and insert "4"

Page 3, line 17, delete "assigned to" and insert "in"

Page 3, after line 22, insert:

"Commissioner of economic security;"

Page 3, delete line 31

Page 4, line 9, delete "assigned to" and insert "in"

Page 4, delete lines 11 to 26 and insert:

"Ombudsman for corrections;

Director of office of environmental assistance;

Executive director of gambling control board;

Commissioner of iron range resources and rehabilitation board;

Commissioner, bureau of mediation services;

Ombudsman for mental health and retardation;

Chair, metropolitan airports commission;

Chair, metropolitan council;

Executive director of pari-mutuel racing;

Executive director, public employees retirement association;

Commissioner, public utilities commission;

Executive director, state retirement system;

Executive director, teacher's retirement association;

Member, transportation regulation board."

Page 4, line 28, before the period, insert "a year"

Page 5, line 3, after the second "of" insert "a" and strike "judges" and insert "judge"

Page 5, line 5, delete "salaries" and insert "salary" and after "of" insert "the chief judge of a district court judicial district as set under section 15A.082. The salaries of the assistant chief administrative law judge and the administrative law judge supervisor are 95 percent of the salary of"

Page 5, line 6, delete "the" and insert "a" and delete "judges" and insert "judge"

Page 5, line 31, strike "15A.081" and insert "15A.0815"

Page 5, line 35, strike "compensation" and insert "salaries"

Page 6, lines 34 and 35, delete "commissioner has received approval" and insert "increase has been approved"

Page 7, delete sections 9 and 10 and insert:

"Sec. 10. Minnesota Statutes 1994, section 85A.02, subdivision 5a, is amended to read:

Subd. 5a. [EMPLOYEES.] (a) The board shall appoint an administrator who shall serve as the executive secretary and principal administrative officer of the board and, subject to its approval, ~~the administrator~~ shall operate the Minnesota zoological garden and enforce all rules and policy decisions of the board. The administrator must be chosen solely on the basis of training, experience, and other qualifications appropriate to the field of zoo management and development. ~~The board shall set the compensation for the administrator within the limits established for the commissioner of agriculture in section 15A.081, subdivision 1.~~ The administrator shall perform duties assigned by the board and ~~shall serve~~ serves in the unclassified service at the pleasure of the board. The administrator, with the participation of the board, shall appoint a development director in the unclassified service or contract with a development consultant to establish mechanisms to foster community participation in and community support for the Minnesota zoological garden. The board may employ other necessary professional, technical, and clerical personnel. Employees of the zoological garden are eligible for salary supplement in the same manner as employees of other state agencies. The commissioner of finance shall determine the amount of salary supplement based on available funds.

(b) The board may contract with individuals to perform professional services and may contract for the purchases of necessary species exhibits, supplies, services, and equipment. The board may also contract for the construction and operation of entertainment facilities on the zoo grounds that are not directly connected to ordinary functions of the zoological garden. The zoo board ~~shall~~ may not enter into ~~any~~ a final agreement for construction of ~~any~~ an entertainment facility that is not directly connected to the ordinary functions of the zoo until after final construction plans have been submitted to the chairs of the senate finance and house appropriations committees for their recommendations.

The zoo may not contract for entertainment during the period of the Minnesota state fair that would directly compete with entertainment at the Minnesota state fair.

Sec. 11. Minnesota Statutes 1994, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) ~~The office of governor shall appoint the commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.~~

(2) The commissioner may hold ~~such~~ other positions or appointments as that are not incompatible with duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, ~~shall~~ must be paid out of the amounts appropriated by section 298.28. ~~The compensation of the commissioner shall be set by the legislative coordinating commission and may not exceed the maximum salary set for the commissioner of administration under section 15A.081, subdivision 1.~~

(3) When the commissioner ~~shall determine~~ determines that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use ~~thereof~~ of natural resources in the future and ~~the any~~ resulting decrease in employment ~~resulting therefrom, now or hereafter~~, the commissioner may use ~~such~~ whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 ~~as that are determined to be necessary and proper in the development of the remaining resources of said the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the~~

commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism."

Page 7, after line 21, insert:

"Sec. 13. [APPROPRIATION.]

\$..... is appropriated to the legislative coordinating commission to carry out the evaluation required by section ..."

Page 7, line 26, delete "2 to 6" and insert "3 to 7" and delete "retroactively to"

Page 7, line 27, delete "January" and insert "July" and delete everything after the period

Page 7, delete line 28

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

Page 1, line 4, after the semicolon, insert "15A.081, subdivision 8;"

Page 1, line 5, delete the second "and"

Page 1, line 6, after the semicolon, insert "85A.02, subdivision 5a; and 298.22, subdivision 1;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was re-referred**

**S.F. No. 1076:** A bill for an act relating to energy; regulating wind energy conversion systems siting; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Report adopted.

**Mr. Bertram from the Committee on Agriculture and Rural Development, to which was re-referred**

**S.F. No. 483:** A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1; repealing Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 103G.005, is amended by adding a subdivision to read:

Subd. 2a. [AGRICULTURAL LAND.] "Agricultural land" has the meaning given in section 17.81, subdivision 3.

Sec. 2. Minnesota Statutes 1994, section 103G.005, is amended by adding a subdivision to read:

Subd. 2b. [AGRICULTURAL USE.] "Agricultural use" has the meaning given in section 40A.02, subdivision 3.

Sec. 3. Minnesota Statutes 1994, section 103G.221, subdivision 1, is amended to read:

Subdivision 1. [DRAINAGE OF PUBLIC WATERS WETLANDS GENERALLY PROHIBITED WITHOUT REPLACEMENT.] Except as provided in this subdivision and in subdivisions 2 and 3, public waters wetlands may not be drained, and a permit authorizing drainage of public waters wetlands may not be issued, unless the public waters wetlands to be drained are replaced by wetlands that will have equal or greater public value. Road authorities may repair and maintain roads within the road right-of-way, including replacement of culverts, which result in drainage of public waters wetlands without replacement of wetlands, provided the public waters wetlands are not drained to a greater extent than when the road was constructed or when the culvert was working.

Sec. 4. Minnesota Statutes 1994, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

(a) After the effective date of the rules adopted under section 103B.3355 or 103G.2242, whichever is later, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan ~~approved by the board adopted under section 103G.2242, subdivision 1, paragraph (c) 1a,~~ or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242.

(b) Except as provided in paragraph (l), replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and

(5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

(f) Except as provided in paragraph (g), for a wetland located on nonagricultural land, replacement must be based on the public value or in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland located on agricultural land or in counties or watersheds in which 80 percent or more of the presettlement wetland acreage exists, replacement must be based on the public value or in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in counties or watersheds where 80 percent or more of the presettlement wetlands are intact, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) A local government unit may make a sequencing determination and, after consideration, deviate from the provisions of paragraph (b), without a written alternatives analysis from the applicant, for projects involving the draining or filling of less than:

(1) 2,000 square feet of wetlands in the building setback of shoreland areas in all counties;

(2) 10,000 square feet of wetlands in counties with 80 percent or less of their presettlement wetlands remaining; and

(3) 20,000 square feet of wetlands in counties with more than 80 percent of their presettlement wetlands remaining.

(m) For projects involving draining or filling of wetlands outside of the building setback of shoreland areas, a person may satisfy replacement requirements under this section by paying an amount equal to the fair market value of the upland created by the draining or filling activity, as determined by the county assessor. The payment must be made to the local government unit if it has established a wetland bank that is approved by the board. The local government unit shall use any money received under this paragraph for making withdrawals from the wetland bank administered by the local government unit for the purpose of replacing lost wetland values.

Sec. 5. Minnesota Statutes 1994, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

(a) Subject to the conditions in paragraph (b) (c), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);

(6) activities authorized under, and conducted in accordance with, an applicable individual or general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), ~~clause (14), limited to when a new road crosses a wetland, and all of clause (26);~~

(7) activities in a type 1 wetland ~~on agricultural land~~, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands, regardless of whether or not the wetland is part of a larger wetland that includes other types;

(8) activities in a the draining or filling of up to two acres of a type 2 wetland that is two acres in size or less located on agricultural land, regardless of whether or not the wetland is part of a larger wetland that includes other types;

(9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;

(10) activities in a wetland created solely as a result of:

(i) beaver dam construction;

(ii) blockage of culverts through roadways maintained by a public or private entity;

(iii) actions ~~by public entities~~ that were taken for a purpose other than creating the wetland; or

(iv) any combination of (i) to (iii);

(11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;

(13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;

(14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest and slash deposition on frozen soil conducted as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or



buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;

(15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;

(16) draining or filling up to one-half acre of wetlands for the repair, rehabilitation, or replacement of a previously authorized, currently serviceable existing public road, provided that minor deviations in the public road's configuration or filled area, including those due to changes in materials, construction techniques, or current construction codes or safety standards, that are necessary to make repairs, rehabilitation, or replacement are allowed if the wetland draining or filling resulting from the repair, rehabilitation, or replacement is minimized;

(17) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland or private infrastructure, and updating of public or private infrastructure as necessary to comply with requirements under state or federal law;

(18) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland, including private crossings;

(19) duck blinds;

(20) aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food, Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body; and

(25) activities that result in the draining or filling of less than 400 the following amounts of wetlands as part of a project, regardless of the total amount of wetlands drained or filled as part of the project:

(i) 1,000 square feet of wetlands in the building setback of shoreland areas in all counties;

(ii) 5,000 square feet of wetlands in counties with 80 percent of their presettlement wetlands remaining; and

(iii) 10,000 square feet of wetlands in counties with greater than 80 percent of their presettlement wetlands remaining;

(26) deposition of spoil resulting from excavation within a wetland for wildlife habitat purposes, if:

(i) the area of deposition does not exceed five percent of the wetland area; and

(ii) the project does not have an adverse impact on any species designated as threatened or endangered under state or federal law;

(27) activities by a landowner on land that has been owned continuously by the landowner since July 1, 1991; and

(28) activities by a landowner to gain access to uplands through wetland portions of the landowner's property.

(b) For the purpose of paragraph (a), clause (16), "currently serviceable" means usable as is or with some maintenance, but not so degraded as to essentially require reconstruction. Paragraph (a), clause (16), authorizes the repair, rehabilitation, or replacement of public roads destroyed by storms, floods, fire, or other discrete events, provided the repair, rehabilitation, or replacement is commenced or under contract to commence within two years of the occurrence of the destruction or damage.

(c) In applying the exemption in paragraph (a), clause (25), the local government unit shall determine the scope of the project and the wetlands to be replaced. In making this determination, the local government unit may request assistance from the technical evaluation panel established under section 103G.2242, subdivision 2.

(d) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

(e) A local government unit may expand the application of paragraph (a), clause (8), to additional acreage when the additional acreage is part of a conservation plan prepared by the local soil and water conservation district and the additional drainage is necessary for efficient operation of the farm.

Sec. 6. Minnesota Statutes 1994, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) By July 1, 1993, the board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; may address the state establishment and administration of a wetland banking program for public and private projects, which may include provisions allowing monetary payment to the wetland banking program for alteration of wetlands on agricultural land; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(c) ~~The board may approve~~ As an alternative to the rules adopted under this subdivision, a local

government unit may develop and implement a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

- (1) incorporates sections 103A.201, subdivision 2, and 103G.222;
- (2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311; and
- (3) is adopted as part of the local government's official controls in accordance with subdivision 1a.

(d) If the local government unit fails to apply the rules, or fails to implement a local program comprehensive wetland protection and management plan under ~~paragraph (c)~~ subdivision 1a, the government unit is subject to penalty as determined by the board.

Sec. 7. Minnesota Statutes 1994, section 103G.2242, is amended by adding a subdivision to read:

Subd. 1a. [COMPREHENSIVE WETLAND PROTECTION AND MANAGEMENT PLANS.] (a) As an alternative to the rules adopted under this section a local government unit may adopt a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

(1) incorporates section 103A.201, subdivision 2, and, except as provided in this subdivision, section 103G.222; and

(2) is adopted as part of the local government's official controls.

(b) A comprehensive wetland protection and management plan may:

(1) according to a procedure developed in consultation with the board, classify wetlands based on an assessment of:

(i) wetland functions, including floodwater retention, nutrient assimilation, sediment entrapment, groundwater recharge, low flow augmentation, aesthetics and recreation, commercial uses, wildlife and fisheries habitat, and education; and

(ii) the resulting public values;

(2) allow replacement credit for any project that increases the public value of wetlands, including activities on adjacent upland areas, based on the classification;

(3) establish a local wetland bank that is not subject to rules adopted by the board, provided the bank is administered so as to ensure no net loss of wetland values, based on the classification;

(4) expand the application of the exemptions in section 103G.2241, paragraph (a), clauses (7) and (8), to also include nonagricultural land;

(5) vary application of the sequencing standards of section 103G.222, paragraph (b), based on the classification; and

(6) vary the replacement standards of section 103G.222, paragraphs (f) and (g), provided there is no net loss of public values and biological diversity within the area subject to the plan.

(c) The local government unit shall make replacement decisions based on the plan.

Sec. 8. Minnesota Statutes 1994, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. [EVALUATION; MAP.] (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and a technical professional with expertise in water resources management appointed by the local government unit. The panel shall use the "Federal Manual for Identifying

and Delineating Jurisdictional Wetlands" (January 1989) "U.S. Army Corps of Engineers Wetland Delineation Manual" (January 1987). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan.

(b) Upon request of an applicant, the local government unit shall provide a detailed wetlands map of the applicant's property which delineates the wetlands on the property. If the applicant disagrees with the delineation, the applicant may appeal to the technical evaluation panel.

Sec. 9. Minnesota Statutes 1994, section 103G.2242, subdivision 4, is amended to read:

Subd. 4. [DECISION.] Upon receiving and considering all required data, the local government unit approving a replacement plan must act on all applications for plan approval within 60 days. A local government unit may extend the 60-day period for an additional 30 days by notifying the applicant in writing of the delay, the reasons for the delay, and the expected date of final action on the application. If the local government unit fails to act on an application within the 60-day period or any extension period, the replacement plan shall be deemed approved.

Sec. 10. Minnesota Statutes 1994, section 103G.2242, subdivision 6, is amended to read:

Subd. 6. [NOTICE OF APPLICATION.] (a) Except as provided in paragraph (b), within ten days of receiving an application for approval of a replacement plan under this section, a copy summary of the application must be submitted to the board for publication in the Environmental Quality Board Monitor and separate copies of the complete application mailed to the members of the technical evaluation panel, individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected natural resources.

(b) Within ten days of receiving an application for approval of a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the application must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the members of the technical evaluation panel, individual members of the public who request a copy, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected commissioner of natural resources.

(c) For the purpose of this subdivision, "application" includes a revised application for replacement plan approval and an application for a revision to an approved replacement plan if:

(1) the wetland area to be drained or filled under the revised replacement plan is at least ten percent larger than the area to be drained or filled under the original replacement plan; or

(2) the wetland area to be drained or filled under the revised replacement is located more than 500 feet from the area to be drained or filled under the original replacement plan.

Sec. 11. Minnesota Statutes 1994, section 103G.2242, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF DECISION.] (a) Except as provided in paragraph (b), at least 30 days prior to By the effective date of the approval or denial of a replacement plan under this section, a copy summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the board members of the technical evaluation panel, individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed natural resources. Notice in the Environmental Quality Board Monitor is not required for projects involving the draining or filling of less than 10,000 square feet of wetlands.

(b) Within ten days of the decision approving or denying a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the approval or

~~denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, individual members of the public who request a copy, the members of the technical evaluation panel, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.~~

Sec. 12. Minnesota Statutes 1994, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] Appeal of the a replacement plan, exemption, or no-loss decision may be obtained by mailing a notice of appeal petition to the board within 30 15 days after the postmarked date of the mailing specified in subdivision 7. The local government unit may require the petitioner to post a bond in an amount not to exceed \$500. If appeal is not sought within 30 days, the decision becomes final. Appeal may be made by the wetland owner, by any of those to whom notice is required to be mailed under subdivision 7, or by 100 residents of the county in which a majority of the wetland is located. Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that the appeal is meritless, trivial, or brought solely for the purposes of delay; that the petitioner has not exhausted all local administrative remedies; or that the petitioner has not posted a bond if required by the local government unit. In determining whether to grant the appeal, the board shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal. All appeals must be heard by the committee for dispute resolution of the board, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. The A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Sec. 13. Minnesota Statutes 1994, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. [REPLACEMENT CREDITS.] (a) Except as provided in paragraphs (b) and (c) or in a comprehensive wetland protection and management plan adopted under section 103G.2242, subdivision 1a, no public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

~~This subdivision (b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.~~

(c) A wetland covered by section 103G.2241, paragraph (a), clause (9), may be used for replacement statewide.

(d) Notwithstanding section 103G.222, paragraph (i), the following areas are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) an area of permanent vegetative cover reestablished on a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price supports or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) a buffer area of permanent vegetative cover established on upland adjacent to a wetland, if the upland buffer area was established at the time of wetland replacement; and

(3) a water quality treatment pond constructed to pretreat stormwater runoff prior to discharge to a wetland, if the water quality treatment pond was constructed at the time of wetland replacement.

Replacement credit under clause (1) may not exceed 50 percent of the total area of reestablished vegetative cover. Replacement credits under clauses (2) and (3) may be used only for replacement above a one-to-one ratio.

Sec. 14. Minnesota Statutes 1994, section 103G.237, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] (a) The board shall award compensation in an amount equal to the greater of:

(1) 50 percent of the value of the wetland, calculated by multiplying the acreage of the wetland by the greater of:

(1) (i) the average equalized estimated market value of agricultural property in the township as established by the commissioner of revenue at the time application for compensation is made; or

(2) (ii) the assessed value per acre of the parcel containing the wetland, based on the assessed value of the parcel as stated on the most recent tax statement; or

(2) \$200 per acre of wetland subject to the replacement plan, increased or decreased by the percentage change of the assessed valuation of land in the township where the wetland is located from the 1995 valuation.

(b) A person who receives compensation under paragraph (a) shall convey to the board a permanent conservation easement as described in section 103F.515, subdivision 4. An easement conveyed under this paragraph is subject to correction and enforcement under section 103F.515, subdivisions 8 and 9.

Sec. 15. Minnesota Statutes 1994, section 103G.237, is amended by adding a subdivision to read:

Subd. 5. [COMPENSATION CLAIMS AGAINST LOCAL GOVERNMENT UNITS.] (a) At the request of a local government unit against which a compensation action is brought based at least in part on the local government unit's application of section 103G.222, 103G.2241, 103G.2242, 103G.237, or 103G.2372, or rules adopted by the board to implement these sections, the state, through the attorney general, shall intervene in the action on behalf of the local government unit and shall thereafter be considered a defendant in the action. A local government unit making a request under this paragraph shall provide the attorney general with a copy of the complaint as soon as possible after being served. If requested by the attorney general, the court shall grant additional time to file an answer equal to the time between service of the complaint on the local government unit and receipt of the complaint by the attorney general.

(b) The state is liable for costs, damages, fees, and compensation awarded in the action based on the local government's adoption or implementation of requirements that are required by state law.

(c) For the purposes of this subdivision, "compensation action" means an action in which the plaintiff seeks compensation for a taking of private property under the state or federal constitution or a similar action under a state or federal statute.

Sec. 16. Minnesota Statutes 1994, section 103G.2372, subdivision 1, is amended to read:

Subdivision 1. [~~COMMISSIONER OF NATURAL RESOURCES ENFORCEMENT.~~] (a) Except as otherwise provided in this subdivision, the commissioner of natural resources, conservation officers, and peace officers shall enforce laws preserving and protecting wetlands. Sheriffs and peace officers of local law enforcement agencies shall enforce ordinances implementing comprehensive wetland protection and management plans adopted under section 103G.2242, subdivision 1a. The commissioner of natural resources, a conservation officer, or a peace officer, or for an ordinance violation the sheriff or local law enforcement agency peace officers, may issue a cease and desist order to stop any illegal activity adversely affecting draining or filling of a wetland. In the order, or by separate order, the commissioner, conservation officer, or peace officer may require restoration or replacement of the wetland, as determined by the local soil and water conservation district or as otherwise provided by a comprehensive wetland protection and management plan. The soil and water conservation district shall make its determination within 30 days after the cease and desist order or separate restoration order is issued.

(b) An order issued under this subdivision may be enforced under section 103G.141, subdivision 2.

(c) A county may, by written notice to the board, elect to assume the enforcement powers and duties granted to the commissioner of natural resources and conservation officers under paragraph (a) and enforce wetland protection laws under section 394.37. After receipt of the notice by the commissioner, the commissioner and conservation officers may not take an enforcement action under this section in the county unless requested by the county.

Sec. 17. Minnesota Statutes 1994, section 103G.245, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] A public waters work permit is not required for:

(1) work in altered natural watercourses that are part of drainage systems established under chapter 103D or 103E if the work in the waters is undertaken according to chapter 103D or 103E; ~~or~~

(2) a drainage project for a drainage system established under chapter 103E that does not substantially affect public waters or involve routine maintenance of the drainage system; or

(3) work affecting a public waters wetland if the work is maintenance or repair of a road within the road right-of-way, including replacement of culverts, by a road authority provided the public waters are not drained to a greater extent than when the road was constructed or when the culvert was working.

Sec. 18. [USE OF BLOCK GRANTS FOR WETLAND PLANS.]

Natural resource block grants made under Laws 1993, chapter 172, section 6, may be used for development and implementation of comprehensive wetland protection and management plans under Minnesota Statutes, section 103G.2242, subdivision 1a.

Sec. 19. [STUDY OF WETLAND BANKING ALTERNATIVES; REPORT.]

The wetland heritage committee, under the auspices of the state comprehensive wetlands planning project, investigates alternative procedures and policies for improving the current wetland banking system in the state. The study must address ecological, hydrological, and economic aspects of wetland banking. The study and any recommendations must be reported to the appropriate policy committees of the legislature by January 1, 1997.

Sec. 20. [401 CERTIFICATION FOR FEDERAL NATIONWIDE PERMITS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Section 401 certification" or "certification" means a water quality certification required to be issued under section 401 of the federal Clean Water Act, United States Code, title 33, section 1341.

(c) "Nationwide permit" or "permit" means a nationwide general permit issued by the United States Army Corps of Engineers and listed in Code of Federal Regulations, title 40, part 330, appendix A.

Subd. 2. [WAIVER OF CERTIFICATION FOR CERTAIN PERMITS.] If, as of the effective date of this section, the pollution control agency has not issued a section 401 certification for a nationwide permit, the certification is waived for that nationwide permit. As soon as possible after the effective date of this section, the commissioner of the pollution control agency shall give notice of this waiver to the district engineer of the St. Paul District of the United States Army Corps of Engineers.

Subd. 3. [REMOVAL OF CONDITIONS ON CERTAIN NATIONWIDE PERMITS.] As soon as possible after the effective date of this section, the pollution control agency shall modify the existing water quality certifications for the nationwide permits to remove any conditions that are more restrictive than the conditions listed in Code of Federal Regulations, title 33, part 330, appendix A.

Sec. 21. [CALCAREOUS FENS; EXEMPTION.]

Minnesota Statutes, section 103G.223, does not apply to the construction, operation,

maintenance, or repair of the Lincoln-Pipestone rural water district established pursuant to Minnesota Statutes, chapter 116A.

Sec. 22. [REPEALER.]

Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.005, by adding subdivisions; 103G.221, subdivision 1; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 4, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; 103G.2372, subdivision 1; and 103G.245, subdivision 2; repealing Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Messrs. Pogemiller and Stumpf from the Committee on Education, to which was re-referred**

**S.F. No. 1054:** A bill for an act relating to juveniles; clarifying jurisdiction, procedures, and dispositions; directing that rules be adopted; providing for educational programs and studies; requiring the state to pay the costs of certain educational programs; establishing youth service centers and pilot projects; providing direction to courts for secure placement dispositions; restricting out-of-state placements of juveniles; authorizing secure treatment program administrators to make certain decisions regarding juveniles; requiring HIV testing of certain juveniles; appropriating money; amending Minnesota Statutes 1994, sections 120.17, subdivisions 5a, 6, and 7; 120.181; 124.18, by adding a subdivision; 124.32, subdivision 6; 242.31, subdivision 1; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.193, subdivision 4; 260.215, subdivision 1; 260.291, subdivision 1; 609.055, subdivision 2; 611A.19, subdivision 1; and 641.14; proposing coding for new law in Minnesota Statutes, chapters 120; and 260; repealing Minnesota Statutes 1994, section 121.166.

Report the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 120.17, subdivision 5a, is amended to read:

Subd. 5a. [SUMMER PROGRAMS.] A district may provide summer programs for children with a disability living within the district and nonresident children temporarily placed in the district pursuant to subdivision 6 or 7 who are not enrolled in a year-round educational program under section 120.1811. Prior to March 31 or 30 days after the child with a disability is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to subdivision 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for special education aid for the summer program. The unreimbursed actual cost of providing the program for nonresident children with a disability, including the cost of board and lodging, may be billed to the district of the child's residence and shall be paid by the resident district. Transportation costs shall be paid by the district responsible for providing transportation pursuant to subdivision 6 or 7 and transportation aid shall be paid to that district.

Sec. 2. Minnesota Statutes 1994, section 120.17, subdivision 6, is amended to read:

Subd. 6. [PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.] The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:



(a) The school district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation and an appropriate educational program for the child. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

(c) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child according to section 120.1811, and necessary transportation within the district while the child is attending the educational program; and shall bill the district of the child's residence for the actual cost of providing the program, as outlined in subdivision 4, except that the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services or the commissioner of corrections or their agents, for reasons other than for making provision for the child's special educational needs shall not become the responsibility of either the district providing the instruction or the district of the child's residence. The nonresident district shall be reimbursed for the actual cost of providing the program in the following manner:

(1) if the child is placed in the residential program pursuant to a court order, the nonresident district shall bill the state as outlined in section 124.32, subdivision 6; or

(2) if the child is placed in the residential program by the district of residence for the purpose of meeting the child's educational needs, or is placed in a foster home or a foster group home, the nonresident district shall bill the district of residence as outlined in subdivision 4.

~~(d)~~ The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs shall be paid by the district responsible for providing the transportation and the state shall pay transportation aid to that district.

Sec. 3. Minnesota Statutes 1994, section 120.17, is amended by adding a subdivision to read:

Subd. 6a. [COURT-ORDERED PLACEMENT WITHIN RESIDENT DISTRICT.] When a child is temporarily placed in a residential program located within the district of residence pursuant to a court order, the resident district shall be reimbursed for the excess cost of providing an appropriate educational program. The resident district shall bill the state for any unreimbursed costs according to section 124.32, subdivision 6.

Sec. 4. Minnesota Statutes 1994, section 120.17, subdivision 7, is amended to read:

Subd. 7. [PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.] Responsibility for special instruction and services for a child with a disability placed in a state institution on a temporary basis shall be determined in the following manner:

(a) The legal residence of such child shall be the school district in which the child's parent resides, if living, or the child's guardian.

(b) When The educational needs of such child can be met through the institutional program, the costs for such instruction shall be paid by the department to which the institution is assigned.

(c) When it is determined that such child can benefit from public school enrollment, provision for such instruction shall be made in the following manner:

(1) determination of eligibility for special instruction and services shall be made by the commissioner of education and the commissioner of the department responsible for the institution;

(2) the school district where the institution is located shall be responsible for providing

transportation and an appropriate educational program for the child and shall make a tuition charge to the ~~child's district of residence~~ state according to section 124.32, subdivision 6, for the actual cost of providing the program; and

~~(3) the district of the child's residence shall pay the tuition and other program costs excluding transportation costs and may claim general education aid for the child. transportation costs shall be paid by the district where the institution is located and the state shall pay transportation aid to that district.~~

Sec. 5. Minnesota Statutes 1994, section 120.181, is amended to read:

**120.181 [PLACEMENT OF NONHANDICAPPED; EDUCATION AND TRANSPORTATION.]**

The responsibility for providing instruction and transportation for a pupil without a disability 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 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 pupil without a disability 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 district of placement may contract with a facility to provide instruction by teachers licensed by the state board of teaching.

(d) When a pupil without a disability 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 pupil is placed in a residential program pursuant to a court order, the district in which the pupil is placed shall bill the state according to section 124.18, subdivision 4, for the unreimbursed cost of providing instruction. When a pupil without a disability 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 district of placement may contract with a residential facility to provide instruction by teachers licensed by the state board of teaching.

(e) The district of residence shall include the pupil in its residence count of pupil units and pay tuition as provided in section 124.18 to the district providing the instruction unless the pupil is placed pursuant to a court order. When a pupil is placed pursuant to a court order, the nonresident district shall include the pupil in its count of resident pupil units and claim general education aid for the pupil. 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. 6. [120.1811] [EDUCATION PROGRAMS FOR STUDENTS IN RESIDENTIAL TREATMENT FACILITIES.]

Subdivision 1. [YEAR-ROUND SCHOOL REQUIRED.] Secure and nonsecure residential treatment facilities licensed by the department of human services or the department of corrections shall provide year-round education programs for a minimum of 250 days during a calendar year to juveniles in their care who are subject to section 120.101, subdivision 5. Each facility shall provide instruction for at least six hours per day throughout the year, including during the summer months, for all students, including students with disabilities. Each facility shall provide elementary, secondary, or vocational programs that are consistent with state board of education standards and also shall provide instruction designed to prepare students to pass the GED test. Special education services shall be provided as required by a student's individual education plan.

Subd. 2. [EDUCATIONAL SCREENING.] Each facility identified in subdivision 1 shall screen each juvenile who is held in a facility for at least 72 hours, excluding weekends or holidays, using an educational screening tool identified by the department of education, unless the facility determines that the juvenile has a current individual education plan and obtains a copy of the IEP. The department of education shall develop or identify an education screening tool for use in residential facilities. The tool must include a life skills development component.

Subd. 3. [RULEMAKING.] The state board of education may make or amend rules relating to education programs in residential treatment facilities, if necessary, to implement this section. Rules under this section shall be adopted jointly with the commissioners of corrections and human services.

Sec. 7. Minnesota Statutes 1994, section 124.18, is amended by adding a subdivision to read:

Subd. 4. [STATE PAYMENT.] (a) The state shall reimburse a nonresident district for the actual cost of providing instruction required under section 120.181, excluding the cost of transportation, to a nonresident pupil placed in a residential treatment program pursuant to a court order. The state shall also pay to the nonresident district for capital expenditures and debt service the greater of \$10 or the average expenditure for capital expenditures and debt service per pupil unit in average daily membership in the district times the number of nonresident pupil units. The nonresident district may claim general education aid for the pupil for the period the nonresident district provides instruction. The amount of general education aid and any other aid earned on behalf of the child shall be subtracted from the amount of the reimbursement.

(b) The state shall reimburse a resident district providing services to a pupil placed in a residential program according to section 120.181, pursuant to a court order. The amount of the state reimbursement shall equal the actual cost of providing instruction minus the amount of general education revenue and any other revenue received on behalf of the pupil.

(c) This subdivision does not apply to a child placed in a foster home or a foster group home.

Sec. 8. Minnesota Statutes 1994, section 124.32, subdivision 6, is amended to read:

Subd. 6. [FULL STATE PAYMENT.] (a) The state shall pay each district the actual cost incurred in providing instruction and services for a child with a disability whose ~~district of residence has been determined by section 120.17, subdivision 8a,~~ and who is temporarily placed in a state institution or a licensed residential facility for care and treatment when the child's district of residence has been determined by section 120.17, subdivision 8a, or where the state is required to reimburse the district of placement under section 120.17, subdivisions 6, 6a, and 7. This section does not apply to a child placed in a foster home or a foster group home.

(b) Upon following the procedure specified by the commissioner of education, the district may bill the state the actual cost incurred in providing the services including ~~transportation costs and~~ a proportionate amount of capital expenditures and debt service, minus the amount of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for the child and the special education aid, ~~transportation aid,~~ and any other aid earned on behalf of the child. The nonresident district providing instruction to a child under section 120.17, subdivisions 6 and 7, may claim general education aid for the child. When a child's district of residence has been determined by section 120.17, subdivision 8a, the providing district may also bill the state for transportation costs less any transportation aid earned on behalf of the child. The limit set forth in subdivision 4 shall apply to aid paid pursuant to this subdivision.

(c) A resident district serving a child under section 120.17, subdivision 6a, may bill the state for the actual cost of providing services, minus the amount of general education revenue, special education revenue, transportation revenue, or any other revenue earned on behalf of the child.

(d) To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasury and placed in the general fund.

Sec. 9. Minnesota Statutes 1994, section 242.31, subdivision 1, is amended to read:

Subdivision 1. Whenever a person who has been committed to the custody of the commissioner of corrections upon conviction of a crime following certification ~~to district court~~ under the provisions of section 260.125 is finally discharged by order of the commissioner, that discharge shall restore the person to all civil rights and, if so ordered by the commissioner of corrections, also shall have the effect of setting aside the conviction, nullifying it and purging the person of it. The commissioner shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside. An order setting aside a conviction for a crime of violence as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the order was entered and during that time the person was not convicted of any other crime of violence. A person whose conviction was set aside under this section and who thereafter has received a relief of disability under United States Code, title 18, section 925, shall not be subject to the restrictions of this subdivision.

Sec. 10. [260.042] [ORIENTATION AND EDUCATIONAL PROGRAM.]

The juvenile court shall make an orientation and educational program available for juveniles and their families in accordance with the program established, if any, by the supreme court.

Sec. 11. Minnesota Statutes 1994, section 260.115, subdivision 1, is amended to read:

Subdivision 1. [TRANSFERS REQUIRED.] Except where a juvenile court has certified an alleged violation ~~to district court~~ in accordance with the provisions of section 260.125, the child is alleged to have committed murder in the first degree after becoming 16 years of age, or a court has original jurisdiction of a child who has committed an adult court traffic offense, as defined in section 260.193, subdivision 1, clause (c), a court other than a juvenile court shall immediately transfer to the juvenile court of the county the case of a minor who appears before the court on a charge of violating any state or local law or ordinance and who is under 18 years of age or who was under 18 years of age at the time of the commission of the alleged offense.

Sec. 12. Minnesota Statutes 1994, section 260.125, is amended to read:

260.125 [CERTIFICATION TO ~~DISTRICT COURT~~.]

Subdivision 1. When a child is alleged to have committed, after becoming 14 years of age, an offense that would be a felony if committed by an adult, the juvenile court may enter an order certifying the proceeding ~~to the district court for action under the criminal laws~~ under the laws and court procedures controlling adult criminal violations.

Subd. 2. [ORDER OF CERTIFICATION; REQUIREMENTS.] Except as provided in subdivision 3a or 3b, the juvenile court may order a certification ~~to district court~~ only if:

- (1) a petition has been filed in accordance with the provisions of section 260.131;
- (2) a motion for certification has been filed by the prosecuting authority;
- (3) notice has been given in accordance with the provisions of sections 260.135 and 260.141;
- (4) a hearing has been held in accordance with the provisions of section 260.155 within 30 days of the filing of the certification motion, unless good cause is shown by the prosecution or the child as to why the hearing should not be held within this period in which case the hearing shall be held within 90 days of the filing of the motion;

(5) the court finds that there is probable cause, as defined by the rules of criminal procedure promulgated pursuant to section 480.059, to believe the child committed the offense alleged by delinquency petition; and

(6) the court finds either:

(i) that the presumption of certification created by subdivision 2a applies and the child has not rebutted the presumption by clear and convincing evidence demonstrating that retaining the proceeding in the juvenile court serves public safety; or

(ii) that the presumption of certification does not apply and the prosecuting authority has demonstrated by clear and convincing evidence that retaining the proceeding in the juvenile court does not serve public safety. If the court finds that the prosecutor has not demonstrated by clear and convincing evidence that retaining the proceeding in juvenile court does not serve public safety, the court shall retain the proceeding in juvenile court.

Subd. 2a. [PRESUMPTION OF CERTIFICATION.] It is presumed that a proceeding involving an offense committed by a child will be certified to ~~district court~~ if:

(1) the child was 16 or 17 years old at the time of the offense; and

(2) the delinquency petition alleges that the child committed an offense that would result in a presumptive commitment to prison under the sentencing guidelines and applicable statutes, or that the child committed any felony offense while using, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm.

If the court determines that probable cause exists to believe the child committed the alleged offense, the burden is on the child to rebut this presumption by demonstrating by clear and convincing evidence that retaining the proceeding in the juvenile court serves public safety. If the court finds that the child has not rebutted the presumption by clear and convincing evidence, the court shall certify the ~~child to district court~~ proceeding.

Subd. 2b. [PUBLIC SAFETY.] In determining whether the public safety is served by certifying a ~~child to district court~~ the matter, the court shall consider the following factors:

(1) the seriousness of the alleged offense in terms of community protection, including the existence of any aggravating factors recognized by the sentencing guidelines, the use of a firearm, and the impact on any victim;

(2) the culpability of the child in committing the alleged offense, including the level of the child's participation in planning and carrying out the offense and the existence of any mitigating factors recognized by the sentencing guidelines;

(3) the child's prior record of delinquency;

(4) the child's programming history, including the child's past willingness to participate meaningfully in available programming;

(5) the adequacy of the punishment or programming available in the juvenile justice system; and

(6) the dispositional options available for the child.

In considering these factors, the court shall give greater weight to the seriousness of the alleged offense and the child's prior record of delinquency than to the other factors listed in this subdivision.

Subd. 3a. [PRIOR CERTIFICATION; EXCEPTION.] Notwithstanding the provisions of subdivisions 2, 2a, and 2b, the court shall order a certification in any felony case if the prosecutor shows that the child has been previously prosecuted on a felony charge by an order of certification issued pursuant to either a hearing held under subdivision 2 or pursuant to the waiver of the right to such a hearing, other than a prior certification in the same case.

This subdivision only applies if the child is convicted of the offense or offenses for which the

child was prosecuted pursuant to the order of certification or of a lesser-included offense which is a felony.

This subdivision does not apply to juvenile offenders who are subject to criminal court jurisdiction under section 609.055.

Subd. 3b. [ADULT CHARGED WITH JUVENILE OFFENSE.] The juvenile court has jurisdiction to hold a certification hearing on motion of the prosecuting authority to certify the matter ~~to district court~~ if:

(1) an adult is alleged to have committed an offense before the adult's 18th birthday; and

(2) a petition is filed under section 260.131 before expiration of the time for filing under section 628.26.

The court may not certify the matter ~~to district court~~ under this subdivision if the adult demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Subd. 4. [EFFECT OF ORDER.] When the juvenile court enters an order certifying an alleged violation ~~to district court~~, the prosecuting authority shall proceed with the case as if the jurisdiction of the juvenile court had never attached.

Subd. 5. [WRITTEN FINDINGS; OPTIONS.] The court shall decide whether to order certification ~~to district court~~ within 15 days after the certification hearing was completed, unless additional time is needed, in which case the court may extend the period up to another 15 days. If the juvenile court orders certification, and the presumption described in subdivision 2a does not apply, the order shall contain in writing, findings of fact and conclusions of law as to why public safety is not served by retaining the proceeding in the juvenile court. If the juvenile court, after a hearing conducted pursuant to subdivision 2, decides not to order certification ~~to district court~~, the decision shall contain, in writing, findings of fact and conclusions of law as to why certification is not ordered. If the juvenile court decides not to order certification in a case in which the presumption described in subdivision 2a applies, the court shall designate the proceeding an extended jurisdiction juvenile prosecution and include in its decision written findings of fact and conclusions of law as to why the retention of the proceeding in juvenile court serves public safety, with specific reference to the factors listed in subdivision 2b. If the court decides not to order certification in a case in which the presumption described in subdivision 2a does not apply, the court may designate the proceeding an extended jurisdiction juvenile prosecution, pursuant to the hearing process described in section 260.126, subdivision 2.

Subd. 6. [FIRST-DEGREE MURDER.] When a motion for certification has been filed in a case in which the petition alleges that the child committed murder in the first degree, the prosecuting authority shall present the case to the grand jury for consideration of indictment under chapter 628 within 14 days after the petition was filed.

Subd. 7. [INAPPLICABILITY TO CERTAIN OFFENDERS.] This section does not apply to a child excluded from the definition of delinquent child under section 260.015, subdivision 5, paragraph (b).

Sec. 13. Minnesota Statutes 1994, section 260.126, subdivision 5, is amended to read:

Subd. 5. [EXECUTION OF ADULT SENTENCE.] When it appears that a person convicted as an extended jurisdiction juvenile has violated the conditions of the stayed sentence, or is alleged to have committed a new offense, the court may, without notice, revoke the stay and probation and direct that the offender be taken into immediate custody. The court shall notify the offender in writing of the reasons alleged to exist for revocation of the stay of execution of the adult sentence. If the offender challenges the reasons, the court shall hold a summary hearing on the issue at which the offender is entitled to be heard and represented by counsel. After the hearing, if the court finds that reasons exist to revoke the stay of execution of sentence, the court shall treat the offender as an adult and order any of the adult sanctions authorized by section 609.14, subdivision 3. If the offender was convicted of an offense described in subdivision 1, clause (2), and the court finds that reasons exist to revoke the stay, the court must order execution of the previously

imposed sentence unless the court makes written findings regarding the mitigating factors that justify continuing the stay. Upon revocation, the offender's extended jurisdiction status is terminated and juvenile court jurisdiction is terminated. The ongoing jurisdiction for any adult sanction, other than commitment to the commissioner of corrections, is with the adult court.

Sec. 14. Minnesota Statutes 1994, section 260.131, subdivision 4, is amended to read:

Subd. 4. [DELINQUENCY PETITION; EXTENDED JURISDICTION JUVENILE.] When a prosecutor files a delinquency petition alleging that a child committed a felony offense for which there is a presumptive commitment to prison according to the sentencing guidelines and applicable statutes or in which the child used a firearm, after reaching the age of 16 years, the prosecutor shall indicate in the petition whether the prosecutor designates the proceeding an extended jurisdiction juvenile prosecution. When a prosecutor files a delinquency petition alleging that a child aged 14 to 17 years committed a felony offense, the prosecutor may request that the court designate the proceeding an extended jurisdiction juvenile prosecution.

Sec. 15. Minnesota Statutes 1994, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] (a) The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, and except as otherwise provided in this subdivision, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. Court jurisdiction under section 260.015, subdivision 2a, clause (12), may not continue past the child's 17th birthday.

(b) The jurisdiction of the court over an extended jurisdiction juvenile, with respect to the offense for which the individual was convicted as an extended jurisdiction juvenile, extends until the offender becomes 21 years of age, unless the court terminates jurisdiction before that date.

(c) The juvenile court has jurisdiction to designate the proceeding an extended jurisdiction juvenile prosecution, to hold a certification hearing, or to conduct a trial, receive a plea, or impose a disposition under section 260.126, subdivision 4, if:

(1) an adult is alleged to have committed an offense before the adult's 18th birthday; and

(2) a petition is filed under section 260.131 before expiration of the time for filing under section 628.26 and before the adult's 21st birthday.

The juvenile court lacks jurisdiction under this paragraph if the adult demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

(d) The district court has original and exclusive jurisdiction over a proceeding:

(1) that involves an adult who is alleged to have committed an offense before the adult's 18th birthday; and

(2) in which a criminal complaint is filed before expiration of the time for filing under section 628.26 and after the adult's 21st birthday.

The juvenile court retains jurisdiction if the adult demonstrates that the delay in filing a criminal complaint was purposefully caused by the state in order to gain an unfair advantage.

(e) The juvenile court has jurisdiction over a person who has been adjudicated delinquent until the person's 21st birthday if the person fails to appear at any juvenile court hearing or fails to appear at or absconds from any placement under a juvenile court order. The juvenile court has jurisdiction over a convicted extended jurisdiction juvenile who fails to appear at any juvenile court hearing or fails to appear at or absconds from any placement under section 260.126, subdivision 4. The juvenile court lacks jurisdiction under this paragraph if the adult demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Sec. 16. Minnesota Statutes 1994, section 260.185, is amended by adding a subdivision to read:

Subd. 1b. [COMMITMENT TO SECURE FACILITY; LENGTH OF STAY; TRANSFERS.]

An adjudicated juvenile may not be placed in a licensed juvenile secure treatment facility unless the placement is approved by the juvenile court. However, the program administrator may determine the juvenile's length of stay in the secure portion of the facility. The administrator shall notify the court of any movement of juveniles from secure portions of facilities. However, the court may, in its discretion, order that the juveniles be moved back to secure portions of the facility.

Sec. 17. Minnesota Statutes 1994, section 260.185, is amended by adding a subdivision to read:

Subd. 1c. [PLACEMENT OF JUVENILES IN SECURE FACILITIES; REQUIREMENTS.] Prior to a postadjudication placement of a juvenile in a secure treatment facility either inside or outside the state, the court may:

(1) consider whether the juvenile has been adjudicated for a felony offense against the person or that in addition to the current adjudication, the juvenile has failed to appear in court on one or more occasions or has run away from home on one or more occasions;

(2) conduct a subjective assessment to determine whether the child is a danger to self or others or would abscond from a nonsecure facility or if the child's health or welfare would be endangered if not placed in a secure facility;

(3) conduct a culturally appropriate psychological evaluation which includes a functional assessment of anger and abuse issues; and

(4) conduct an educational and physical assessment of the juvenile.

In determining whether to order secure placement, the court shall consider the necessity of:

(1) protecting the public;

(2) protecting program residents and staff; and

(3) preventing juveniles with histories of absconding from leaving treatment programs.

Sec. 18. Minnesota Statutes 1994, section 260.185, subdivision 6, is amended to read:

Subd. 6. [OUT-OF-STATE PLACEMENTS.] (a) Prior to August 1, 1997, a court may not place a preadjudicated delinquent, an adjudicated delinquent, or a convicted extended jurisdiction juvenile in a residential or detention facility outside Minnesota unless the commissioner of corrections has certified that the facility:

(1) meets or exceeds the standards for Minnesota residential treatment programs set forth in rules adopted by the commissioner of human services and the standards for juvenile residential facilities set forth in rules adopted by the commissioner of corrections or the standards for juvenile detention facilities set forth in rules adopted by the commissioner of corrections; and

(2) provides education, health, dental, and other necessary care equivalent to that which the child would receive if placed in a Minnesota facility licensed by the commissioner of corrections or commissioner of human services.

(b) After August 1, 1997, a court may not place a preadjudicated delinquent, an adjudicated delinquent, or a convicted extended jurisdiction juvenile in a residential or detention facility outside Minnesota unless the court determines that the specialized programmatic needs of the juvenile are not available in a facility within Minnesota and the out-of-state facility has been certified by the commissioner of corrections under paragraph (a), clauses (1) and (2). For purposes of this subdivision, "specialized programmatic needs" does not include concerns about security.

(c) The interagency licensing agreement between the commissioners of corrections and human services shall be used to determine which rule shall be used for certification purposes under this subdivision.

(e) (d) The commissioner of corrections may charge each facility evaluated a reasonable amount. Money received is annually appropriated to the commissioner of corrections to defray the costs of the certification program.



Sec. 19. Minnesota Statutes 1994, section 260.193, subdivision 4, is amended to read:

Subd. 4. [ORIGINAL JURISDICTION; JUVENILE COURT.] The juvenile court shall have original jurisdiction ~~if the child is alleged to have committed both major and adult court traffic offenses in the same behavioral incident over:~~

- (1) all juveniles age 15 and under alleged to have committed any traffic offense; and
- (2) 16- and 17-year-olds alleged to have committed any major traffic offense, except that the adult court has original jurisdiction over:
  - (i) petty traffic misdemeanors not a part of the same behavioral incident of a misdemeanor being handled in juvenile court; and
  - (ii) violations of sections 169.121 (drivers under the influence of alcohol or controlled substance) and 169.129 (aggravated driving while intoxicated), and any other misdemeanor or gross misdemeanor level traffic violations committed as part of the same behavioral incident of a violation of section 169.121 or 169.129.

Sec. 20. Minnesota Statutes 1994, section 260.215, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN VIOLATIONS NOT CRIMES.] A violation of a state or local law or ordinance by a child before becoming 18 years of age is not a crime unless the juvenile court:

- (1) certifies the matter ~~to the district court~~ in accordance with the provisions of section 260.125;
- (2) transfers the matter to a court in accordance with the provisions of section 260.193; or
- (3) convicts the child as an extended jurisdiction juvenile and subsequently executes the adult sentence under section 260.126, subdivision 5.

Sec. 21. Minnesota Statutes 1994, section 260.291, subdivision 1, is amended to read:

Subdivision 1. [PERSONS ENTITLED TO APPEAL; PROCEDURE.] (a) An appeal may be taken by the aggrieved person from a final order of the juvenile court affecting a substantial right of the aggrieved person, including but not limited to an order adjudging a child to be in need of protection or services, neglected and in foster care, delinquent, or a juvenile traffic offender. The appeal shall be taken within 30 days of the filing of the appealable order. The court administrator shall notify the person having legal custody of the minor of the appeal. Failure to notify the person having legal custody of the minor shall not affect the jurisdiction of the appellate court. The order of the juvenile court shall stand, pending the determination of the appeal, but the reviewing court may in its discretion and upon application stay the order.

(b) An appeal may be taken by an aggrieved person from an order of the juvenile court on the issue of certification of a ~~child to district court~~ matter for prosecution under the laws and court procedures controlling adult criminal violations. Certification appeals shall be expedited as provided by applicable rules.

Sec. 22. Minnesota Statutes 1994, section 609.055, subdivision 2, is amended to read:

Subd. 2. [ADULT PROSECUTION.] (a) Except as otherwise provided in paragraph (b), children of the age of 14 years or over but under 18 years may be prosecuted for a felony offense if the alleged violation is duly certified ~~to the district court~~ for prosecution under the laws and court procedures controlling adult criminal violations or may be designated an extended jurisdiction juvenile in accordance with the provisions of chapter 260. A child who is 16 years of age or older but under 18 years of age is capable of committing a crime and may be prosecuted for a felony if:

- (1) the child has been previously certified ~~to the district court~~ on a felony charge 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.

(b) A child who is alleged to have committed murder in the first degree after becoming 16 years of age is capable of committing a crime and may be prosecuted for the felony. This paragraph does not apply to a child alleged to have committed attempted murder in the first degree after becoming 16 years of age.

Sec. 23. Minnesota Statutes 1994, section 611A.19, subdivision 1, is amended to read:

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court ~~may~~ shall issue an order requiring a person, including adjudicated juveniles, convicted of a violent crime, as defined in section 609.152, or a juvenile adjudicated delinquent for 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~~ or

(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 in a manner which has been demonstrated epidemiologically to transmit the HIV virus.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.763, 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.

Sec. 24. Minnesota Statutes 1994, section 641.14, is amended to read:

641.14 [JAILS; SEPARATION OF PRISONERS.]

The sheriff of each county is responsible for the operation and condition of the jail. If construction of the jail permits, the sheriff shall maintain strict separation of prisoners to the extent that separation is consistent with prisoners' security, safety, health, and welfare. The sheriff shall not keep in the same room or section of the jail:

(1) a minor under 18 years old and a prisoner who is 18 years old or older, unless:

(i) the minor has been committed to the commissioner of corrections under section 609.105 or;

(ii) the minor has been referred for adult prosecution and the prosecuting authority has filed a notice of intent to prosecute the matter for which the minor is being held under section 260.125; or

(iii) the minor is 16 or 17 years old and has been indicted for murder in the first degree; and

(2) a female prisoner and a male prisoner; and

(3) a minor under 18 years old and an extended jurisdiction juvenile 18 years old or older who is alleged to have violated the conditions of the stay of execution.

Sec. 25. [AMENDMENTS TO RULES DIRECTED.]

The commissioners of corrections and human services shall jointly amend their licensing rules to:

(1) allow residential facilities to admit 18- and 19-year-old extended jurisdiction juveniles;

(2) require licensed facilities to develop policies and procedures for appropriate programming and housing separation of residents according to age; and

(3) allow the commissioners the authority to approve the policies and procedures authorized by clause (2) for the facilities over which they have licensing authority.

Sec. 26. [COMMISSIONERS TO ADOPT RULES REGARDING SECURE TREATMENT FACILITIES.]

The commissioners of corrections and human services shall jointly adopt licensing rules requiring all facilities to develop operating policies and procedures for the continued use of secure treatment placement. These policies and procedures must include timelines for the review of individual cases to determine the continuing need for secure placement and criteria for movement of juveniles to less restrictive parts of the facilities.

Sec. 27. [EDUCATIONAL PROGRAM FOR JUVENILE COURT PROCESS.]

The supreme court is requested to establish, by January 1, 1997, an educational program explaining the juvenile court system for use in juvenile courts under Minnesota Statutes, section 260.042.

Sec. 28. [JUVENILE FEMALE OFFENDERS.]

The commissioner of corrections shall collaborate with the commissioners of human services, health, economic security, planning, education, and public safety and with representatives of the private sector to develop a comprehensive continuum of care to address the gender-specific needs of juvenile female offenders.

Sec. 29. [SECURE AND NONSECURE RESIDENTIAL TREATMENT FACILITIES.]

Subdivision 1. [RULES REQUIRED; COMMITTEE ESTABLISHED.] The commissioners of corrections and human services shall jointly adopt licensing and programming rules for the secure and nonsecure residential treatment facilities that they license and shall establish an advisory committee to develop these rules. The committee shall develop consistent general licensing requirements for juvenile residential care, enabling facilities to provide appropriate services to juveniles with single or multiple problems. The rules shall establish program standards with an independent auditing process by July 1997.

Subd. 2. [STANDARDS.] The standards to be developed in the rules must require:

(1) standards for the management of the program including:

(i) a board of directors or advisory committee for each facility which represents the interests, concerns, and needs of the clients and community being served;

(ii) appropriate grievance and appeal procedures for clients and families; and

(iii) use of an ongoing internal program evaluation and quality assurance effort at each facility to monitor program effectiveness and guide the improvement of services provided, evaluate client and family satisfaction with each facilities' services, and collect demographic information on clients served and outcome measures relative to the success of services; and

(2) standards for programming including:

(i) specific identifiable criteria for admission and discharge;

(ii) written measurable goals for each client;

(iii) development of a no-eject policy by which youths are discharged based on successful completion of individual goals and not automatically discharged for behavioral transgressions;

(iv) individual plans for transitional services that involve youths, their families, and community resources to accomplish community integration and family reunification where appropriate;

(v) cultural sensitivity, including the provision of interpreters and English language skill development to meet the needs of the facilities' population;

(vi) use of staff who reflect the ethnicity of the clients served, wherever possible;

(vii) provision of staff training in cultural sensitivity and disability awareness;

(viii) capability to respond to persons with disabilities; and

(ix) uniform education programs consistent with Minnesota Statutes, section 120.1811; and

(3) a program audit procedure which requires regular unbiased program audits and reviews to determine if the facilities continue to meet the standards established in statute and rule and the needs of the clients and community.

Subd. 3. [MEMBERSHIP.] The commissioners of corrections and human services or their designee shall serve as co-chairs of the rulemaking committee. The co-chairs shall invite individuals who have demonstrated experience in the juvenile justice field to serve on the committee; including, but not limited to, representatives or designees of the departments of corrections, human services, and education, the private sector, and other juvenile facility stakeholders. The commissioners shall ensure that family members of juveniles, representatives of communities of color, and members of advocacy groups serve on the rulemaking committee and shall schedule committee meetings at times and places that ensure representation by these individuals.

Subd. 4. [TIME LINES.] By December 1, 1996, the rulemaking committee shall submit draft rule parts which address the program standards, evaluation, and auditing standards and procedures to the legislative audit commission. The commission is requested to direct the legislative auditor to review the draft rule parts to determine whether the parts are consistent with sound policy.

By February 15, 1997, the legislative auditor is requested to report on its review to both the legislature and the rulemaking committee. By April 1, 1997, the rulemaking committee shall provide a report to the legislature on the status of the rulemaking process including steps it will take to address any concerns raised in the legislative auditor's review. By July 31, 1997, the licensing and programming rulemaking process shall be completed.

Subd. 5. [LICENSING.] The commissioners of corrections and human services may not license facilities that fail to meet programming standards after they are adopted.

#### Sec. 30. [STUDY OF SECURE TREATMENT FACILITIES.]

The commissioner of corrections, in consultation with the commissioner of human services, shall conduct a study on the use of secure treatment facilities for juveniles in the state and shall submit a written report to the governor and the legislature by January 1, 1997. The report must contain the commissioners' findings, along with demographic data and recommendations concerning the use of admission criteria.

#### Sec. 31. [COMMISSIONER OF CORRECTIONS; GRANTS TO COUNTIES FOR JUVENILE PROGRAMMING.]

The commissioner of corrections shall provide grants to counties to provide a comprehensive continuum of care to juveniles convicted as extended jurisdiction juveniles and under the county's jurisdiction.

Counties may apply to the commissioner for grants in a manner specified by the commissioner but must identify the following in writing:

- (1) the amount of money currently being spent by the county for juvenile programming;
- (2) what gaps currently exist in providing a comprehensive continuum of care to juveniles within the county;
- (3) what specific steps will be taken and what specific changes will be made to existing programming to reduce the juvenile reoffense rate; and
- (4) what new programming will be provided to fill the gaps identified in clause (2) and how it will lower the juvenile reoffense rate.

For purposes of this section, a comprehensive continuum of care may include:

- (1) primary prevention programs or services that promote health and social well-being and the development of nurturing support systems;
- (2) secondary prevention programs or services that minimize the effect of characteristics which identify individuals as members of high-risk groups;

(3) tertiary prevention programs or services that are provided after violence or antisocial conduct has occurred and which are designed to prevent its recurrence;

(4) programs or services that are treatment focused and offer an opportunity for rehabilitation;

(5) punishment of juveniles, as provided by applicable law; and

(6) transition programs or services designed to reintegrate juveniles discharged from residential programs into the community.

Sec. 32. [PLAN FOR TRACKING JUVENILE REOFFENSE RATE; REPORT.]

The criminal and juvenile justice information policy group, in cooperation with the supreme court, the commissioner of corrections, and the superintendent of the bureau of criminal apprehension, shall develop a plan for obtaining and compiling the names of juvenile offenders and for tracking and reporting juvenile reoffense rates. This plan must examine the initial analysis and design work done by the supreme court under Laws 1994, chapter 576, section 67, subdivision 8, to determine a timetable for implementing the plan and whether additional technology will be necessary. By January 1, 1996, the criminal and juvenile justice information policy group shall report to the legislature on the plan.

Sec. 33. [APPROPRIATIONS.]

Subdivision 1. [GENERAL.] The appropriations contained in this section are from the general fund and are for the fiscal biennium ending June 30, 1997.

Subd. 2. [SUPREME COURT.] \$..... is appropriated to the supreme court to develop the educational program under sections 10 and 27.

Subd. 3. [CORRECTIONS.] \$..... is appropriated to the commissioner of corrections to implement section 28.

\$..... is appropriated to the commissioner of corrections to implement section 31.

Subd. 4. [CORRECTIONS AND HUMAN SERVICES.] \$..... is appropriated to the commissioners of corrections and human services to adopt the rules and administer the advisory committee described in section 28.

\$..... is appropriated to the commissioners of corrections and human services to conduct the study on the use of secure treatment facilities for juveniles directed in section 30.

Subd. 5. [EDUCATION AND HUMAN SERVICES.] \$..... is appropriated to the commissioners of education and human services for grants to family services collaboratives and mental health collaboratives to establish youth service center pilot projects for juveniles under the jurisdiction of the juvenile court. The centers may provide medical, educational, job-related, mental health, social services, and programs. Six pilot projects shall be developed with at least four located in the metropolitan area. A written report, detailing the impact of the projects, shall be presented to the legislature by January 1, 1997.

Subd. 6. [EDUCATION.] \$..... is appropriated to the commissioner of education for reimbursements to school districts for the cost of instruction and services according to sections 7 and 8.

Subd. 7. [ECONOMIC SECURITY.] \$..... is appropriated to the commissioner of economic security for the establishment of additional pilot projects pursuant to Laws 1994, chapter 576, section 65. The commissioner shall fund ..... projects.

Sec. 34. [REPEALER.]

Minnesota Statutes 1994, section 121.166, is repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 1 to 9, 11 to 24, 31, 33, and 34 are effective July 1, 1995. Sections 19, 25 to 30, and 32 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to juveniles; clarifying jurisdiction, procedures, and dispositions; directing that rules be adopted; providing for educational programs and studies; requiring the state to pay the costs of certain educational programs; establishing youth service centers and pilot projects; providing direction to courts for secure placement dispositions; restricting out-of-state placements of juveniles; authorizing secure treatment program administrators to make certain decisions regarding juveniles; requiring HIV testing of certain juveniles; appropriating money; amending Minnesota Statutes 1994, sections 120.17, subdivisions 5a, 6, and 7, and by adding a subdivision; 120.181; 124.18, by adding a subdivision; 124.32, subdivision 6; 242.31, subdivision 1; 260.115, subdivision 1; 260.125; 260.126, subdivision 5; 260.131, subdivision 4; 260.181, subdivision 4; 260.185, subdivision 6, and by adding subdivisions; 260.193, subdivision 4; 260.215, subdivision 1; 260.291, subdivision 1; 609.055, subdivision 2; 611A.19, subdivision 1; and 641.14; proposing coding for new law in Minnesota Statutes, chapters 120; and 260; repealing Minnesota Statutes 1994, section 121.166."

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention. Amendments adopted. Report adopted.

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 1421, 1207 and 483 were read the second time.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Vickerman moved that S.F. No. 1207, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

### **MEMBERS EXCUSED**

Mr. Pogemiller was excused from the Session of today from 10:00 to 10:45 a.m. Mr. Kelly was excused from the Session of today from 4:00 to 7:00 p.m. Mr. Lessard was excused from the Session of today from 5:00 to 5:30 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:45 a.m., Wednesday, April 5, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate