

STATE OF MINNESOTA

# Journal of the Senate

SEVENTY-NINTH LEGISLATURE

ONE HUNDRED SIXTH DAY

St. Paul, Minnesota, Tuesday, March 26, 1996

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

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

## REPORTS OF COMMITTEES

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

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

**H.F. No. 2417:** A bill for an act relating to retirement; various Minnesota public pension plans; making various benefit and coverage modifications; redirecting various state pension aids to certain first class city teachers retirement fund associations; requiring certain school district employer contribution increases; making various administrative modifications; establishing a minimum fire state aid allocation for certain volunteer firefighter relief associations; establishing a special task force to evaluate potential modifications in various investment performance reporting programs; amending Minnesota Statutes 1994, sections 3A.04, subdivision 4; 69.021, subdivision 7; 124.916, subdivision 3; 144C.06; 352.04, subdivision 8; 352.95, subdivision 2; 352B.10, subdivision 2; 352B.11, subdivision 1; 352C.09, by adding a subdivision; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04; 354.44, subdivisions 3 and 4; 354A.12, subdivisions 2, 3a, 3c, and

by adding subdivisions; 356A.06, subdivision 7; 423A.02, subdivision 1, and by adding a subdivision; 423B.01, subdivision 9; 423B.15, subdivision 3; 424A.001, by adding subdivisions; 424A.01, by adding a subdivision; 424A.02, subdivision 1; and 490.124, by adding a subdivision; Minnesota Statutes 1995 Supplement, sections 144C.07, subdivision 2; 144C.08; 354A.12, subdivision 3b; 354D.02, subdivision 2; 354D.03; 354D.04; 354D.06; and 356.219, subdivision 2; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended and 4, as amended; and Laws 1995, chapter 252, article 1, section 16; proposing coding for new law in Minnesota Statutes, chapter 354D; repealing Minnesota Statutes 1994, section 353D.11; Laws 1990, chapter 570, article 13, section 1, subdivision 5.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### DESIGNATION OF BENEFICIARY FOR REFUND UPON DEATH

Section 1. Minnesota Statutes 1994, section 3A.04, subdivision 4, is amended to read:

Subd. 4. ~~[DEATH REFUNDS TO ESTATE.]~~ Upon the death of a member of the legislature or former legislator who was not receiving a retirement allowance, without either a surviving spouse and without any or dependent children, regardless of when the death occurred, the last designated beneficiary named on a form filed with the director before the death of the legislator, or if no designation is filed, the estate of the member or former legislator, upon application of the representative of the estate, shall be entitled to a refund of contributions of the deceased member of the legislature or former legislator plus interest as provided in section 3A.03, subdivision 2, clause (2).

Sec. 2. Minnesota Statutes 1994, section 352B.11, subdivision 1, is amended to read:

Subdivision 1. [REFUND OF PAYMENTS.] A member who has not received other benefits under this chapter is entitled to a refund of payments made by salary deduction, plus interest, if the member is separated, either voluntarily or involuntarily, from state service that entitled the member to membership. In the event of the member's death, if there are no survivor benefits payable under this chapter, a refund is payable to the last designated beneficiary on a form filed with the director before death, or if no designation is filed, the refund is payable to the member's estate is entitled to the refund. Interest must be computed at the rate of six percent a year, compounded annually. To receive a refund, the member must apply application must be made on a form prescribed by the executive director.

Sec. 3. Minnesota Statutes 1994, section 352C.09, is amended by adding a subdivision to read:

Subd. 3. [DEATH REFUND.] If a constitutional officer who has not received other benefits under this chapter dies and there are no survivor benefits payable under this chapter, a refund plus interest as provided in section 352C.09, subdivision 2, clause (1), is payable to the last designated beneficiary named on a form filed with the director before the death of the constitutional officer, or if no designation is on file, the refund is payable to the estate of the deceased constitutional officer.

Sec. 4. Minnesota Statutes 1994, section 490.124, is amended by adding a subdivision to read:

Subd. 13. [DEATH REFUND.] If a judge who has not received other benefits under this chapter dies and there are no survivor benefits payable under this chapter, a refund plus interest as provided in section 490.124, subdivision 12, is payable to the last designated beneficiary named on a form filed with the director before the death of the judge, or if no designation is on file, the refund is payable to the estate of the deceased judge.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1996.

#### ARTICLE 2

ADMINISTRATIVE PROVISIONS RELATING TO THE  
MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 1994, section 352.04, subdivision 8, is amended to read:

Subd. 8. [DEPARTMENT REQUIRED TO PAY OMITTED SALARY DEDUCTIONS.] (a) If a department fails to take deductions past due for a period of 60 days or less from an employee's salary as provided in this section, those deductions must be taken on later payroll abstracts.

(b) If a department fails to take deductions past due for a period in excess of 60 days from an employee's salary as provided in this section, the department, and not the employee, ~~shall~~ must pay on later payroll abstracts the employee and employer contributions and an amount equivalent to 8.5 percent of the total amount due in lieu of interest, or if the delay in payment exceeds one year, 8.5 percent compound annual interest.

(c) If a department fails to take deductions past due for a period of 60 days or less and the employee is no longer in state service so that the required deductions cannot be taken from the salary of the employee, the department ~~shall~~ must nevertheless pay the required employer contributions. If any department fails to take deductions past due for a period in excess of 60 days and the employee is no longer in state service, the omitted contributions ~~shall~~ must be recovered under paragraph (b).

(d) If an employee from whose salary required deductions were past due for a period of 60 days or less leaves state service before the payment of the omitted deductions and subsequently returns to state service, the unpaid amount is considered the equivalent of a refund. The employee accrues no right by reason of the unpaid amount, except that the employee may pay the amount of omitted deductions as provided in section 352.23.

Sec. 2. Minnesota Statutes 1994, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NON-JOB-RELATED DISABILITY.] Any covered correctional employee who, after at least one year of covered correctional service, becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least 15 years of covered correctional service.

Sec. 3. Minnesota Statutes 1994, section 352B.10, subdivision 2, is amended to read:

Subd. 2. [DISABLED WHILE NOT ON DUTY.] If a member terminates employment after at least one year of service because of sickness or injury occurring while not on duty and not engaged in state work entitling the member to membership, and the ~~termination is necessary because the member cannot perform duties, the member is entitled to receive a disability benefit~~ member becomes disabled and physically or mentally unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, the member is entitled to disability benefits. The benefit must be in the same amount and computed in the same way as if the member were 55 years old at the date of disability and the annuity were paid under section 352B.08. If disability under this clause occurs after one but before 15 years service, the disability benefit must be computed as though the member had 15 years service.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1996.

ARTICLE 3

ADMINISTRATIVE PROVISIONS RELATING TO  
THE TEACHERS RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 1994, section 354.44, subdivision 3, is amended to read:

Subd. 3. ~~[APPLICATION FOR RETIREMENT.] Application for retirement must be made by the member or by someone authorized to act in the member's behalf. A member or a person authorized to act on behalf of the member may make application for retirement provided the age and service requirements under subdivision 1 are satisfied on or before the member's retirement annuity accrual date under subdivision 4. The application may be made no earlier than 120 days before the termination of teaching service. The application must be made on a form prescribed by the executive director and is not complete until all necessary supporting documents are received by the executive director.~~

Sec. 2. Minnesota Statutes 1994, section 354.44, subdivision 4, is amended to read:

Subd. 4. ~~[TIME AND MANNER OF PAYMENTS RETIREMENT ANNUITY ACCRUAL DATE.] A member may make application to the board for a retirement annuity any time after the member has satisfied the age and service requirements of this chapter for retirement except that an application for retirement must not be made more than 60 days before termination of teaching service. The (a) An annuity payment begins to accrue, providing that the age and service requirements under subdivision 1 are satisfied, after the termination of teaching service, or after the application for retirement has been filed with the board, whichever is later, as follows:~~

~~(a) (1) on the 16th day of the month of termination or filing if the termination or filing occurs on or before the 15th day of the month;~~

~~(b) (2) on the first day of the month following the month of termination or filing if the termination or filing occurs on or after the 16th day of the month; or~~

~~(c) (3) on July 1 for all school principals and other administrators who receive a full annual contract salary during the fiscal year for performance of a full year's contract duties; or~~

~~(4) a later date to be the first or 16th day of a month within the six-month period immediately following the termination of teaching service as specified under paragraph (b) by the member.~~

~~(b) If an application for retirement is filed with the board during the six-month period immediately following the termination of teaching service, the annuity may begin to accrue as if the application for retirement had been filed with the board on the date teaching service terminated or a later date occurring within the six-month period as specified by the member under paragraph (a), clause (4). An annuity must not begin to accrue more than one month before the date of final salary receipt.~~

Sec. 3. [EFFECTIVE DATE.]

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

#### ARTICLE 4

### INCREASED FUNDING FOR THE MINNEAPOLIS AND ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATIONS

Section 1. Minnesota Statutes 1994, section 16A.06, is amended by adding a subdivision to read:

Subd. 9. [FIRST CLASS CITY TEACHER RETIREMENT FUNDS AIDS REPORTING.] Each year, on or before April 15, the commissioner of finance shall report to the chairs of the senate finance committee and the house ways and means committee on expenditures for state aids to the Minneapolis and Saint Paul teacher retirement fund associations under sections 354A.12 and 423A.02, subdivision 3. This report shall include the amounts expended in the most recent fiscal year and estimates of expected expenditures for the current and next fiscal year.

Sec. 2. Minnesota Statutes 1994, section 69.021, subdivision 7, is amended to read:

Subd. 7. [APPORTIONMENT OF FIRE STATE AID TO MUNICIPALITIES AND RELIEF ASSOCIATIONS.] ~~(4) (a) The commissioner shall apportion the fire state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed under this chapter to each municipality and/or firefighters' relief association;~~

(b) The commissioner shall calculate an initial fire state aid allocation amount for each municipality or fire department under paragraph (c) and a minimum fire state aid allocation amount for each municipality or fire department under paragraph (d). The municipality or fire department must receive the larger fire state aid amount.

(c) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 5, without inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3, allocated one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the market value of each fire town, including the market value of tax exempt property, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution shall must be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments. In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and market value of the area served by each fire department shall may be considered in calculating the state aid and the fire departments furnishing service shall enter into an agreement apportioning among themselves the percent of the population and the market value of each service area. The agreement shall must be in writing and must be filed with the commissioner.

(d) The minimum fire state aid allocation amount is the amount in addition to the initial fire state allocation amount that is derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3, and allocated to municipalities with volunteer firefighter relief associations based on the number of active volunteer firefighters who are members of the relief association as reported in the annual financial reporting for the calendar year 1993 to the office of the state auditor, but not to exceed 30 active volunteer firefighters, so that all municipalities or fire departments with volunteer firefighter relief associations receive in total at least a minimum fire state aid amount per 1993 active volunteer firefighter to a maximum of 30 firefighters.

(e) The fire state aid shall must be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall, within 30 days of receipt of the fire state aid, transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.

(f) The commissioner may make rules to permit the administration of the provisions of this section. Any adjustments needed to correct prior misallocations must be made to subsequent apportionments.

Subd. 7a. [APPORTIONMENT OF POLICE STATE AID.]

(2) (a) The commissioner shall apportion the state peace officer aid to each municipality and to the county in the following manner:

(a) (1) For all municipalities maintaining police departments and the county, the state aid shall must be distributed in proportion to the total number of peace officers, as determined under section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

(b) (2) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full-time equivalent number of peace officers providing contract service shall must be credited against the municipality's contract obligation; and

(e) (3) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full-time equivalent number of peace officers providing contract service on a full-time equivalent basis shall must be credited against the contract obligation of the municipality receiving contract service;.

(d) (b) No municipality entitled to receive state peace officer aid shall may be apportioned less state peace officer aid for any year under Laws 1976, chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of state peace officer aid to other municipalities within the county and to the county shall must be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of state peace officer aid apportioned shall does not exceed the amount of state peace officer aid available for apportionment.

Sec. 3. Minnesota Statutes 1994, section 124.916, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT LEVIES.] (1) In addition to the excess levy authorized in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under Minnesota Statutes 1974, section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under Minnesota Statutes 1974, section 275.127 and chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, section 275.127 and chapter 422A.

(3) In 1991 and each year thereafter, a district to which this subdivision applies may levy an additional amount required for contributions to the Minneapolis employees retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund imposed under section 422A.101, subdivision 3. The additional levy shall not exceed the most recent amount certified by the board of the Minneapolis employees retirement fund as the district's share of the contribution requirement in excess of the maximum state contribution under section 422A.101, subdivision 3.

(4) For taxes payable in 1994 and thereafter, special school district No. 1, Minneapolis, and independent school district No. 625, St. Paul, may levy for the increase in the employer retirement fund contributions, under Laws 1992, chapter 598, article 5, section 1. Notwithstanding section 121.904, the entire amount of this levy may be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

(5) If the employer retirement fund contributions under section 354A.12, subdivision 2a, are increased for fiscal year 1994 or later fiscal years, special school district No. 1, Minneapolis, and independent school district No. 625, St. Paul, may levy in payable 1994 or later an amount equal to the amount derived by applying the net increase in the employer retirement fund contribution rate of the respective teacher retirement fund association between fiscal year 1993 and the fiscal year beginning in the year after the levy is certified to the total covered payroll of the applicable teacher retirement fund association. Notwithstanding section 121.904, the entire amount of this levy may be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155. If an applicable school district levies under this paragraph, they may not levy under paragraph (4).

(6) In addition to the levy authorized under paragraph (5), special school district No. 1, Minneapolis, may also levy payable in 1997 or later an amount equal to the contributions under section 423A.02, subdivision 3, and may also levy in payable 1994 or later an amount equal to the state aid contribution under section 354A.12, subdivision 3b. Independent school district No. 625,

St. Paul, may levy payable in 1997 or later an amount equal to the supplemental contributions under section 423A.02, subdivision 3. Notwithstanding section 121.904, the entire amount of this levy these levies may be recognized as revenue for the fiscal year in which the levy is certified. This levy These levies shall not be considered in computing the aid reduction under section 124.155.

Sec. 4. [354A.105] [MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION; PURCHASE OF ALLOWABLE SERVICE CREDIT FOR TEACHING SERVICE OUTSIDE MINNESOTA.]

(a) Notwithstanding any law, article of incorporation, or bylaw provision of the Minneapolis teachers retirement fund association to the contrary, an active member who has engaged in other elementary or secondary public school teaching employment either outside the state of Minnesota, but rendered in the United States, or for the federal government before first becoming a member of the association and who has met the qualifications of paragraph (b) may elect to purchase and receive allowable service credit in the applicable program of the association for qualified prior service in other elementary or secondary public school teaching employment that satisfies the requirements of paragraph (c) by making the required payment under paragraph (d).

(b) A member may elect to purchase allowable service credit for other elementary or secondary public school teaching employment under this subdivision if:

(1) the member has at least three years of allowable service credit in the applicable program of the association; and

(2) the member did not and could not receive accrued benefits by leaving the person's accumulated member contributions with any other retirement system under the applicable law in effect at the termination of the other public employment.

(c) Service in other elementary or secondary public school teaching employment rendered in the United States qualifies for purchase under this subdivision if the service to be credited:

(1) does not exceed the lesser of ten years or the member's total years of allowable teaching service in the Minneapolis public schools at the time of the purchase;

(2) is equivalent to full-time allowable service as determined in accordance with the statutes and rules applicable to the association at the time of the purchase;

(3) is purchased in full year increments;

(4) is not for a period of service that has been used by the member to qualify for an annuity from any other public school retirement fund or system, as certified by the chief administrative officer of the applicable retirement system; and

(5) is not available to be used for the purpose of qualifying the member for a disability benefit from the association.

(d) For a person eligible to purchase credit for qualifying service under this subdivision, there must be paid to the association an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by virtue of the purchase of the additional service credit, using the applicable preretirement interest rate specified in section 356.215, subdivision 4d, and the mortality table adopted for the retirement fund association and assuming continuous future service in the retirement fund association until the age at which the minimum requirements are met for normal retirement with an annuity unreduced for retirement before the normal retirement age, including the provisions of section 356.30, and also assuming a future salary history that includes increases at the applicable rate assumed under section 356.215, subdivision 4d.

(e) Payments under this section must be made only by the member. The employer unit may not make any payment to or on behalf of any member for the purpose of purchasing service credit under this section.

(f) This section is repealed effective July 1, 2005. On or before January 1, 2006, special school district No. 1 and the Minneapolis teachers retirement fund association shall jointly report to the legislature and the governor on the effects of the provisions under this section on the district, fund, and members. The report shall include information on use of the service credit purchase provisions, the usefulness of this section in promoting the recruitment and retention objectives of the district, and the portability of pension benefits for teachers and school administrative personnel.

Sec. 5. Minnesota Statutes 1994, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [RETIREMENT CONTRIBUTION LEVY DISALLOWED.] Except as provided in subdivision 3b, paragraph (d) and in section 423A.02, subdivision 3, with respect to the city of Minneapolis and special school district No. 1 and in section 423A.02, subdivision 3, with respect to independent school district No. 625, notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

Sec. 6. Minnesota Statutes 1994, section 354A.12, subdivision 3c, is amended to read:

Subd. 3c. [TERMINATION OF SUPPLEMENTAL CONTRIBUTIONS AND DIRECT STATE MATCHING AND STATE AID.] (a) The supplemental contributions payable to the Minneapolis teachers retirement fund association by special school district No. 1 and the city of Minneapolis under section 423A.02, subdivision 3, or to the St. Paul teachers retirement fund association by independent school district No. 625 under section 423A.02, subdivision 3, the direct state aid under subdivision 3a to the St. Paul teachers retirement association, and the direct matching and state aid under subdivision 3b to the Minneapolis teachers retirement fund association terminates for the respective fund at the end of the fiscal year in which the accrued liability funding ratio for that fund, as determined in the most recent actuarial report for that fund by the actuary retained by the legislative commission on pensions and retirement, equals or exceeds the accrued liability funding ratio for the teachers retirement association, as determined in the most recent actuarial report for the teachers retirement association by the actuary retained by the legislative commission on pensions and retirement.

(b) If the direct matching, supplemental, or state aid is terminated for the St. Paul teachers retirement fund association or the Minneapolis teachers retirement fund association under paragraph (a), it may not again be received by that fund.

(c) If either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association remain funded at less than the funding ratio applicable to the teachers retirement association when the provisions of paragraph (b) become effective, then any state aid not distributed to that association must be immediately transferred to the other association.

Sec. 7. Minnesota Statutes 1994, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) [AUTHORITY.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with this subdivision.

(b) [SECURITIES GENERALLY.] The covered pension plan has the authority to purchase, sell, lend, or exchange the securities specified in paragraphs (c) to (g), including puts and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. These securities may be owned as units in commingled trusts that own the securities described in paragraphs (c) to (g).

(c) [GOVERNMENT OBLIGATIONS.] The covered pension plan may invest funds in governmental bonds, notes, bills, mortgages, and other evidences of indebtedness provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. The obligations in which funds



may be invested under this paragraph include guaranteed or insured issues of (1) the United States, its agencies, its instrumentalities, or organizations created and regulated by an act of Congress; (2) Canada and its provinces, provided the principal and interest is payable in United States dollars; (3) the states and their municipalities, political subdivisions, agencies, or instrumentalities; (4) the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other United States government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars.

(d) [CORPORATE OBLIGATIONS.] The covered pension plan may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(1) the principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof must be payable in United States dollars; and

(2) obligations must be rated among the top four quality categories by a nationally recognized rating agency.

(e) [OTHER OBLIGATIONS.] (1) The covered pension plan may invest funds in bankers acceptances, certificates of deposit, deposit notes, commercial paper, mortgage participation certificates and pools, asset backed securities, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(i) bankers acceptances and deposit notes of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(ii) certificates of deposit are limited to those issued by (A) United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by federal agencies; or (B) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;

(iii) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(iv) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(v) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(vi) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency or to alternative guaranteed investment contracts where the underlying assets comply with the requirements of this subdivision; and

(vii) savings accounts are limited to those fully insured by federal agencies; and

(viii) asset backed securities must be rated in the top four quality categories by a nationally recognized rating agency.

(2) Sections 16A.58 and 16B.06 do not apply to certificates of deposit and collateralization agreements executed by the covered pension plan under clause (1), item (ii).

(3) In addition to investments authorized by clause (1), item (iv), the covered pension plan may purchase from the Minnesota housing finance agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The covered pension plan may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the covered pension plan comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The covered pension plan may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

(f) [CORPORATE STOCKS.] The covered pension plan may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange, if they conform to the following provisions:

(1) The aggregate value of corporate stock investments, as adjusted for realized profits and losses, must not exceed 85 percent of the market or book value, whichever is less, of a fund, less the aggregate value of investments according to subdivision 6;

(2) Investments must not exceed five percent of the total outstanding shares of any one corporation.

(g) [OTHER INVESTMENTS.] (1) In addition to the investments authorized in paragraphs (b) to (f), and subject to the provisions in clause (2), the covered pension plan may invest funds in:

(i) venture capital investment businesses through participation in limited partnerships and corporations;

(ii) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(iii) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(iv) resource investments through limited partnerships, private placements, and corporations; and

(v) international securities.

(2) The investments authorized in clause (1) must conform to the following provisions:

(i) the aggregate value of all investments made according to clause (1) may not exceed 35 percent of the market value of the fund for which the covered pension plan is investing;

(ii) there must be at least four unrelated owners of the investment other than the state board for investments made under clause (1), item (i), (ii), (iii), or (iv);

(iii) covered pension plan participation in an investment vehicle is limited to 20 percent thereof for investments made under clause (1), item (i), (ii), (iii), or (iv); and

(iv) covered pension plan participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The covered pension plan may not engage in any activity as a limited partner which creates general liability.

Sec. 8. Minnesota Statutes 1994, section 423A.02, subdivision 1, is amended to read:

Subdivision 1. [AMORTIZATION STATE AID.] (a) A municipality in which is located a local

police or salaried firefighters' relief association to which the provisions of section 69.77, apply, that had an unfunded actuarial accrued liability in the most recent relief association actuarial valuation, is entitled, upon application as required by the commissioner of revenue, to receive local police and salaried firefighters' relief association amortization state aid if the municipality and the appropriate relief association both comply with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1 and 3, and 69.77. If a municipality loses entitlement for amortization state aid in any year because its local relief association no longer has an unfunded actuarial accrued liability, the municipality is not entitled to amortization state aid in any subsequent year.

(b) The total amount of amortization state aid to all entitled municipalities must not exceed \$5,055,000.

(c) Subject to the adjustment for the city of Minneapolis provided in this paragraph, the amount of amortization state aid to which a municipality is entitled annually is an amount equal to the level annual dollar amount required to amortize, by December 31, 2010, the unfunded actuarial accrued liability of the special fund of the appropriate relief association as reported in the December 31, 1978, actuarial valuation of the relief association prepared under sections 356.215 and 356.216, reduced by the dollar amount required to pay the interest on the unfunded actuarial accrued liability of the special fund of the relief association for calendar year 1981 set at the rate specified in Minnesota Statutes 1978, section 356.215, subdivision 4, clause (4). For the city of Minneapolis, the amortization state aid amount thus determined must be reduced by \$747,232 on account of the Minneapolis police relief association and by \$772,768 on account of the Minneapolis fire department relief association. If the amortization state aid amounts determined under this paragraph exceed the amount appropriated for this purpose, the amortization state aid for actual allocation must be reduced pro rata.

(d) Payment of amortization state aid to municipalities must be made directly to the municipalities involved in ~~four~~ three equal installments on ~~March 15~~, July 15, September 15, and November 15 annually. Upon receipt of amortization state aid, the municipal treasurer shall transmit the aid amount to the treasurer of the local relief association for immediate deposit in the special fund of the relief association.

(e) The commissioner of revenue shall prescribe and periodically revise the form for and content of the application for the amortization state aid.

Sec. 9. Minnesota Statutes 1994, section 423A.02, is amended by adding a subdivision to read:

Subd. 3. [REALLOCATION OF AMORTIZATION OR SUPPLEMENTARY AMORTIZATION STATE AID.] (a) Seventy percent of the difference between \$5,720,000 and the current year amortization aid or supplementary amortization aid distributed under this section to a municipality for use by a local police or salaried fire relief association must be distributed by the commissioner of revenue according to this paragraph. The commissioner shall distribute 70 percent of the amounts derived under this paragraph to the Minneapolis teachers retirement fund association and 30 percent to the St. Paul teachers retirement fund association to fund the unfunded actuarial accrued liabilities of the respective funds. These payments shall be made on or before June 30 each fiscal year. The amount required under this paragraph is appropriated annually from the general fund to the commissioner of revenue. If either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association becomes funded at the funding ratio applicable to the teachers retirement association based on the actuarial reports prepared by the actuary for the legislative commission on pensions and retirement, then the commissioner shall distribute that fund's share under this paragraph to the other fund. The appropriation under this paragraph terminates when both funds become fully funded. Amounts remaining in the undistributed balance account at the end of the biennium cancel to the general fund.

(b) In order to receive amortization and supplementary amortization aid under paragraph (a), independent school district No. 625, St. Paul, must make contributions to the St. Paul teachers retirement fund association in accordance with the following schedule:

<u>Fiscal Year</u>	<u>Amount</u>
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<u>1996</u>	<u>\$0</u>
<u>1997</u>	<u>\$0</u>
<u>1998</u>	<u>\$200,000</u>
<u>1999</u>	<u>\$400,000</u>
<u>2000</u>	<u>\$600,000</u>
<u>2001 and thereafter</u>	<u>\$800,000</u>

(c) In order to receive amortization and supplementary amortization aid under paragraph (a), special school district No. 1, Minneapolis, and the city of Minneapolis must each make contributions to the Minneapolis teachers retirement fund association in accordance with the following schedule:

<u>Fiscal Year</u>	<u>City amount</u>	<u>School district amount</u>
<u>1996</u>	<u>\$0</u>	<u>\$0</u>
<u>1997</u>	<u>\$0</u>	<u>\$0</u>
<u>1998</u>	<u>\$250,000</u>	<u>\$250,000</u>
<u>1999</u>	<u>\$400,000</u>	<u>\$400,000</u>
<u>2000</u>	<u>\$550,000</u>	<u>\$550,000</u>
<u>2001</u>	<u>\$700,000</u>	<u>\$700,000</u>
<u>2002</u>	<u>\$850,000</u>	<u>\$850,000</u>
<u>2003 and thereafter</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>

(d) Money contributed under paragraph (a) and either paragraph (b) or (c), as applicable, must be credited to a separate account in the applicable teachers retirement fund and may not be used in determining any benefit increases.

(e) Thirty percent of the amortization aid or supplemental amortization aid under this section which is not distributed for any reason to a municipality for use by a local police or salaried firefighter relief association must be distributed under section 69.021, subdivision 7, paragraph (d), as additional funding to support a minimum fire state aid amount for volunteer firefighter relief associations. The amount required under this paragraph is appropriated annually to the commissioner of revenue.

Sec. 10. Minnesota Statutes 1994, section 423B.01, subdivision 9, is amended to read:

Subd. 9. [EXCESS INVESTMENT INCOME.] "Excess investment income" means the amount, if any, by which the average time weighted total rate of return earned by the fund in the most recent prior five fiscal year years has exceeded the actual average percentage increase in the current monthly salary of a first grade patrol officer in the most recent prior five fiscal year years plus two percent, and must be expressed as a dollar amount and may not exceed one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a first grade patrol officer during the previous five calendar years.

Sec. 11. Minnesota Statutes 1994, section 423B.15, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 2 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of excess investment income must be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the average time weighted total rate of return for the most recent prior five years exceeds by two

percent the actual average percentage increase in the current monthly salary of a top grade patrol officer in the most recent prior five fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer of the previous five years. The total amount of all payments to members may not exceed the amount determined under this subdivision. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

A person who received a pension or benefit for the entire 12 months before the determination date is eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

Sec. 12. Laws 1989, chapter 319, article 19, section 7, subdivision 1, as amended by Laws 1992, chapter 471, article 2, section 5, is amended to read:

Subdivision 1. [MINNEAPOLIS FIRE DEPARTMENT RELIEF ASSOCIATION; DEFINITIONS.] For the purposes of this section, each of the terms in this subdivision have the meanings given them in paragraphs (a) to (h).

(a) "Annual postretirement payment" means the payment of a lump sum postretirement benefit to an eligible member on June 1 following the determination date in any year.

(b) "City" means the city of Minneapolis.

(c) "Determination date" means December 31 of each year.

(d) "Eligible member" means a person, including a service pensioner, a disability pensioner, a survivor, or dependent of a deceased active member, service pensioner, or disability pensioner, who received a pension or benefit from the relief association during the 12 months before the determination date. A person who received a pension or benefit for the entire 12 months before the determination date is eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

(e) "Excess investment income" means the amount by which the average time weighted total rate of return earned by the fund in the most recent prior five fiscal year years has exceeded the actual average percentage increase in the current monthly salary of a top grade firefighter in the most recent prior five fiscal year years plus two percent. The excess investment income must be expressed as a dollar amount and may not exceed one percent of the total assets of the fund and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade firefighter during the previous five calendar years.

(f) "Fund" means the Minneapolis fire department relief association.

(g) "Relief association" means the Minneapolis fire department relief association.

(h) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

Sec. 13. Laws 1989, chapter 319, article 19, section 7, subdivision 4, as amended by Laws 1990, chapter 570, article 12, section 63, and Laws 1992, chapter 471, article 2, section 6, is amended to read:

Subd. 4. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of one percent of assets which constitute excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of one percent of assets which constitute excess investment income shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the average time weighted total rate of return in the most recent prior five fiscal years exceeds by two percent the actual average percentage increase in the current monthly salary of a top grade firefighter in the most recent prior five fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade firefighter of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment and apply to aid payments beginning in calendar year 1996.

#### ARTICLE 5

##### ADMINISTRATIVE PROVISIONS RELATING TO THE AMBULANCE SERVICE PERSONNEL LONGEVITY AWARD PROGRAM

Section 1. Minnesota Statutes 1994, section 144C.06, is amended to read:

144C.06 [TRUST ACCOUNT INVESTMENT.]

The trust account must be invested by the state board of investment in nonretirement funds established under the provisions of section 11A.14. The trust account must be invested in investment accounts so that the asset allocation is similar to the asset allocation of the income share account of the Minnesota supplemental investment fund, as provided in governed by section 11A.20 11A.17.

Sec. 2. Minnesota Statutes 1995 Supplement, section 144C.07, subdivision 2, is amended to read:

Subd. 2. [POTENTIAL ALLOCATIONS.] (a) On ~~September~~ November 1, annually, the board or the board's designee under section 144C.01, subdivision 2, shall determine the amount of the allocation of the prior year's accumulation to each qualified ambulance service person. The prior year's net investment gain or loss under paragraph (b) must be allocated and that year's general fund appropriation, plus any transfer from the suspense account under section 144C.03, subdivision 2, and after deduction of administrative expenses, also must be allocated.

(b) The difference in the market value of the assets of the ambulance service personnel longevity award and incentive trust account as of the immediately previous June 30 and the June 30 occurring 12 months earlier must be reported on or before August 15 by the state board of investment. The market value gain or loss must be expressed as a percentage of the total potential

award accumulations as of the immediately previous June 30, and that positive or negative percentage must be applied to increase or decrease the recorded potential award accumulation of each qualified ambulance service person.

(c) The appropriation for this purpose, after deduction of administrative expenses, must be divided by the total number of additional ambulance service personnel years of service recognized since the last allocation or 1,000 years of service, whichever is greater. If the allocation is based on the 1,000 years of service, any allocation not made for a qualified ambulance service person must be credited to the suspense account under section 144C.03, subdivision 2. A qualified ambulance service person must be credited with a year of service if the person is certified by the chief administrative officer of the ambulance service as having rendered active ambulance service during the 12 months ending as of the immediately previous June 30. If the person has rendered prior active ambulance service, the person must be additionally credited with one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 15 to the board in an affidavit from the chief administrative officer of the ambulance service.

Sec. 3. Minnesota Statutes 1995 Supplement, section 144C.08, is amended to read:

144C.08 [AMBULANCE SERVICE PERSONNEL LONGEVITY AWARD.]

(a) A qualified ambulance service person who has terminated active ambulance service, who has at least five years of credited ambulance service, who is at least 50 years old, and who is among the 400 persons with the greatest amount of credited ambulance service applying for a longevity award during that year, is entitled, upon application, to an ambulance service personnel longevity award. An applicant whose application is not approved because of the limit on the number of annual awards may apply in a subsequent year.

(b) If a qualified ambulance service person who meets the age and service requirements specified in paragraph (a) dies before applying for a longevity award, the estate of the decedent is entitled, upon application, to the decedent's ambulance service personnel longevity award, without reference to the limit on the number of annual awards.

(c) An ambulance service personnel longevity award is the total amount of the person's accumulations indicated in the person's separate record under section 144C.07 as of ~~the August 15~~ preceding the application November 1 in the calendar year in which application is made. The amount is payable only in a lump sum.

(d) Applications for an ambulance service personnel longevity award must be received by the board or the board's designee under section 144C.01, subdivision 2, by ~~August 15~~ October 1, annually. Ambulance service personnel longevity awards are payable only as of the last business day in ~~October~~ December annually.

Sec. 4. [EFFECTIVE DATE.]

(a) Sections 1 to 3 are effective July 1, 1996.

(b) Any investments of the ambulance service personnel longevity award and incentive trust account made before July 1, 1996, may be retained in the trust account after June 30, 1996, until, in its judgment, the state board of investment determines that it is appropriate to liquidate those prior holdings.

ARTICLE 6

PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN  
COVERAGE OPTION FOR LOCAL GOVERNMENT PHYSICIANS

Section 1. Minnesota Statutes 1994, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] ~~Except as provided in section 353D.11, (a)~~ Eligibility to participate in the defined contribution plan is open available to an:

(1) ~~elect~~ elected local government official officials of a governmental subdivision who ~~elects~~ elect to participate in the plan under section 353D.02, subdivision 1, and who, for the elected service rendered to a governmental subdivision, ~~is are not a member~~ members of the public employees retirement association within the meaning of section 353.01, subdivision 7;

(2) ~~physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7; and to~~

(3) basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate under section 353D.02, subdivision 3.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Service as an elected local government official only includes service for the governmental subdivision for which the official was elected by the public-at-large. Service as an elected local government official ceases and eligibility to participate terminates when the person ceases to be an elected official. An elected local government official does not include an elected county sheriff.

~~Except as provided in section 353D.11, (c)~~ Elected local government officials, physicians, and first response personnel and emergency medical service personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the public employees defined contribution plan.

(d) A former participant is a person who has ~~ceased to be an elected local government official or an emergency medical service employee and who terminated eligible employment or service~~ and has not withdrawn the value of an the person's individual account.

Sec. 2. Minnesota Statutes 1994, section 353D.02, is amended to read:

353D.02 [ELECTION OF COVERAGE.]

Subdivision 1. [ELECTED LOCAL GOVERNMENT OFFICIALS.] Eligible elected local government officials may elect to participate in the defined contribution plan after being elected or appointed to elective public office by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the elected official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or contributions are received in the office of the association, whichever is received first, provided further that the membership application is received by the association within 60 days of the receipt of the contributions. An election to participate in the plan is revocable during incumbency.

Subd. 2. [ELIGIBLE PHYSICIAN.] Eligible physicians may elect to participate in the defined contribution plan within 90 days of commencing employment with a government subdivision under section 353.01, subdivision 6, by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the physician's salary. Participation begins on the first day of the pay period for which the contributions were deducted. An election to participate in the defined contribution plan is irrevocable.

Subd. 3. [ELIGIBLE AMBULANCE SERVICE PERSONNEL.] Each public ambulance service or privately operated ambulance service with eligible personnel that receives an operating subsidy from a governmental entity may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it, whichever date is later. An election by a service or an individual is revocable.



Sec. 3. Minnesota Statutes 1994, section 353D.03, is amended to read:

353D.03 [FUNDING OF PLAN.]

(a) Subdivision 1. [LOCAL GOVERNMENT OFFICIAL CONTRIBUTION.] An eligible elected local government official who elects to participate in the public employees defined contribution plan shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. A participating elected local government official's governmental subdivision shall contribute a matching amount.

(b) Subd. 2. [PHYSICIAN CONTRIBUTION.] An eligible physician who elects to participate in the plan shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. The employer shall contribute a matching amount.

Subd. 3. [AMBULANCE SERVICE PERSONNEL CONTRIBUTION.] A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel who individually elect to participate. Personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service contributions.

(c) Subd. 4. [PAYMENTS BY FORMER ELIGIBLE ELECTED OFFICIALS.] Former participants eligible elected local government officials in the defined contribution plan under this chapter shall not contribute to the plan except under section 353D.12.

Sec. 4. Minnesota Statutes 1994, section 353D.04, is amended to read:

353D.04 [CONTRIBUTIONS AND DEDUCTIONS IN ERROR.]

(a) Subdivision 1. [CREDITING OF ACCOUNT.] Contributions made by or on behalf of a participating elected local government official or physician must be remitted to the public employees retirement association and credited to the individual account established for the participant. (b) Ambulance service contributions must be remitted on a regular basis to the association together with any member contributions paid or withheld. Those contributions must be credited to the individual account of each participating member.

Subd. 2. [AUTHORITY TO ADOPT POLICIES.] The executive director may adopt policies and procedures regarding deductions taken totally or partially in error by the employer from the salary of an elected official.

Sec. 5. [CURRENT ELIGIBLE PHYSICIANS.]

Subdivision 1. [EXERCISE OF OPTION.] As of the effective date of this section, an eligible physician, who with respect to current service is participating in the general employees defined benefit plan administered by the public employees retirement association, may elect to participate in the public employees defined contribution plan and terminate further participation in the general employees defined benefit plan. The necessary election must be made within six months after the effective date of this section.

Subd. 2. [REFUND OR DEFERRED ANNUITY.] An eligible physician, who elects to transfer coverage under subdivision 1, is deemed to have terminated public service for purposes of Minnesota Statutes, section 353.34. The termination of public service is deemed to occur as of the first day of the month following the month in which the election is made to participate in the public employees defined contribution plan and any refund of accumulated employee deductions, with interest, or future deferred annuity is governed by the law in effect on that day. A refund paid to an eligible physician under this section must include employee contributions withheld from salary and omitted employee contributions paid by the employee or employer under Minnesota Statutes, section 353.27, subdivision 12.

Sec. 6. [DEFINED CONTRIBUTION AND DEFINED BENEFIT PLAN STUDY.]

The legislative commission on pensions and retirement shall report to the legislature by February 15, 1997, on the relative advantages and disadvantages, including any federal taxation considerations, of defined benefit pension plans and of defined contribution pension plans.

Sec. 7. [REPEALER.]

Minnesota Statutes 1994, section 353D.11, is repealed.

Sec. 8. [EFFECTIVE DATE.]

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

ARTICLE 7

INDIVIDUAL RETIREMENT ACCOUNT PLANS DEFINED  
CONTRIBUTION PLAN COVERAGE FOR HISTORICAL  
SOCIETY EMPLOYEES

Section 1. Minnesota Statutes 1995 Supplement, section 354D.02, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Eligible employees are:

- (1) any supervisory or professional employee of the state arts board; ~~and~~
- (2) any supervisory or professional employee of the Minnesota humanities commission; or
- (3) any employee of the Minnesota historical society.

Sec. 2. Minnesota Statutes 1995 Supplement, section 354D.03, is amended to read:

354D.03 [SOCIAL SECURITY COVERAGE.]

Plan participants ~~remain~~ are members of the general state retirement plan for purposes of social security coverage only ~~remain~~, and are covered by the applicable agreement entered into under section 355.02 but are not members of the general state retirement plan for any other purpose while employed in covered employment.

Sec. 3. Minnesota Statutes 1995 Supplement, section 354D.04, is amended to read:

354D.04 [PLAN COVERAGE.]

An election made under this section is irrevocable. Eligible employees under section 354D.02, subdivision 2, shall elect to participate in either the individual retirement account plan or their respective retirement plan as follows:

(1) ~~An eligible employee first employed after the effective date of Laws 1994, chapter 508, in covered employment with no prior allowable service as a member of the Minnesota state retirement system, the public employees retirement association, or the teachers retirement association may elect retirement coverage under either their respective state retirement plan or the individual retirement account plan within 60 days of the start of covered employment. An election made under this subdivision is irrevocable.~~

(2) An eligible employee with prior allowable service as a member of the Minnesota state retirement system, the public employees retirement association, or the teachers retirement association may elect prospective coverage by the individual retirement account plan. If individual retirement account plan coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the applicable retirement association or system. Notwithstanding any provision of law to the contrary, an individual who has transferred coverage for the same employment to the individual retirement account plan is entitled to an augmented deferred retirement annuity from the prior plan based on the amount representing the employer and employee contributions made on the individual's behalf in the retirement association or

system in which the individual was formerly enrolled without regard to whether or not the individual meets the service credit vesting requirements of the applicable retirement association or system. An election made under this subdivision clause must be made within 120 days and is irrevocable following the date the eligible employee first becomes eligible to make the election.

Sec. 4. Minnesota Statutes 1995 Supplement, section 354D.06, is amended to read:

354D.06 [ADMINISTRATION.]

(a) The Minnesota state university system or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clauses (1) and (2), in accordance with sections 354B.01 to 354B.05.

(b) The Minnesota historical society or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (3), in accordance with section 354D.08.

Sec. 5. [354D.08] [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATION; MINNESOTA HISTORICAL SOCIETY.]

Subdivision 1. [GENERAL GOVERNANCE.] The Minnesota historical society is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (3).

Subd. 2. [ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS.] (a) The plan administrator shall arrange for the purchase of fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment and approved by the plan administrator under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended.

(b) The annuity contracts or accounts must be purchased with contributions under section 354D.05, or with money or assets otherwise provided by law by authority of the Minnesota historical society and deemed acceptable by the applicable financial institution.

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The plan administrator may approve up to two financial institutions selected by the state board of investment under section 354B.25, subdivision 3, to provide annuity products and custodial accounts for those employees listed in section 354D.02, subdivision 2, clause (3). Only those financial institutions selected by the state board of investment and approved by the plan administrator may provide annuity products and custodial accounts for those employees listed in section 354D.02, subdivision 2, clause (3).

The state board of investment must periodically review at least every three years each financial institution selected. The state board of investment may retain consulting services to assist in the periodic review, may establish a budget for its costs in the periodic review process, and may charge a proportional share of those costs to each financial institution selected. All contracts must be approved by the state board of investment before execution by the Minnesota historical society. The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out this subdivision.

Subd. 4. [BENEFIT OWNERSHIP.] The retirement benefits provided by the annuity contracts and custodial accounts of the individual retirement account plan are held for the benefit of plan participants and must be paid according to this chapter and the plan document.

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES; MINNESOTA HISTORICAL SOCIETY.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan for those employees enumerated in section 354D.02, subdivision 2, clause (3), must be paid by plan participants. The plan

administrator may charge to plan participants purchasing annuity contracts and custodial accounts pursuant to subdivision 2, paragraph (a), an administrative expenses assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

## ARTICLE 8

### VOLUNTEER FIREFIGHTER FIRE PREVENTION SERVICE

Section 1. Minnesota Statutes 1994, section 424A.001, is amended by adding a subdivision to read:

Subd. 8. [FIREFIGHTING SERVICE.] "Firefighting service," if the applicable municipality approves for a fire department that is a municipal department, or if the contracting municipality or municipalities approve for a fire department that is an independent nonprofit firefighting corporation, includes service rendered by fire prevention personnel.

Sec. 2. Minnesota Statutes 1994, section 424A.001, is amended by adding a subdivision to read:

Subd. 9. [SEPARATE FROM ACTIVE SERVICE.] "Separate from active service" means to cease to perform fire suppression duties, to cease to perform fire prevention duties, to cease to supervise fire suppression duties, and to cease to supervise fire prevention duties.

Sec. 3. Minnesota Statutes 1994, section 424A.01, is amended by adding a subdivision to read:

Subd. 5. [FIRE PREVENTION PERSONNEL.] (a) If the fire department is a municipal department and the applicable municipality approves, or if the fire department is an independent nonprofit firefighting corporation and the contracting municipality or municipalities approve, the fire department may employ or otherwise utilize the services of persons as volunteer firefighters to perform fire prevention duties and to supervise fire prevention activities.

(b) Personnel serving in fire prevention positions are eligible to be members of the applicable volunteer firefighter relief association and to qualify for service pension or other benefit coverage of the relief association on the same basis as fire department personnel who perform fire suppression duties.

(c) Personnel serving in fire prevention positions also are eligible to receive any other benefits under the applicable law or practice for services on the same basis as personnel employed to perform fire suppression duties.

Sec. 4. Minnesota Statutes 1994, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] (a) A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches age 50; (3) completes at least five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least five years of active membership with the relief association before separation from active service; and (5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association. A service pension computed under this section may be prorated monthly for fractional years of service, if the bylaws or articles of incorporation of the relief association so provide. The service pension may be paid whether or not the municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the payment of the service pension. During the period of inactive membership, the member is not entitled to receive disability benefit coverage, is not entitled to receive additional service credit towards computation of a service pension, and is considered to have the status of a person entitled to a deferred service pension under subdivision 7.

(c) No municipality or nonprofit firefighting corporation may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level that this chapter would allow rather than a specific dollar amount or level.

(d) No relief association as defined in section 424A.001, subdivision 4, may pay a service pension or disability benefit to a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated.

~~For the purposes of this chapter, "to separate from active service" means to cease to perform fire suppression duties and to cease to supervise fire suppression duties.~~

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

#### ARTICLE 9

#### SERVICE CREDIT DEADLINE EXTENSIONS AND PURCHASES

Section 1. Laws 1995, chapter 252, article 1, section 16, is amended to read:

Sec. 16. [RETROACTIVE PROVISIONS.]

(a) A teacher who had at least three years of allowable service credit under Minnesota Statutes, chapter 354 or 354A, on July 1, 1994, and who worked part-time between July 1, 1994, and June 30, 1995, may be allowed to make contributions to and accrue allowable service credit in the applicable retirement fund, as if the teacher had been working full time, as provided in Minnesota Statutes, sections 354.66, subdivision 4, and 354A.094, subdivision 4, for service after July 1, 1994, and before June 30, 1995. If a teacher described in this paragraph wishes to obtain allowable service credit as if the teacher had been working full time for the period from July 1, 1994, to June 30, 1995, the teacher must:

(1) make a lump sum payment to the applicable pension fund ~~within 60 days after the effective date of this section before August 2, 1996, with respect to the St. Paul teachers retirement fund association, or before August 2, 1995, with respect to any other teacher retirement plan,~~ of the difference between the amount of the employer and employee contributions to the pension fund that would have been paid if the teacher had been working full time, and that amount that was actually paid for part-time service during that period; and

(2) submit to the association a letter or other document from the board of the teacher's employing district stating that the board would have agreed to the teacher's participation in the part-time mobility program during the 1994-1995 school year but for the requirement then in effect that the district make the full employer contribution to the retirement fund for teachers with 20 or more years of service, based on the compensation that would have been paid if the teacher had been employed on a full-time basis.

(b) An employer of a teacher covered by paragraph (a) must notify the teacher of the option

available under paragraph (a) in writing within 30 days of the effective date of this section before July 3, 1996, with respect to the St. Paul teachers retirement fund association, or before July 3, 1995, with respect to any other teacher retirement plan.

(c) With respect to the St. Paul teachers retirement fund association, any payment must include compound interest at an annual rate of 8.5 percent from August 3, 1995, to the date on which payment is made.

Sec. 2. [STUDY OF REGIONAL TREATMENT CENTER AND RELATED GOVERNMENTAL ENTITY EDUCATIONAL BREAKS-IN-SERVICE.]

The legislative commission on pensions and retirement shall study the topic of the appropriate retirement coverage for educational break-in-services to be accorded to state employees who are employed by a regional treatment center, who terminated state employment to undertake additional education with a documented mutual expectation of rehiring upon completion of the educational period, and who received a state stipend during the educational period and to other comparably situated public employees. The commission shall attempt to identify the actuarial accrued liability associated with granting public pension plan allowable service credit for these educational break-in-service periods and shall determine the appropriate manner of funding that liability. The commission shall report the results of its study, including any recommendations in the form of draft legislation, by March 1, 1997, to the chair of the committee on governmental operations of the house of representatives, the chair of the committee on governmental operations and veterans of the senate, the chair of the committee on ways and means of the house of representatives, and the chair of the committee on finance of the senate.

Sec. 3. [INDEPENDENT SCHOOL DISTRICT NO. 553, NEW YORK MILLS; PART-TIME TEACHER RETIREMENT COVERAGE PROGRAM DEADLINE EXTENSION.]

(a) Notwithstanding any provision of Minnesota Statutes, section 354.66, to the contrary, the teachers retirement association must accept the application for full-time retirement coverage filed by independent school district No. 553, New York Mills, on or about October 13, 1995, for a person who:

- (1) was born on May 16, 1945;
- (2) was initially hired by the school district in 1968;
- (3) served in the military from school years 1969-1970 to 1972-1973; and
- (4) began work as a part-time computer technology teacher on July 1, 1995.

A person who meets the requirements of clauses (1) to (4) is entitled to full-time teacher retirement association coverage under Minnesota Statutes, section 354.66, for the 1995-1996 school year if all other conditions of that section are met beyond the failure of the school district to timely file the application.

(b) A person who meets the requirements of paragraph (a), clauses (1) to (4), for teaching services shall pay the applicable employee contribution under Minnesota Statutes, section 354.42, subdivision 1, on the difference between the amount of the person's compensation from which employee contributions were actually deducted and the amount of the person's full-time equivalent salary under Minnesota Statutes, section 354.66, subdivision 4.

(c) Independent school district No. 553, New York Mills, shall pay the applicable employer and additional employer contributions under Minnesota Statutes, section 354.42, subdivisions 3 and 5, on the person's full-time equivalent salary, plus interest at the rate of 8.5 percent. The school district shall also pay interest at the rate of 8.5 percent on the difference between the employee contributions actually deducted from compensation and the amount of the person's full-time equivalent salary under paragraph (b).

(d) The payments under paragraphs (b) and (c) must each be made in a lump sum to the teachers retirement association before June 30, 1996. If payment is made earlier than June 30, 1996, interest must be calculated to the end of the month in which payment is made.

Sec. 4. [INDEPENDENT SCHOOL DISTRICT NO. 200, HASTINGS; PART-TIME TEACHER RETIREMENT COVERAGE PROGRAM DEADLINE EXTENSION.]

(a) Notwithstanding any provision of Minnesota Statutes, section 354.66, to the contrary, the teachers retirement association must accept the application or applications for full-time retirement coverage filed by independent school district No. 200, Hastings, on or about February 5, 1996, for a person who:

(1) was born on January 11, 1940;

(2) was initially hired by the school district on August 26, 1968; and

(3) was initially accepted by the school board for participation in the qualified part-time teacher program under Minnesota Statutes, section 354.66, on November 5, 1991.

A person who meets the requirements of clauses (1) to (3) is entitled to full-time teacher retirement association coverage under Minnesota Statutes, section 354.66, for the 1992-1993 through 1995-1996 school years if all other conditions of that section are met beyond the failure of the school district to timely file the applications.

(b) If full-time equivalent employee contributions have not been received by the teachers retirement association, a person who meets the requirements of paragraph (a), clauses (1) to (3), for teaching services shall pay the applicable employee contribution under Minnesota Statutes, section 354.42, subdivision 2, on the difference between the amount of the person's compensation from which employee contributions were actually deducted and the amount of the person's full-time equivalent salary under Minnesota Statutes, section 354.66, subdivision 4.

(c) If full-time equivalent employer and additional employer contributions have not been received previously by the teachers retirement association, independent school district No. 200, Hastings, shall pay the applicable employer and additional employer contributions under Minnesota Statutes, section 354.42, subdivisions 3 and 5, on the difference, if any, between the person's full-time equivalent salary and the salary upon which contributions were made, plus interest at the rate of 8.5 percent compounded annually. The school district shall also pay interest at the rate of 8.5 percent compounded annually on the difference, if any, between the employee contributions actually deducted from compensation and the employee contributions based on the person's full-time equivalent salary under paragraph (b).

(d) The payments under paragraphs (b) and (c) must each be made in a lump sum to the teachers retirement association before June 30, 1996, or before the retirement of a person meeting the requirements of paragraph (a), clauses (1) to (3), whichever is earlier. If payment is made earlier than June 30, 1996, interest must be calculated to the end of the month in which payment is made.

Sec. 5. [MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION; ELIGIBILITY IN PART-TIME TEACHING PROGRAM FOR CERTAIN PART-TIME TEACHERS.]

Notwithstanding any provision of Minnesota Statutes 1994, section 354A.094, to the contrary, teachers in special school district No. 1, Minneapolis, who were granted a part-time position under Minnesota Statutes, section 354A.094, after June 30, 1994, but who were compensated in an amount that exceeded 67 percent of the compensation rate established by the board for a full-time teacher with identical education and experience within the district and who applied for and were approved by special school district No. 1, Minneapolis, for the 1994-1995 school year to participate in the qualified part-time teacher program must be allowed to make, by June 30, 1996, the full-time employee and employer contribution for the 1994-1995 school year and receive service credit from the Minneapolis teachers retirement fund association in amounts according to those prescribed in Minnesota Statutes, sections 354A.094 and 354A.12.

Sec. 6. [MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION; PURCHASE OF PRIOR SERVICE CREDIT.]

Subdivision 1. [ELIGIBILITY; FORMER MINNEAPOLIS TEACHER.] (a) Notwithstanding Laws 1992, chapter 598, article 6, section 19, an eligible person who was:

(1) born on January 4, 1930;

(2) employed as a typing teacher in the adult education program at Bryant junior high school in Minneapolis in September 1969;

(3) employed as a reserve teacher in special school district No. 1 from January 1, 1970, until May 30, 1970; and

(4) employed from June 1, 1970, to 1978, as a business education teacher at the occupational skills training center in Minneapolis;

may purchase allowable service credit in the basic program of the Minneapolis teachers retirement fund association for the period described in paragraph (b) by paying the amount specified in subdivision 3.

(b) The service credit purchase is for the period or periods of uncovered eligible service from September 1969 until the commencement of Minneapolis teachers retirement association fund coverage in 1974 for which membership was mandatory, or for which coverage was at the employee's option, unless it can be demonstrated that the person described in paragraph (a) waived that coverage.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] (a) To purchase credit for prior eligible service under subdivision 1, there must be paid to the Minneapolis teachers retirement fund association an amount equal to the present value of the amount of the additional retirement annuity obtained by purchase of the additional service credit.

(b) Calculation of this amount must be made by the executive director of the Minneapolis teachers retirement fund association using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the retirement association. The calculation must assume retirement at the age at which the minimum requirements of the retirement association for normal retirement, or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased.

(c) The person making the purchase must establish in the records of the association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the retirement association.

(d) Payment of the amount calculated under this subdivision is the obligation of the eligible individual in subdivision 1 and must be made prior to July 1, 1996, in a lump sum. However, the current or former employer of the eligible individual may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of 8.5 percent per year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this paragraph, the employee must make the employee payments required under this paragraph prior to July 1, 1996. If that employee payment is made, the employing unit payment under this paragraph must be remitted to the executive director of the retirement association within 60 days of receipt by the executive director of the employee payments specified under this paragraph.

Subd. 3. [SERVICE CREDIT GRANT.] Service credit for the purchase period or periods must be granted to the account of the eligible person upon receipt of the purchase payment amount specified in subdivision 2.

Sec. 7. [ELECTION OF PUBLIC EMPLOYEE RETIREMENT ASSOCIATION COVERAGE.]



Subdivision 1. Notwithstanding Minnesota Statutes, section 353.01, subdivision 2b, clause (14), to the contrary, a Kanabec hospital employee born on December 6, 1940, employed by the hospital from January 4, 1965, to the present, and a Kanabec hospital employee born on October 6, 1942, employed by the hospital from September, 1964, to August 1, 1966, and from May, 1967, to the present, is eligible to make the election under subdivision 2.

Subd. 2. [ELECTION OF COVERAGE.] An eligible employee under subdivision 1 is entitled to elect retirement coverage by the public employees retirement association general plan. Service credit will begin to accrue at the beginning of the pay period following the election of plan coverage by the eligible employee. The election of coverage must be made on a form prescribed by the executive director of the association. The election must be made within 60 days after the effective date of this section.

Sec. 8. [REPEALER.]

Laws 1990, chapter 570, article 13, section 1, subdivision 5, is repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 6 and 8 are effective the day following final enactment. Section 7 is effective upon approval by the Kanabec county board and upon compliance with Minnesota Statutes, section 645.021.

## ARTICLE 10

### VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION INVESTMENT PERFORMANCE REPORTING

Section 1. Minnesota Statutes 1995 Supplement, section 356.219, subdivision 2, is amended to read:

Subd. 2. [CONTENT AND TIMING OF REPORTS.] (a) The following information shall be included in the report required by subdivision 1:

- (1) the market value of all investments at the close of the reporting period;
- (2) regular payroll-based contributions to the fund;
- (3) other contributions and revenue paid into the fund, including, but not limited to, state or local non-payroll-based contributions, repaid refunds, and buybacks;
- (4) total benefits paid to members;
- (5) fees paid for investment management services;
- (6) salaries and other administrative expenses paid; and
- (7) total return on investment.

The report must also include a written statement of the investment policy in effect on June 30, 1988, and any investment policy changes made subsequently and shall include the effective date of each policy change. The information required under this subdivision must be reported separately for each investment account or investment portfolio included in the pension fund.

(b) For public pension plans other than volunteer firefighters' relief associations governed by sections 69.77 or 69.771 to 69.775, the information specified in paragraph (a) must be provided separately for each quarter for the fiscal years of the pension fund ending during calendar years 1989 through 1991 and on a monthly basis thereafter. For volunteer firefighters' relief associations governed by sections 69.77 or 69.771 to 69.775, the information specified in paragraph (a) must be provided separately each quarter.

(c) Firefighters' relief associations that have assets with a market value of less than \$300,000 must submit a written statement of their current investment policy on or before June 1, 1996, must

report any subsequent investment policy changes, including the effective date of the change, within 90 days of the change, must begin collecting the required information under paragraph (a), clauses (1) to (7), on January 1, 1996 1997, and must submit the required information to the state auditor on or before October 1, 1997 1998, and subsequently within six months of the end of each fiscal year. Other associations must submit the required information through fiscal year 1993 to the state auditor on or before October 1, 1994, and subsequently within six months of the end of each fiscal year.

Sec. 2. Minnesota Statutes 1994, section 356A.06, subdivision 4, is amended to read:

Subd. 4. [ECONOMIC INTEREST STATEMENT.] (a) Each member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest.

(b) For a covered pension plan other than a plan specified in paragraph (c), the statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest.

(c) For a covered pension plan governed by sections 69.771 to 69.776 or a covered pension plan governed by section 69.77 with assets under \$8,000,000, the statement must contain the following:

(1) the person's principal occupation and principal place of business;

(2) whether or not the person has an ownership of or interest of ten percent or greater in an investment security brokerage business, a real estate sales business, an insurance agency, a bank, a savings and loan, or another financial institution; and

(3) any relationship or financial arrangement that can reasonably be expected to give rise to a conflict of interest.

(d) The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan.

(e) A disclosure form meeting the requirements of the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21 as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

(f) The chief administrative officer of each covered pension plan, by January 15, annually, shall transmit a copy of all statements of economic interest received by the plan under this subdivision during the preceding 12 months to the ethical practices board.

Sec. 3. [REVIEW OF INVESTMENT PERFORMANCE ATTRIBUTION REPORTING FORMS AND REPORTING PROCESS.]

(a) On or before February 15, 1997, the special task force established in paragraph (b) shall report to the legislature on its review of the investment performance attribution reporting forms and reporting process as provided in paragraph (d).

(b) The special task force consists of:

(1) the chair of the legislative commission on pensions and retirement or the chair's designee;

(2) the vice-chair of the legislative commission on pensions and retirement or the vice-chair's designee;

(3) the chair of the committee on governmental operations of the house of representatives or the chair's designee;

(4) the chair of the committee on governmental operations and veterans of the senate or the chair's designee;

- (5) the executive director of the state board of investment or the director's designee;
  - (6) the state auditor or the auditor's designee;
  - (7) two persons who are each a volunteer firefighter member of the board of trustees of a volunteer firefighter relief association deemed representative of its membership and designated by the governing board of the Minnesota area relief association coalition;
  - (8) two persons who are each a volunteer firefighter member of the board of trustees of a volunteer firefighter relief association deemed representative of its membership and designated by the governing board of the Minnesota state fire chiefs association;
  - (9) two persons who are each a volunteer firefighter member of the board of trustees of a volunteer firefighter relief association deemed representative of its membership and designated by the governing board of the Minnesota state fire department association;
  - (10) a person who is a municipal representative on a board of trustees of a volunteer firefighters relief association with assets under \$300,000 as designated by the executive director of the league of Minnesota cities;
  - (11) a representative of a first class city teacher retirement fund association as designated by the chair of the legislative commission on pensions and retirement; and
  - (12) a representative of a local police or salaried firefighter relief association governed by Minnesota Statutes, section 69.77 as designated by the chair of the legislative commission on pensions and retirement.
- (c) The chair of the special task force is the chair of the legislative commission on pensions and retirement or the chair's designee and the chair shall establish the meeting schedule and topic agenda for the special task force.
- (d) The special task force, at a minimum, shall consider the following topics and issues:
- (1) the changes required to simplify the investment performance attribution reporting under Minnesota Statutes, section 356.219, for smaller local person plans;
  - (2) the changes required to include the investment performance attribution reporting in the annual financial reporting under Minnesota Statutes, section 69.051;
  - (3) the changes required to combine the investment performance reporting under Minnesota Statutes, section 356.218, with the investment performance attribution reporting under Minnesota Statutes, section 356.219, and the appropriate entity to administer any combined reporting program; and
  - (4) any other topics relevant to the investment reporting programs under Minnesota Statutes, section 356.218 or 356.219."

Delete the title and insert:

"A bill for an act relating to retirement; various Minnesota public pension plans; making various benefit and coverage modifications; redirecting various state pension aids to certain first class city teachers retirement fund associations; requiring certain school district employer contribution increases; making various administrative modifications; establishing a special task force to evaluate potential modifications in various investment performance reporting programs; amending Minnesota Statutes 1994, sections 3A.04, subdivision 4; 16A.06, by adding a subdivision; 69.021, subdivision 7; 124.916, subdivision 3; 144C.06; 352.04, subdivision 8; 352.95, subdivision 2; 352B.10, subdivision 2; 352B.11, subdivision 1; 352C.09, by adding a subdivision; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04; 354.44, subdivisions 3 and 4; 354A.12, subdivisions 2 and 3c; 356A.06, subdivisions 4 and 7; 423A.02, subdivision 1, and by adding a subdivision; 423B.01, subdivision 9; 423B.15, subdivision 3; 424A.001, by adding subdivisions; 424A.01, by adding a subdivision; 424A.02, subdivision 1; and 490.124, by adding a subdivision; Minnesota Statutes 1995 Supplement, sections 144C.07, subdivision 2; 144C.08;

354D.02, subdivision 2; 354D.03; 354D.04; 354D.06; and 356.219, subdivision 2; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended and 4, as amended; and Laws 1995, chapter 252, article 1, section 16; proposing coding for new law in Minnesota Statutes, chapters 354A; and 354D; repealing Minnesota Statutes 1994, section 353D.11; Laws 1990, chapter 570, article 13, section 1, subdivision 5."

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

## SECOND READING OF HOUSE BILLS

H.F. No. 2417 was read the second time.

## MOTIONS AND RESOLUTIONS

S.F. No. 1919 and the Conference Committee Report thereon were reported to the Senate.

## CONFERENCE COMMITTEE REPORT ON S.F. NO. 1919

A bill for an act relating to reemployment insurance; making technical and administrative changes; amending Minnesota Statutes 1994, sections 268.04, subdivisions 2, 4, and by adding a subdivision; 268.06, subdivisions 5 and 24; 268.07; 268.072, subdivisions 2, 3, and 5; 268.073, subdivisions 3, 4, and 7; 268.074, subdivision 4; 268.08, as amended; 268.09, subdivision 2; 268.12, by adding a subdivision; 268.16, subdivision 4; 268.164, subdivisions 1 and 2; and 268.23; Minnesota Statutes 1995 Supplement, sections 268.041; 268.06, subdivision 20; 268.09, subdivision 1; 268.105, by adding a subdivision; 268.161, subdivision 9; and 268.18, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1994, sections 268.04, subdivisions 18 and 24; 268.10, subdivision 1; and 268.231; Minnesota Statutes 1995 Supplement, section 268.10, subdivision 2; Laws 1994, chapter 503, section 5.

March 20, 1996

The Honorable Allan H. Spear  
President of the Senate

The Honorable Irv Anderson  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1919, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1919 be further amended as follows:

Page 5, after line 29, insert:

"(b) Benefits paid a claimant whose separation from employment was required by a law or Minnesota administrative rule mandating a background check, or whose separation from employment was required by law or Minnesota administrative rule because of a criminal conviction, shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer.

This paragraph shall be retroactive to the date the law or Minnesota administrative rule mandating a background check is effective or to the date the law or Minnesota administrative rule requiring a separation for a criminal conviction is effective."

Page 5, line 30, delete "(b)" and insert "(c)"

Page 5, line 35, delete "(c)" and insert "(d)"

Page 32, line 21, delete "(1) whose"

Page 32, delete lines 22 to 25

Page 32, line 26, delete "whose separation was"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Linda Runbeck, James P. Metzen

House Conferees: (Signed) Walter E. Perl, Ken Wolf

Ms. Runbeck moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1919 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1919 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Larson	Novak	Scheevel
Beckman	Johnson, D.E.	Lesewski	Oliver	Stevens
Belanger	Johnson, J.B.	Lessard	Olson	Stumpf
Berg	Kiscaden	Limmer	Ourada	Terwilliger
Chandler	Kleis	Metzen	Pappas	Vickerman
Cohen	Knutson	Moe, R.D.	Pariseau	Wiener
Day	Kramer	Mondale	Price	
Fischbach	Krentz	Morse	Robertson	
Frederickson	Laidig	Murphy	Runbeck	
Hanson	Langseth	Neuville	Sams	

Those who voted in the negative were:

Berglin	Johnson, D.J.	Marty	Pogemiller	Riveness
Betzold	Kelly	Merriam	Ranum	Samuelson
Flynn	Kroening	Piper	Reichgott Junge	Spear
Janezich				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

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

S.F. No. 2123 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 2123**

A bill for an act relating to children; clarifying the procedures peace officers must follow when deciding where to place a child placed on a health and welfare hold; requiring certain notices; clarifying the duties of related persons receiving a child on a 72-hour health and welfare hold; clarifying the reporting procedures and requirements for the placing officer to notify the county agency and the court; changing certain emergency licensing procedures; authorizing certain petitions and appearances; specifying review in certain cases; amending Minnesota Statutes 1994, sections 257.02; 257.03; 260.015, subdivision 14; 260.165, subdivision 3, and by adding a subdivision; 260.171, subdivision 2; 260.173, subdivision 2; Minnesota Statutes 1995 Supplement, section 245A.035, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 257.

March 21, 1996

The Honorable Allan H. Spear  
President of the Senate

The Honorable Irv Anderson  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2123, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2123 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 245A.035, subdivision 2, is amended to read:

Subd. 2. [COOPERATION WITH EMERGENCY LICENSING PROCESS.] (a) A county agency that places a child with a relative who is not licensed to provide foster care must begin the process of securing an emergency license for the relative as soon as possible and must conduct the initial inspection required by subdivision 3, clause (1), whenever possible, prior to placing the child in the relative's home, but no later than three working days after placing the child in the home. A child placed in the home of a relative who is not licensed to provide foster care must be removed from that home if the relative fails to cooperate with the county agency in securing an emergency foster care license. The commissioner may only issue an emergency foster care license to a relative with whom the county agency wishes to place or has placed a child for foster care, or to a relative with whom a child has been placed by court order.

(b) If a child is to be placed in the home of a relative not licensed to provide foster care, either the placing agency or the county agency in the county in which the relative lives shall conduct the emergency licensing process as required in this section.

Sec. 2. Minnesota Statutes 1994, section 257.02, is amended to read:

257.02 [SURRENDER OF PARENTAL RIGHTS.]

No person other than the parents or relatives may assume the permanent care and custody of a child under 14 years of age unless authorized so to do by an order or decree of court. However, if a parent of a child who is being cared for by a relative dies, or if the parent is not or cannot fulfill parental duties with respect to the child, the relative may bring a petition under section 260.131. Except in proceedings for adoption, no parent may assign or otherwise transfer to another parental rights or duties with respect to the permanent care and custody of a child under 14 years of age. Any such transfer shall be void.

Sec. 3. Minnesota Statutes 1994, section 257.03, is amended to read:

257.03 [NOTICE TO COMMISSIONER OF HUMAN SERVICES.]

Any person not exempted from the requirement for licensure under chapter 245A receiving a child in the person's home:

(1) because of the death, injury, or illness of the child's parent if the person intends to keep the child for more than 30 days; or

(2) with intent to adopt the child or keep the child permanently, except a person receiving a child from an authorized agency, must notify the commissioner of human services in writing within 30 days after the child is received. Notice shall state the true name of the child; the child's last previous address; the name and address of the child's parents or legal guardian and of persons with whom the child last resided; and the names and addresses of persons who placed the child in the home, arranged for, or assisted with arrangements for the child's placement there; and such other facts about the child or the home as the commissioner may require. It is the duty of the

commissioner or a designated agent to investigate the circumstances surrounding the child's entry into the home and to take appropriate action to assure for the child, the biological parents, and the foster parents the full protection of all laws of Minnesota relating to custody and foster care of children. Except as provided by section 317A.907, no person shall solicit, receive, or accept any payment, promise of payment, or compensation, for placing a child in foster care or for assisting to place a child in foster care. Nor shall any person pay or promise to pay or in any way compensate any person, for placing or for assisting to place a child in foster care.

Sec. 4. [257.035] [EMERGENCY.]

A relative who acts to protect a child in an emergency or when a parent dies is not a custodian as defined under section 260.015. If the relative is unable or unwilling to provide for the ongoing care, custody, and control of the child, the child may be considered a child in need of protection or services under section 260.015. The relative may report the death or emergency to the local social service agency. Upon receiving the report, the local social service agency shall assess the circumstances and the needs of the child. The agency may place the child in foster care with a relative who meets the licensing standards under chapter 245A, and may pursue court action on behalf of the child.

Sec. 5. Minnesota Statutes 1994, section 260.015, subdivision 14, is amended to read:

Subd. 14. [CUSTODIAN.] "Custodian" means any person who is under a legal obligation to provide care and support for a minor or who is in fact providing care and support for a minor. This subdivision does not impose upon persons who are not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care a duty to provide that care. For an Indian child, custodian means any Indian person who has legal custody of an Indian child under tribal law or custom or under state law or to whom temporary physical care, custody, and control has been transferred by the parent of the child, as provided in section 257.351, subdivision 8.

Sec. 6. Minnesota Statutes 1994, section 260.165, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO PARENT OR CUSTODIAN.] Whenever a peace officer takes a child into custody for shelter care or relative placement pursuant to subdivision 1; section 260.135, subdivision 5; or section 260.145, the officer shall give the parent or custodian of the child a list of names, addresses, and telephone numbers of social service agencies that offer child welfare services. If the parent or custodian was not present when the child was removed from the residence, the list shall be left with an adult on the premises or left in a conspicuous place on the premises if no adult is present. If the officer has reason to believe the parent or custodian is not able to read and understand English, the officer must provide a list that is written in the language of the parent or custodian. The list shall be prepared by the commissioner of human services. The commissioner shall prepare lists for each county and provide each county with copies of the list without charge. The list shall be reviewed annually by the commissioner and updated if it is no longer accurate. Neither the commissioner nor any peace officer or the officer's employer shall be liable to any person for mistakes or omissions in the list. The list does not constitute a promise that any agency listed will in fact assist the parent or custodian.

Sec. 7. Minnesota Statutes 1994, section 260.171, subdivision 2, is amended to read:

Subd. 2. (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child may be detained in a juvenile secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays, and holidays, after being taken into custody for a delinquent act as defined in section 260.015, subdivision 5, unless a petition has been filed and the judge or referee determines pursuant to section 260.172 that the child shall remain in detention.

(c) No child may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal

lockup in a standard metropolitan statistical area, after being taken into custody for a delinquent act as defined in section 260.015, subdivision 5, unless:

- (1) a petition has been filed under section 260.131; and
- (2) a judge or referee has determined under section 260.172 that the child shall remain in detention.

After August 1, 1991, no child described in this paragraph may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, unless the requirements of this paragraph have been met and, in addition, a motion to refer the child for adult prosecution has been made under section 260.125.

(d) ~~No child taken into custody and placed in a shelter care facility or relative's home by a peace officer pursuant to section 260.165, subdivision 1, clause (a) or (c)(2) may be held in a shelter care facility~~ custody longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed and the judge or referee determines pursuant to section 260.172 that the child shall remain in custody.

(e) If a child described in paragraph (c) is to be detained in a jail beyond 24 hours, excluding Saturdays, Sundays, and holidays, the judge or referee, in accordance with rules and procedures established by the commissioner of corrections, shall notify the commissioner of the place of the detention and the reasons therefor. The commissioner shall thereupon assist the court in the relocation of the child in an appropriate juvenile secure detention facility or approved jail within the county or elsewhere in the state, or in determining suitable alternatives. The commissioner shall direct that a child detained in a jail be detained after eight days from and including the date of the original detention order in an approved juvenile secure detention facility with the approval of the administrative authority of the facility. If the court refers the matter to the prosecuting authority pursuant to section 260.125, notice to the commissioner shall not be required.

Sec. 8. Minnesota Statutes 1994, section 260.173, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260.165, subdivision 1, clause (a) or clause (c)(2), and is not alleged to be delinquent, the child shall be detained in the least restrictive setting consistent with the child's health and welfare and in closest proximity to the child's family as possible. Placement may be with a child's relative, or in a shelter care facility. The placing officer shall comply with this section and shall document why a less restrictive setting will or will not be in the best interests of the child for placement purposes."

Delete the title and insert:

"A bill for an act relating to children; clarifying the procedures peace officers must follow when deciding where to place a child placed on a health and welfare hold; requiring certain notices; clarifying the duties of related persons receiving a child on a 72-hour health and welfare hold; clarifying the reporting procedures and requirements for the placing officer to notify the county agency and the court; changing certain emergency licensing procedures; authorizing certain petitions and appearances; specifying review in certain cases; amending Minnesota Statutes 1994, sections 257.02; 257.03; 260.015, subdivision 14; 260.165, subdivision 3; 260.171, subdivision 2; and 260.173, subdivision 2; Minnesota Statutes 1995 Supplement, section 245A.035, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 257."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Roy W. Terwilliger, Linda Berglin, Allan H. Spear

House Conferees: (Signed) Richard H. Jefferson, Linda Wejcman, Tony Onnen

Mr. Terwilliger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2123 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.



S.F. No. 2123 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott Junge moved that S.F. No. 1895 be taken from the table. The motion prevailed.

**S.F. No. 1895:** A bill for an act relating to elections; requiring return of public subsidy by candidates who violate the fair campaign practices act; amending Minnesota Statutes 1994, section 10A.324, by adding a subdivision.

The question recurred on the Reichgott Junge amendment offered March 23, 1996. Ms. Reichgott Junge withdrew her amendment.

Ms. Reichgott Junge then moved to amend S.F. No. 1895 as follows:

Page 1, after line 14, insert:

"Sec. 2. Minnesota Statutes 1994, section 211B.06, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] A person is guilty of a gross misdemeanor who intentionally participates in the preparation, dissemination, or broadcast of paid political advertising or campaign material with respect to the personal or political character or acts of a candidate, ~~whether or not defamatory,~~ or with respect to the effect of a ballot question, ~~that the person knows or has reason to believe is false and that is designed or tends to elect, injure, promote, or defeat a candidate for nomination or election to a public office or to promote or defeat a ballot question, that is false, and that the person knows is false or communicates to others with reckless disregard of whether it is false.~~

A person is guilty of a misdemeanor who intentionally participates in the drafting of a letter to the editor with respect to the personal or political character or acts of a candidate, ~~if defamatory,~~ or with respect to the effect of a ballot question, ~~that the person knows is false and which is designed or tends to elect, injure, promote, or defeat any candidate for nomination or election to a public office or to promote or defeat a ballot question, that is false, and that the person knows is false or communicates to others with reckless disregard of whether it is false.~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 1895 as follows:

Page 1, after line 6, insert:

"Section 1. 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 principal campaign committee shall not make independent expenditures.

(c) 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.

(e) (d) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a contribution from a candidate for political subdivision office, unless the contribution is from the personal funds of the candidate for 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 political subdivision office."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Ms. Reichgott Junge imposed a call of the Senate for the balance of the proceedings on S.F. No. 1895. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Laidig amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Kramer	Marty	Pariseau
Berg	Johnson, D.E.	Kroening	Merriam	Robertson
Berglin	Johnston	Laidig	Neuville	Runbeck
Day	Kiscaden	Larson	Oliver	Scheevel
Dille	Kleis	Lesewski	Olson	Spear
Fischbach	Knutson	Limmer	Ourada	Stevens

Those who voted in the negative were:

Anderson	Hottinger	Lessard	Pappas	Sams
Beckman	Janezich	Metzen	Piper	Samuelson
Betzold	Johnson, D.J.	Moe, R.D.	Pogemiller	Solon
Chandler	Johnson, J.B.	Mondale	Price	Stumpf
Cohen	Kelly	Morse	Ranum	Vickerman
Flynn	Krentz	Murphy	Reichgott Junge	Wiener
Hanson	Langseth	Novak	Riveness	

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

Mr. Riveness moved to amend the Reichgott Junge amendment to S.F. No. 1895, adopted by the Senate March 26, 1996, as follows:

Page 1, line 16, before the period, insert "Paid political advertising or campaign material" may include a pictorial or symbolic image; it is not limited to words or numbers"

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

Mr. Betzold moved to amend S.F. No. 1895 as follows:

Page 1, after line 6, insert:

"Section 1. 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 for that an office for the first time and who has not run previously for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office are increased as follows:~~

- (1) the expenditure limits are increased by ten percent;
- (2) if any other candidate for the same office has paid during a nonelection year for advertising that will be used during an election year, the expenditure limits for the first-time candidate are further increased by the amount by which the other candidate's prepaid advertising expenses exceed the first-time candidate's prepaid advertising expenses;
- (3) the ten-percent increase is reduced by the amount that the first-time candidate's prepaid advertising expenses exceed the prepaid advertising expenses of any other candidate for the same office."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "reducing the increase in spending limit for first-time candidates under certain conditions;"

Page 1, line 5, delete "section" and insert "sections 10A.25, subdivision 2; and"

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

Ms. Reichgott Junge moved that S.F. No. 1895 be laid on the table. The motion prevailed.

Mr. Metzen moved that H.F. No. 2218 be taken from the table. The motion prevailed.

**H.F. No. 2218:** A bill for an act relating to state government; modifying performance report requirements; requiring that interagency bills be paid promptly; prohibiting state agencies from undertaking capital improvements without legislative authority; conforming certain leased space requirements to existing law; requiring that state agencies comply with certain information policy office requirements regarding information systems equipment and data collection; modifying revolving fund authority; increasing resource recovery goals; modifying collection requirements;

amending Minnesota Statutes 1994, sections 16A.055, subdivision 1; 16A.124, subdivision 7, and by adding a subdivision; 16B.30; 16B.31, subdivision 6; 16B.41, by adding a subdivision; 16B.48, subdivision 2; and 115A.151; Minnesota Statutes 1995 Supplement, sections 15.91, subdivision 2; and 115A.15, subdivision 9.

The question recurred on the Runbeck amendment offered March 21, 1996. Ms. Runbeck withdrew her amendment.

Ms. Runbeck then moved to amend H.F. No. 2218, the unofficial engrossment, as follows:

Page 6, after line 21, insert:

"Sec. 11. [LEAVE DONATION PROGRAM.]

Subdivision 1. [DONATION.] A state employee may donate up to 12 hours of accrued vacation leave for the benefit of an employee of the department of administration, division of plant management, who had surgery for an aneurism. The number of hours donated must be credited to the sick leave account of the receiving state employee. If the receiving state employee uses all of the donated time, up to 50 additional hours per employee of accrued vacation leave may be donated. The receiving state employee may not receive more than 80 hours of sick leave from donations under this section within any given pay period. Vacation donation permitted by this section is in addition to that permitted under Minnesota Statutes, section 43A.181.

Subd. 2. [PROCESS FOR CREDITING.] The donating employee must notify the employee's agency head of the amount of accrued vacation leave time the employee wishes to donate. The agency head shall transfer that amount to the sick leave account of the recipient. A donation of accrued vacation leave time is irrevocable once it has been transferred to the account.

Sec. 12. [EFFECTIVE DATE.]

Section 11 is effective the day following final enactment and applies retroactively to March 14, 1996."

Amend the title accordingly

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

H.F. No. 2218 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

**REPORTS OF COMMITTEES**

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

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,**

**S.F. No. 1829:** A bill for an act relating to metropolitan airports; limiting metropolitan council zoning approval authority; prohibiting construction by metropolitan airports commission of new major airport; requiring inclusion of noise mitigation plan in capital improvement plan; requiring metropolitan airports commission to report on development of existing airport; requiring legislative approval of proposed development; requiring soundproofing of buildings in 1996 65 Ldn contour; requiring design and construction of limited-access transitway along trunk highway No. 55; authorizing regional railroad authority to transfer funds for transitway; authorizing metropolitan council to purchase met center; appropriating money; amending Minnesota Statutes 1994, sections 473.155, by adding a subdivision; 473.608, subdivisions 2, 6 and 16; 473.614, subdivision 1; 473.616, subdivision 1; 473.618; 473.638, subdivision 1; and 473.661, subdivision 4; Laws 1989, chapter 279, section 7, subdivisions 2 and 6; repealing Minnesota Statutes 1994, sections 473.155, subdivisions 2, 3, and 4; 473.1551; 473.616, subdivisions 2, 3, and 4; 473.636; and 473.637.

Reports the same back with the recommendation that the report from the Committee on Metropolitan and Local Government, shown in the Journal for March 19, 1996, 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 Transportation and Public Transit". Amendments adopted. Report adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED****Ms. Lesewski and Mr. Vickerman introduced--**

**Senate Resolution No. 124:** A Senate resolution congratulating the Tracy-Milroy High School girls basketball team on winning the 1996 State High School Class A Girls Basketball championship.

Referred to the Committee on Rules and Administration.

**Mr. Kramer introduced--**

**Senate Resolution No. 125:** A Senate resolution honoring the Brooklyn Peacemaker Center, Inc. for a decade of successful service in working with youth.

Referred to the Committee on Rules and Administration.

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

**Senate Resolution No. 126:** A Senate resolution relating to conduct of Senate business during the interim between Sessions.

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

The powers, duties, and procedures set forth in this resolution apply during the interim between the adjournment sine die of the 79th Legislature, 1996 Session, and the convening of the 80th Legislature, 1997 Session.

The Committee on Rules and Administration may, from time to time, assign to the various

committees and subcommittees of the Senate, in the interim, matters brought to its attention by any member of the Senate for study and investigation. The standing committees and subcommittees may study and investigate all subjects that come within their usual jurisdiction, as provided by Minnesota Statutes, Section 3.921. A committee shall carry on its work by subcommittee or by committee action as the committee from time to time determines. Any study undertaken by any of the standing committees, or any subcommittee thereof, shall be coordinated to the greatest extent possible with other standing committees or subcommittees of the Senate and House of Representatives, and may, if the committee or subcommittee so determines, be carried on jointly with another committee or subcommittee of the Senate or House of Representatives.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise. The Subcommittee on Committees may appoint members of the Senate to assist in the work of any committee.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, appoint employees, and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Committee on Rules and Administration may authorize members of the Senate and personnel employed by the Senate to travel and to attend courses of instruction or conferences for the purpose of improving and making more efficient Senate operation and may reimburse these persons for the costs thereof out of monies appropriated to the Senate for the standing committees.

All members of activated standing committees or subcommittees of the Senate, and staff, shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties during the interim in the manner provided by law. Payment shall be made by the Secretary of the Senate out of monies appropriated to the Senate for the standing committees. The Committee on Rules and Administration shall determine the amount and manner of reimbursement for living and other expenses of each member of the Senate incurred in the performance of his duties when the Legislature is not in regular session.

The Secretary of the Senate shall continue to perform his duties during the interim. During the interim, but not including time which may be spent in any special session, the Secretary of the Senate shall be paid for services rendered the Senate at the rate established for that position for the 1996 regular session, unless otherwise directed by the Committee on Rules and Administration, plus travel and subsistence expense incurred incidental to his Senate duties, including salary and travel expense incurred in attending meetings of the American Society of Legislative Clerks and Secretaries and the National Conference of State Legislatures.

Should a vacancy occur in the position of Secretary of the Senate, by resignation or other causes, the Committee on Rules and Administration shall appoint an acting Secretary of the Senate who shall serve in such capacity during the remainder of the interim under the provisions herein specified.

The Secretary of the Senate is authorized to employ after the close of the session, the employees necessary to finish the business of the Senate at the salaries paid under the rules of the Senate for the 1996 regular session. He is authorized to employ the necessary employees to prepare for the 1997 session at the salaries in effect at that time.

The Secretary of the Senate shall classify as "permanent" for purposes of Minnesota Statutes, Sections 3.095 and 43A.24, those Senate employees heretofore or hereafter certified as "permanent" by the Committee on Rules and Administration.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and may reimburse each member for long distance telephone calls and answering services upon proper verification of the expenses incurred, and for other expenses authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 79th Legislature. He may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after adjournment sine die.

The Secretary of the Senate may pay election and litigation costs up to a maximum of \$125 per hour as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for the printing of the daily Senate journals, bills, general orders, special orders, calendars, resolutions, printing and binding of the permanent Senate Journal, shall secure bids and enter into contracts for remodeling, improvement and furnishing of Senate office space, conference rooms and the Senate Chamber and shall purchase all supplies, equipment and other goods and services necessary to carry out the work of the Senate. Any contracts in excess of \$5,000 shall be signed by the Chair of the Committee on Rules and Administration and another member designated by the Committee on Rules and Administration.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts herein referred to.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate shall be reserved for use by the Senate and its standing committees only and shall not be released or used for any other purpose except upon authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration, or the Chair thereof.

The custodian of the Capitol shall continue to provide parking space through the Secretary of the Senate for members and staff of the Minnesota State Senate on Aurora Avenue and other areas as may be required during the interim. The Secretary of the Senate may deduct from the check of any legislator or legislative employee a sum adequate to cover the exercise of the parking privilege herein defined 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

**MOTIONS AND RESOLUTIONS - CONTINUED**

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

**Senate Concurrent Resolution No. 15:** A Senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

WHEREAS, the Minnesota Constitution, Article IV, Section 23, authorizes the presentation to the Governor after sine die adjournment of bills that passed in the last three days of the Session; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that upon adjournment sine die of the 79th regular session of the Legislature, bills shall be presented to the Governor as follows:

(a) The Speaker of the House of Representatives, the Chief Clerk of the House of Representatives, the President of the Senate, and the Secretary of the Senate shall certify and sign each bill in the same manner and upon the same certification as each bill is signed for presentation to the Governor prior to adjournment sine die, and each of those officers shall continue in his designated capacity during the three days following the date of final adjournment.

(b) The Chief Clerk of the House of Representatives and the Secretary of the Senate, in accordance with the rules of the respective bodies and under the supervision and direction of the standing Committee on Rules and Legislative Administration and the standing Committee on Rules and Administration, shall carefully enroll each bill and present them to the Governor in the same manner as each bill is enrolled and presented to the Governor prior to the adjournment of the Legislature sine die.

(c) The Revisor of Statutes shall continue to assist in all of the functions relating to enrollment of bills of the House of Representatives and of the Senate under the supervision of the Chief Clerk of the House of Representatives and the Secretary of the Senate in the same manner that the assistance was rendered prior to the adjournment of the Legislature sine die.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to deliver copies of this resolution to the Governor and the Secretary of State.

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

Mr. Morse moved that S.F. No. 2779, No. 9 on General Orders, be stricken and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Ms. Reichgott Junge moved that S.F. No. 1895 be taken from the table. The motion prevailed.

**S.F. No. 1895:** A bill for an act relating to elections; requiring return of public subsidy by candidates who violate the fair campaign practices act; amending Minnesota Statutes 1994, section 10A.324, by adding a subdivision.

Ms. Robertson moved to amend S.F. No. 1895 as follows:

Page 1, after line 6, insert:

"Section 1. 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, including the purchase of tickets for



all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in support of or in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, the name and address of each individual or association to whom aggregate noncampaign disbursements in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each noncampaign disbursement;

(m) The sum of all noncampaign disbursements made within the year by or on behalf of a principal campaign committee, political committee, or political fund; 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."

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. 1895 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

### CONFIRMATION

Mr. Lessard moved that the reports from the Committee on Environment and Natural Resources, reported January 22, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the reports from the Committee on Environment and Natural Resources, reported January 22, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### ENVIRONMENTAL TRUST FUND CITIZENS' ADVISORY COMMITTEE

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.

#### 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.

#### MINNESOTA POLLUTION CONTROL AGENCY COMMISSIONER

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.

#### 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.

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

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

OFFICE OF ENVIRONMENTAL ASSISTANCE  
DIRECTOR

Edward A. Garvey, 32 Lawton St., St. Paul, Ramsey County, effective January 3, 1995.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Mr. Moe, R.D. moved that the reports from the Committee on Agriculture and Rural Development, reported January 25, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Moe, R.D. moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Moe, R.D. moved that in accordance with the reports from the Committee on Agriculture and Rural Development, reported January 25, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF ANIMAL HEALTH

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

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.

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.

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.

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.

DEPARTMENT OF AGRICULTURE  
COMMISSIONER

Gene Hugoson, Rt. 2, Box 218, Granada, Martin County, effective July 1, 1995, for a term expiring on the first Monday in January, 1999.

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.

Curtis Pietz, 1 Vine, Worthington, Nobles County, effective April 3, 1995, for a term expiring on the first Monday in January, 1999.

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.

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

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.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION

Mr. Moe, R.D. moved that the report from the Committee on Agriculture and Rural Development, reported February 14, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Moe, R.D. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Moe, R.D. moved that in accordance with the report from the Committee on Agriculture and Rural Development, reported February 14, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### BOARD OF ANIMAL HEALTH

Dr. John Howe, D.V.M., 575 Trout Lake Rd., Grand Rapids, Itasca County, effective January 15, 1996, for a term expiring on the first Monday in January, 2000.

#### MINNESOTA RURAL FINANCE AUTHORITY

Vivian E. Evans, Rt. 3, Box 9, Montevideo, Chippewa County, effective January 15, 1996, for a term expiring on the first Monday in January, 2000.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION

Mr. Metzen moved that the report from the Committee on Governmental Operations and Veterans, reported February 1, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing report be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the report from the Committee on Governmental Operations and Veterans, reported February 1, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### BOARD OF THE ARTS

Joseph Duffy, 1032 Plummer Cir., Rochester, Olmsted County, effective March 17, 1995, for a term expiring on the first Monday in January, 1999.

Nancy Geiger, 3510 Eagle Ridge Dr. W., Willmar, Kandiyohi County, effective March 17, 1995, for a term expiring on the first Monday in January, 1999.

Conrad Razidlo, 4237 Lynn Ave. S., Edina, Hennepin County, effective March 17, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION

Mr. Vickerman moved that the report from the Committee on Metropolitan and Local Government, reported February 14, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Vickerman moved that the foregoing report be now adopted. The motion prevailed.

Mr. Vickerman moved that in accordance with the report from the Committee on Metropolitan

and Local Government, reported February 14, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### METROPOLITAN COUNCIL

Richard Packer, 2326 - 128th Ave. N.W., Coon Rapids, Anoka County, effective September 11, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Berg moved that the reports from the Committee on Gaming Regulation, reported February 23, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Berg moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Berg moved that in accordance with the reports from the Committee on Gaming Regulation, reported February 23, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### GAMBLING CONTROL BOARD

Dennis Flaherty, 100 S.E. 2nd St., Minneapolis, Hennepin County, effective July 1, 1995, for a term expiring on June 30, 1999.

Howard Register, 6601 Buckley Cir., Inver Grove Heights, Dakota County, effective June 30, 1995, for a term expiring on June 30, 1999.

#### MINNESOTA RACING COMMISSION

Connie Churchill, 610 - 1st Ave. S., Wheaton, Traverse County, effective July 15, 1995, for a term expiring on June 30, 1999.

Carol Connolly, 504 Selby Ave., St. Paul, Ramsey County, effective June 13, 1995, for a term expiring on June 30, 2001.

Mark J. Custer, 809 - 6th Ave., Howard Lake, Wright County, effective June 13, 1995, for a term expiring on June 30, 2001.

John C. Farrell, 2800 Elder Ave., Waverly, Wright County, effective July 15, 1995, for a term expiring on June 30, 1997.

James H. Filkins, 10600 Aquila Ave. S., Bloomington, Hennepin County, effective June 13, 1995, for a term expiring on June 13, 2001.

The motion prevailed. So the appointments were confirmed.

#### CONFIRMATION

Mr. Price moved that the report from the Committee on Commerce and Consumer Protection, reported February 29, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Price moved that the foregoing report be now adopted. The motion prevailed.

Mr. Price moved that in accordance with the report from the Committee on Commerce and Consumer Protection, reported February 29, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF COMMERCE COMMISSIONER

Dave Gruenes, 5651 W. Oakes Dr., St. Cloud, Stearns County, effective December 26, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

### **CONFIRMATION**

Mr. Novak moved that the reports from the Committee on Jobs, Energy and Community Development, reported March 1, 1996, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Novak moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Novak moved that in accordance with the reports from the Committee on Jobs, Energy and Community Development, reported March 1, 1996, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### **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.

#### **BUREAU OF MEDIATION SERVICES COMMISSIONER**

Lance Teachworth, 1587 Beechwood Ave., St. Paul, Ramsey County, effective June 8, 1995, for a term expiring on the first Monday in January, 1999.

#### **DEPARTMENT OF LABOR AND INDUSTRY COMMISSIONER**

Gary Bastian, 2220 Ide Ct., Maplewood, Ramsey County, effective April 12, 1995, for a term expiring on the first Monday in January, 1999.

#### **DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT COMMISSIONER**

Jay Novak, 17230 - 19th Ave. N., Plymouth, Hennepin County, effective August 14, 1995, for a term expiring on the first Monday in January, 1999.

#### **PUBLIC UTILITIES COMMISSION**

R. Marshall Johnson, 25 Merritt Dr., Virginia, St. Louis County, effective January 1, 1996, for a term expiring on the first Monday in January, 2002.

The motion prevailed. So the appointments were confirmed.

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

S.F. No. 2445 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 2445**

A bill for an act relating to natural resources; clarifying status of game refuge designations; removing the residency requirement for youth hunting; permitting nonresident students to take big game; modifying provisions relating to short-term fishing licenses, special permits, commercial fishing, taking deer, moose licenses, blaze orange, trout and salmon stamps, and sturgeon and paddlefish; removing certain provisions relating to wild rice; requiring a review; amending Minnesota Statutes 1994, sections 97A.015, by adding a subdivision; 97A.401, subdivision 4; 97A.411, subdivision 1; 97A.431, subdivision 2; 97A.451, by adding a subdivision; 97A.455;

97A.475, subdivisions 30, 31, 32, 33, 34, 35, 36, and 37; 97A.535, by adding a subdivision; 97B.021, subdivision 1; 97B.071; 97B.311; 97C.035, subdivision 3; 97C.305, subdivision 2; 97C.411; 97C.811, subdivision 6; 97C.815, subdivision 4; 97C.835 subdivisions 1 and 5; 97C.841; Minnesota Statutes 1995 Supplement, sections 14.387; and 97A.451, subdivision 3; Laws 1995, chapter 220, section 137; repealing Minnesota Statutes 1994, section 84.09; and Laws 1995, chapter 220, section 136.

March 22, 1996

The Honorable Allan H. Spear  
President of the Senate

The Honorable Irv Anderson  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2445, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2445 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 14.386, is amended to read:

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 children, families, and learning 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;

(15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; or

(17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005; or

(18) game refuges designated by the commissioner of natural resources under section 97A.085.

Sec. 2. Minnesota Statutes 1995 Supplement, section 14.387, is amended to read:

14.387 [LEGAL STATUS OF EXISTING EXEMPT RULES.]

A rule adopted on or before May 26, 1995, and which was not adopted under sections 14.05 to 14.28 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;
- (15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;
- (16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; ~~or~~
- (17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005; or
- (18) game refuges designated by the commissioner of natural resources under section 97A.085.

Sec. 3. Minnesota Statutes 1994, section 17.4982, subdivision 8, is amended to read:

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility for salmonids or catfish that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

- (1) disinfects its effluent to the standards in section 17.4991 before the effluent is discharged to public waters;
- (2) does not discharge to public waters or to waters of the state directly connected to public waters;
- (3) raises aquatic life that is prohibited from being released into the wild and must be kept in a facility approved by the commissioner unless processed for food consumption only;
- (4) contains aquatic life requiring a fish health inspection prior to transportation.

Sec. 4. Minnesota Statutes 1994, section 17.4982, is amended by adding a subdivision to read:

Subd. 8a. [EMERGENCY ENZOOTIC DISEASE AREA.] "Emergency enzootic disease area" means an enzootic disease area that harbors an emergency fish disease. Trout, salmon, or catfish species are from an emergency enzootic disease area only if the individual species in question can carry one or more of the emergency fish disease pathogens present.

Sec. 5. Minnesota Statutes 1994, section 17.4982, subdivision 10, is amended to read:

Subd. 10. [ENZOOTIC DISEASE AREA.] "Enzootic disease area" means ~~a disease that is known to occur within an area with~~ well-defined geographic boundaries which harbors one or more certifiable diseases pathogens.

Sec. 6. Minnesota Statutes 1994, section 17.4982, subdivision 17, is amended to read:

Subd. 17. [LOT.] "Lot" means a group of fish of the same species and age that originated from the same discrete spawning population and that always have shared a common water supply-, or various age groups of adult brood stock of the same species ~~may comprise the same lot if they~~ that have shared the same containers for one brood cycle.

Sec. 7. Minnesota Statutes 1994, section 17.4982, subdivision 21, is amended to read:

Subd. 21. [STANDARD FACILITY.] "Standard facility" means a licensed facility ~~with a continual or intermittent discharge of effluent to public waters~~ that is not a quarantine or containment facility.

Sec. 8. Minnesota Statutes 1994, section 17.4984, subdivision 2, is amended to read:

Subd. 2. [LISTED WATERS.] (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water; and

(2) whether aeration requiring a permit is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters.

(d) Waters containing game fish of significant public value may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing game fish of significant public value may be denied licensing unless the game fish of significant public value are, at the commissioner's option, sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

Sec. 9. Minnesota Statutes 1994, section 17.4984, subdivision 7, is amended to read:

Subd. 7. [NONPUBLIC RECORDS.] (a) Licensees must keep complete, up-to-date, nonpublic records of the operation of the aquatic farm. The records must ~~be kept~~ remain available for at least three years.

(b) The records must be in English and include the following information:

(1) for each species acquired, the number and pounds of fish or eggs acquired, names and addresses of the sources from which acquired, and the dates of receipt;

(2) for each species sold or disposed of, the number and pounds of fish sold or disposed of, the names and addresses of the purchasers or persons to whom the conveyances are made, and the dates of sale; and

(3) for fish sperm or viable eggs, the amount acquired or sold, the names and addresses of the sources from which acquired, the purchasers to whom conveyed, and the dates of purchase or sale.

(c) On or before March 1 of each year, the licensee shall submit a complete annual report on a form furnished by the commissioner, covering the quantity of all species sold or purchased in the preceding licensed year.

(d) An aquatic farmer shall maintain records for reasonable inspection by the commissioner. Information on aquatic life production, harvest, and sales is nonpublic information.

Sec. 10. Minnesota Statutes 1994, section 17.4985, subdivision 2, is amended to read:

Subd. 2. [BILL OF LADING.] (a) ~~A person may transport aquatic life except salmonids or catfish with~~ A completed state-issued bill of lading is required for:

(1) intrastate transportation of aquatic life other than salmonids and catfish between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species ~~and of the proper classification for the aquatic life being transported~~ if the aquatic life is being transported into a watershed where it is not currently present, if walleyes whose original source is south of marked state highway No. 210, or if the original source of the aquatic life is outside Minnesota and contiguous states; and

(2) stocking of waters other than public waters with aquatic life other than salmonids and catfish.

(b) When aquatic life is transported under paragraph (a), a copy of the bill of lading must be submitted to the regional fisheries manager at least 72 hours before the transportation.

(c) For transportation and stocking of waters that are not public waters:

(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;

(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or

(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the department of natural resources.

(d) Bill of lading forms may only be issued by the department of natural resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Sec. 11. Minnesota Statutes 1994, section 17.4985, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS FOR TRANSPORTATION PERMITS AND BILLS OF LADING.]

(a) A state-issued bill of lading or transportation permit is not required by an aquatic farm licensee for importation, transportation, or export for the following:

(1) minnows taken under an aquatic farm license in this state and transported intrastate;

(2) aquarium or ornamental fish including goldfish and tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;

(3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;

(4) live fish from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;

(5) fish being exported if accompanied by shipping documents;

(6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life;

(7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days; or

(8) fish being transported through the state if accompanied by shipping documents; or

(9) intrastate transportation of aquatic life between or within licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species ~~and of the proper facility classification for the aquatic life being transported~~, except where required in subdivision 2 and

except that salmonids and catfish may only be transferred or transported intrastate without a transportation permit if they had no record of bacterial kidney disease at the time they were imported into the state and if ~~the most recent they have had a fish health inspection since importation~~ within the preceding year that has shown no certifiable diseases to be present.

Aquatic life being transferred between licensed private fish hatcheries, aquatic farms, or aquarium facilities must be accompanied by shipping documents and salmonids and catfish being transferred or transported intrastate without a transportation permit must be accompanied by a copy of their most recent fish health inspection.

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Sec. 12. Minnesota Statutes 1994, section 17.4986, is amended to read:

17.4986 [IMPORTATION OF AQUATIC LIFE.]

Subdivision 1. [IMPORTATION AND STOCKING RESTRICTIONS.] A person may not import fish into or stock fish in the state without first obtaining a transportation permit with a disease certification when required or a bill of lading from the commissioner, unless the person is exempted.

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;

(2) trout, salmon, and catfish from a nonemergency enzootic disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced; and

(3) trout, salmon, and catfish from a facility in a nonemergency enzootic disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced.

(b) If a source facility in a nonemergency enzootic disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Subd. 3. [EMERGENCY ENZOOTIC DISEASE AREA.] (a) Except as otherwise provided and except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced, fish may be imported from emergency disease enzootic disease areas only as fertilized eggs under the following conditions:

(1) to be imported into a standard facility, fertilized eggs must have a disease-free history for at least five years;

(2) to be imported into a containment facility, fertilized eggs must have a disease-free history for at least three years; or

(3) to be imported into a quarantine facility, fertilized eggs may have a disease-free history of less than three years.

~~(b) A hatchery inspection must occur at least once a year and fish must have been tested for all certifiable diseases. Fish health inspections under this subdivision must comply with section 17.4982, subdivision 12.~~

Subd. 4. [DISEASE-FREE HISTORY.] Disease-free histories required under this section must include the results of a fish health inspection. When disease-free histories of more than one year are required for importing salmonids or catfish, the disease history must be of consecutive years that include the year previous to, or the year of, the transportation request.

Sec. 13. Minnesota Statutes 1994, section 17.4988, subdivision 2, is amended to read:

Subd. 2. [AQUATIC FARMING LICENSE.] (a) The annual fee for an aquatic farming license is \$275.

(b) The aquatic farming license ~~must~~ may contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

(1) minnow dealer license;

(2) minnow retailer license for sale of minnows as bait;

(3) minnow exporting license;

(4) minnow dealer helper license;

(5) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow hauler vehicle license, and a fish vendor vehicle license;

(6) sucker egg taking license; and

(7) game fish packers license.

Sec. 14. Minnesota Statutes 1994, section 17.4988, subdivision 4, is amended to read:

Subd. 4. [AQUARIUM FACILITY.] (a) A person ~~may not operate~~ operating an a commercial aquarium facility ~~without~~ must have an a commercial aquarium facility license issued by the commissioner if the facility contains species of aquatic life that are for sale and that are present in waters of the state. The commissioner may require an aquarium facility license for aquarium facilities importing or holding species of aquatic life that are for sale and that are not present in Minnesota if those species can survive in waters of the state. The fee for an aquarium facility license is \$15.

(b) Game fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 17.4985, subdivision 3, paragraph (b).

Sec. 15. Minnesota Statutes 1994, section 17.4991, subdivision 3, is amended to read:

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have ~~an annual~~ a fish health inspection conducted at least once every 12 months by a certified fish health inspector. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

(d) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book.

(e) Salmonids and catfish must have a fish health inspection before being transported from a containment facility, unless the fish are being transported directly to an outlet for processing or other food purposes or unless the commissioner determines that an inspection is not needed. A fish health inspection conducted for this purpose need only be done on the lot or lots of fish that will be transported. The commissioner must conduct a fish health inspection requested for this purpose within five working days of receiving written notice. Salmonids and catfish may be immediately transported from a containment facility to another containment facility once a sample has been obtained for a health inspection or once the five-day notice period has expired.

Sec. 16. Minnesota Statutes 1994, section 17.4992, subdivision 2, is amended to read:

Subd. 2. [RESTRICTION ON THE SALE OF GAME FISH.] (a) Except as provided in paragraph (b), species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another aquatic farm, except that.

(b) The following exceptions apply to paragraph (a):

(1) Eggs with enteric redmouth, whirling disease, or furunculosis may be transferred between licensed facilities or stocked following treatment approved by the commissioner, and.

(2) Fish with bacterial kidney disease may be transferred between licensed facilities or stocked in areas where the disease has been previously introduced.

(3) The commissioner may allow transfer between licensed facilities or stocking of fish with enteric redmouth or furunculosis when the commissioner determines that doing so would pose no threat to the state's aquatic resources.

Sec. 17. Minnesota Statutes 1994, section 17.4992, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF FISH FOR BROOD STOCK.] Game fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair wholesale market value. ~~As a one-time purchase~~ For brood stock development, up to 20 pair of adults of each species requested may be provided to a licensee once every three years, if available, by the state through normal operations.

Sec. 18. Minnesota Statutes 1994, section 17.4993, subdivision 1, is amended to read:

Subdivision 1. [TAKING FROM PUBLIC WATERS.] A licensee may take minnow sperm, minnow eggs, and live minnows from public waters for aquatic farm purposes under an aquatic farm license, except that sucker eggs and sperm may only be taken with a sucker egg license endorsement as provided by section 17.4994.

Sec. 19. [84.105] [WILD RICE SEASON.]

Ripe wild rice may be harvested from July 15 to September 30.

Sec. 20. Minnesota Statutes 1995 Supplement, section 84.788, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] (a) Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner.

(b) A person who purchases from a retail dealer an off-highway motorcycle that is intended to be operated on public lands or waters shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary ten-day registration permit to each purchaser who applies to the dealer for registration. The dealer shall submit the completed registration applications and fees to the deputy registrar at least once each week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy

registrar shall issue to the applicant, or provide to the dealer, a 60-day temporary receipt and shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. A dealer subject to paragraph (b) shall provide the registration materials and temporary receipt to the purchaser within the ten-day temporary permit period.

(d) The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of \$2 in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by:

(1) a deputy registrar and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-highway motorcycle account.

Sec. 21. Minnesota Statutes 1995 Supplement, section 84.922, subdivision 2, is amended to read:

Subd. 2. [APPLICATION, ISSUANCE, REPORTS.] (a) Application for registration or continued registration shall be made to the commissioner of natural resources, the commissioner of public safety or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the vehicle and be signed by at least one owner.

(b) A person who purchases an all-terrain vehicle from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a temporary ten-day registration permit to each purchaser who applies to the dealer for registration. The dealer shall submit the completed registration application and fees to the deputy registrar at least once each week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee the commissioner or deputy registrar shall register the vehicle issue to the applicant, or provide to the dealer, a 60-day temporary receipt and shall assign a registration number that must be affixed to the vehicle in a manner prescribed by the commissioner. A dealer subject to paragraph (b) shall provide the registration materials and temporary receipt to the purchaser within the ten-day temporary permit period. The commissioner shall use the snowmobile registration system to register vehicles under this section.

(e) (d) Each deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of all-terrain vehicles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(d) (e) A fee of \$2 in addition to other fees prescribed by law shall be charged for each vehicle registered by:

(1) a deputy registrar and shall be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner and shall be deposited to the state treasury and credited to the all-terrain vehicle account in the natural resources fund.

Sec. 22. Minnesota Statutes 1994, section 97A.015, subdivision 20, is amended to read:

Subd. 20. [FIREARMS SAFETY CERTIFICATE.] "Firearms safety certificate" means the certificate issued under section 97B.015 or an equivalent certificate issued by another state or other evidence that meets with the requirements of section 97B.020.

Sec. 23. Minnesota Statutes 1994, section 97A.015, is amended by adding a subdivision to read:

Subd. 25a. [GUARDIAN.] "Guardian" means a legal guardian of a person under age 16, or a person 18 or older who has been authorized by the parent or legal guardian to supervise the person under age 16.

Sec. 24. Minnesota Statutes 1994, section 97A.401, subdivision 4, is amended to read:

Subd. 4. [TAKING WILD ANIMALS FROM GAME REFUGES, WILDLIFE MANAGEMENT, AND OTHER AREAS.] Special permits may be issued, with or without a fee, to take a wild animal from game refuges, wildlife management areas, state parks, controlled hunting zones, and other areas of the state that the commissioner may open for the taking of a wild animal during a special season or subject to special restrictions. In addition, an application fee may be charged for a special permit. Local units of government may charge an administrative fee in connection with special hunts under their jurisdiction. Fees to be collected shall be based upon the estimated cost of conducting the special season or administering the special restrictions.

Sec. 25. Minnesota Statutes 1994, section 97A.411, subdivision 1, is amended to read:

Subdivision 1. [LICENSE PERIOD.] (a) Except as provided in paragraph (b), a license is valid during the lawful time within the license year that the licensed activity may be performed. A license year begins on the first day of March and ends on the last day of February.

(b) A license issued under section 97A.475, subdivision 6, clause (5), or section 97A.475, subdivision 7, clause (2), (3), (5), or (6) is valid for the full license period even if this period extends into the next license year, provided that the license period selected by the licensee begins at the time of issuance.

Sec. 26. Minnesota Statutes 1995 Supplement, section 97A.451, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESIDENTS UNDER AGE 16; SMALL GAME.] (a) A person resident under age 16 may not obtain a small game license but may take small game by firearms or bow and arrow without a license if the person is a resident is:

- (1) age 14 or 15 and possesses a firearms safety certificate;
- (2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian;  
or
- (3) age 12 or under and is accompanied by a parent or guardian.

(b) A resident under age 16 may take small game by trapping without a small game license, but a resident 13 years of age or older must have a trapping license. A resident under age 13 may trap without a trapping license.

Sec. 27. Minnesota Statutes 1994, section 97A.451, is amended by adding a subdivision to read:

Subd. 3a. [NONRESIDENTS UNDER AGE 16; SMALL GAME.] (a) A nonresident under age 16 may obtain a small game license at the resident fee if the nonresident:

- (1) possesses a firearms safety certificate; or
- (2) if age 13 or under, is accompanied by a parent or guardian when purchasing the license.

(b) A nonresident age 13 or under must be accompanied by a parent or guardian to take small game.

Sec. 28. Minnesota Statutes 1994, section 97A.455, is amended to read:

97A.455 [NONRESIDENT STUDENTS; FISHING, SMALL GAME, AND DEER BIG GAME.]



(a) A nonresident that is a full-time student at an educational institution in the state and resides in the state during the school year may obtain a resident license to take fish ~~or~~, small game, or big game, except moose, by providing proof of student status and residence as prescribed by the commissioner.

(b) A nonresident that is a full-time foreign exchange student at a high school in the state and resides with persons in the state may obtain a resident license to take ~~deer by archery~~ big game, except moose, by providing proof of foreign exchange student status as prescribed by the commissioner.

Sec. 29. Minnesota Statutes 1994, section 97A.475, subdivision 30, is amended to read:

Subd. 30. [COMMERCIAL NETTING OF FISH IN INLAND WATERS.] The fee for a license to net commercial fish in inland waters, to be issued to residents and nonresidents, is \$70 plus:

- (1) for each hoop net pocket, \$1;
- (2) for each 1,000 feet of seine, \$16.50; and
- (3) for each ~~helper's~~ apprentice license, ~~\$5.50~~ \$25.

Sec. 30. Minnesota Statutes 1994, section 97A.475, subdivision 31, is amended to read:

Subd. 31. [COMMERCIAL NETTING OF FISH IN LAKE OF THE WOODS.] The fee for a license to commercially net fish in Lake of the Woods is:

- (1) for each pound net or staked trap net, \$49.50;
- (2) for each fyke net, \$11, plus \$5 for each two-foot segment, or fraction, of the wings or lead in excess of four feet in height;
- (3) for each 100 feet of gill net, \$2.75;
- (4) for each submerged trap net, \$16.50; and
- (5) for each ~~helper's~~ apprentice license, ~~\$16.50~~ \$25.

Sec. 31. Minnesota Statutes 1994, section 97A.475, subdivision 32, is amended to read:

Subd. 32. [COMMERCIAL NETTING OF FISH IN RAINY LAKE.] The fee for a license to commercially net fish in Rainy Lake is:

- (1) for each pound net, \$49.50;
- (2) for each 100 feet of gill net, \$2.75; and
- (3) for each ~~helper's~~ apprentice license, ~~\$16.50~~ \$25.

Sec. 32. Minnesota Statutes 1994, section 97A.475, subdivision 33, is amended to read:

Subd. 33. [COMMERCIAL NETTING OF FISH IN NAMAKAN AND SAND POINT LAKES.] The fee for a license to commercially net fish in Namakan Lake and Sand Point Lake is:

- (1) for each 100 feet of gill net, \$1.75;
- (2) for each pound, fyke, and submerged trap net, \$16.50; and
- (3) for each ~~helper's~~ apprentice license, ~~\$5.50~~ \$25.

Sec. 33. Minnesota Statutes 1994, section 97A.475, subdivision 34, is amended to read:

Subd. 34. [COMMERCIAL SEINE AND SET LINES TO TAKE FISH IN THE MISSISSIPPI RIVER.] (a) The fee for a license to commercially seine rough fish in the Mississippi river from St. Anthony Falls to the St. Croix river junction is:

- (1) for a seine not exceeding 500 feet, \$27.50; or
  - (2) for a seine over 500 feet, \$44, plus \$2 for each 100 foot segment or fraction over 1,000 feet.
- (b) The fee for each helper's apprentice license issued under paragraph (a) is ~~\$5.50~~ \$25.

Sec. 34. Minnesota Statutes 1994, section 97A.475, subdivision 35, is amended to read:

Subd. 35. [COMMERCIAL SEINING OF FISH IN WISCONSIN BOUNDARY WATERS.] The fee for a license to commercially seine fish in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the Iowa border is:

- (1) for a seine not exceeding 500 feet, \$27.50; or
- (2) for a seine over 500 feet, \$44, plus \$2.50 for each 100 feet over 1,000 feet; and
- (3) for each helper's apprentice license to be issued to residents and nonresidents, ~~\$5.50~~, \$25.

Sec. 35. Minnesota Statutes 1994, section 97A.475, subdivision 36, is amended to read:

Subd. 36. [COMMERCIAL NETTING IN WISCONSIN BOUNDARY WATERS.] The fee for a license to commercially net in the boundary waters between Wisconsin and Minnesota from Lake St. Croix to the Iowa border is:

- (1) for each gill net not exceeding 500 feet, \$14.50;
- (2) for each gill net over 500 feet, \$27.50;
- (3) for each fyke net and hoop net, \$11;
- (4) for each bait net, \$1.75;
- (5) for each turtle net, \$1.75;
- (6) for each set line identification tag, \$14.50; and
- (7) for each helper's apprentice license to be issued to residents and nonresidents, ~~\$5.50~~, \$25.

Sec. 36. Minnesota Statutes 1994, section 97A.475, subdivision 37, is amended to read:

Subd. 37. [COMMERCIAL NETTING OF FISH IN LAKE SUPERIOR.] The fee for a license to commercially net fish in Lake Superior is:

- (1) for each gill net, \$77 plus \$2 for each 1,000 feet over 1,000 feet;
- (2) for a pound or trap net, \$77 plus \$2 for each additional pound or trap net; and
- (3) for each helper's apprentice license, ~~\$5.50~~ \$25.

Sec. 37. Minnesota Statutes 1994, section 97A.535, is amended by adding a subdivision to read:

Subd. 2a. [QUARTERING OF DEER ALLOWED.] A deer that has been tagged as required in subdivision 1 may be quartered at the site of the kill. The animal's head must remain attached to one of the quarters. The quarters must be presented together for registration under subdivision 2 and must remain together until the deer is processed for storage.

Sec. 38. Minnesota Statutes 1994, section 97B.021, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS.] (a) Except as provided in this subdivision, a person under the age of 16 may not possess a firearm, unless accompanied by a parent or guardian.

(b) A person under age 16 may possess a firearm without being accompanied by a parent or guardian:

- (1) on land owned by, or occupied as the principal residence of, the person or the person's parent or guardian;
- (2) while participating in an organized target shooting program with adult supervision;
- (3) while the person is participating in a firearms safety program or traveling to and from class; or
- (4) if the person is age 14 or 15 and has a firearms safety certificate.

~~(e) For purposes of this section a guardian is a legal guardian or a person age 18 or older that has been authorized by the parent or legal guardian to supervise the person under age 16.~~

Sec. 39. Minnesota Statutes 1994, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

(a) Except as provided in rules adopted under paragraph ~~(b)~~ (c), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange. Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square. This section does not apply to migratory waterfowl hunters on waters of this state or in a stationary shooting location.

(b) Except as provided in rules adopted under paragraph (c), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except when hunting with nontoxic shot, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange.

(c) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law Number 103-141.

(d) A violation of paragraph (b) shall not result in a penalty, but is punishable only by a safety warning.

Sec. 40. Minnesota Statutes 1994, section 97B.311, is amended to read:

97B.311 [DEER SEASONS AND RESTRICTIONS.]

(a) The commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken, including hunter selection criteria for special hunts established under section 97A.401, subdivision 4. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

- (1) taking with firearms, other than muzzle-loading firearms, between November 1 and December 15;
- (2) taking with muzzle-loading firearms between September 1 and December 31; and
- (3) taking by archery between September 1 and December 31.

(b) Notwithstanding paragraph (a), the commissioner may establish special seasons within designated areas between September 1 and January 15.

Sec. 41. Minnesota Statutes 1994, section 97C.035, subdivision 3, is amended to read:

Subd. 3. [TAKING OF FISH.] (a) The commissioner may, ~~by rule,~~ authorize residents to take fish:

- (1) in any quantity;
- (2) in any manner, except by use of seines, hoop nets, fyke nets, and explosives; and

(3) for personal use only, except rough fish may be sold.

(b) In an emergency The commissioner may authorize the taking of fish ~~without publishing the rule if by posting notice is posted~~ conspicuously along the shore of the waters and publishing a news release in a newspaper of general circulation in the area where the waters are located.

Sec. 42. Minnesota Statutes 1994, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing; ~~and~~

(2) transfer to other government agencies or private fish hatcheries in exchange for fish to be stocked in waters of the state for recreational fishing;

(3) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms at a price not less than the fair wholesale market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; and

(4) transfer to other government agencies for fish management and research purposes.

Sec. 43. Minnesota Statutes 1994, section 97C.205, is amended to read:

97C.205 [RULES FOR TRANSPORTING AND STOCKING FISH.]

(a) The commissioner may adopt rules to regulate:

(1) the transportation of fish and fish eggs from one body of water to another; and

(2) the stocking of waters with fish or fish eggs.

(b) The commissioner shall prescribe rules designed to encourage local sporting organizations to propagate game fish by using rearing ponds. The rules must:

(1) prescribe methods to acquire brood stock for the ponds by seining public waters;

(2) allow the sporting organizations to own and use seines and other necessary equipment; and

(3) prescribe methods for stocking the fish in public waters that give priority to the needs of the community where the fish are reared and the desires of the organization operating the rearing pond.

(c) A person age 16 or under may, for purposes of display in a home aquarium, transport largemouth bass, smallmouth bass, yellow perch, rock bass, black crappie, white crappie, bluegill pumpkinseed, green sunfish, orange spotted sunfish, and black, yellow and brown bullheads taken by angling. No more than four of each species may be transported at any one time, and any individual fish can be no longer than ten inches in total length.

Sec. 44. Minnesota Statutes 1994, section 97C.305, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A trout and salmon stamp is not required to take fish by angling or to possess trout and salmon if:

(1) the person:

(i) possesses a license to take fish by angling for a period of 24 hours from the time of issuance under section 97A.475, subdivision 6, clause (5), or subdivision 7, clause (5);, and ~~(2) the person~~

(ii) is taking fish by angling, or the trout or salmon were taken by the person, during the period the license is valid; or

(2) the person is taking fish, or the trout or salmon were taken by the person, as authorized under section 97C.035.

Sec. 45. Minnesota Statutes 1994, section 97C.411, is amended to read:

97C.411 [STURGEON AND PADDLEFISH.]

Lake sturgeon, shovelnose sturgeon, and paddlefish may not be taken, bought, sold, transported or possessed except as provided by rule of the commissioner. The commissioner may only allow the taking of these fish in waters that the state boundary passes through ~~except that a rule that applies and in tributaries to the St. Croix river must also apply to its tributaries.~~

Sec. 46. Minnesota Statutes 1994, section 97C.811, subdivision 6, is amended to read:

Subd. 6. [LICENSE INVALIDATION.] (a) A license to take commercial fish is void upon:

- (1) the licensee's death;
- ~~(2) sale of the commercial fishing business~~ cessation of commercial fishing operations within an assigned area, except as provided by paragraph (c);
- ~~(3) removal of the commercial fishing business from the state;~~
- ~~(4) conviction of two or more violations of inland commercial fishing laws within a license period; or~~
- ~~(5) (4) failure to apply for a new or renewal license prior to June 15 of any year.~~

(b) A commercial inland fishing license is not subject to the license revocation provisions of section 97A.421. Commercial fishing rights and area assignments covered by a license that becomes void reverts to the commissioner for reassignment.

(c) A person possessing a valid inland commercial fishing license may apply to the commissioner for transfer of an assigned commercial fishing area to another person. Upon receipt of the application, the commissioner shall notify the applicant that the application for transfer has been received and shall determine if other people are interested in the assigned area by:

- (1) notifying the inland commercial fish trade association in writing; and
- (2) publishing notice in a newspaper of general circulation in the vicinity of the assigned area.

These notices must allow interested persons 30 days to notify the commissioner of their interest in the assigned area. Within 60 days after publishing notice, the commissioner shall review the qualifications of all interested persons and approve or deny the transfer based on the criteria in section 97C.815, subdivision 2. If the transfer is denied, the licensee may retain the license or request that it become void.

Sec. 47. Minnesota Statutes 1994, section 97C.815, subdivision 4, is amended to read:

Subd. 4. [INLAND COMMERCIAL FISHING TRADE ASSOCIATION; LICENSE PROBLEMS.] The commissioner shall consult with representatives of the inland commercial fishing trade association when disagreements arise in the areas of license issuance, problems with performance pursuant to the license, transfers of licenses, area assignments, and the entry of new commercial fishing operators into the inland commercial fishery.

Sec. 48. Minnesota Statutes 1994, section 97C.835, subdivision 1, is amended to read:

Subdivision 1. [COMMERCIAL FISHING LICENSE FOR LAKE SUPERIOR.] (a) A license to fish commercially in Lake Superior shall be issued ~~only to a resident who possesses 5,000 feet of gill net of mesh sizes permitted in subdivisions 4 and 5 or two pound nets, has maximum of 50 residents. To qualify for licensing, a resident must have landed fish in the previous year with a value of at least \$1,500, except for those state waters from Duluth to Silver Bay upon the discretion of the commissioner, and has~~ must have engaged in commercial fishing for at least 50

~~30~~ days of the previous year. ~~An applicant shall be issued a license without meeting these requirements if the applicant is 65 or more years of age and has held a license continuously since 1947. An applicant may be issued a license, at the discretion of the commissioner, if failure to meet these the requirements for the dollar value of fish landed or number of days fished resulted from illness or other mitigating circumstances, or the applicant has reached the age of 65 and has been licensed at least ten five of the previous 15 ten years. Persons receiving licenses under these provisions for applicants 65 years of age or more must be in attendance at the setting and lifting of nets. The commissioner may issue multiple licenses to individuals who meet these requirements and have held multiple licenses prior to 1978.~~

(b) A license may be issued to a resident who has not previously fished commercially on Lake Superior and has not been convicted of a game and fish law violation in the preceding three years, if the applicant:

(1) shows a bill of sale indicating the purchase of gear and facilities connected with an existing license;

(2) shows proof of inheritance of all the gear and facilities connected with an existing license; or

(3) has served at least two years as a ~~helper~~ an apprentice in a Minnesota Lake Superior licensed commercial fishing operation.

Sec. 49. Minnesota Statutes 1994, section 97C.835, subdivision 5, is amended to read:

Subd. 5. [GILL NETS; CISCOES.] Gill nets for taking ciscoes and chubs may not be less than 2-1/4 inch extension measure mesh and may not exceed 2-3/4 inch extension measure mesh except that smaller or larger mesh sizes may be used under a permit issued by the commissioner.

Sec. 50. Minnesota Statutes 1994, section 97C.841, is amended to read:

97C.841 [HELPER'S APPRENTICE LICENSE.]

~~A person assisting the holder of a master's license, in with a commercial fishing license may list one person as an apprentice on the license. A person acting as an apprentice for a commercial fishing licensee must have an apprentice license. The commercial fishing licensee or the apprentice listed on the license must be present at all commercial fishing operations including going to and from fishing locations, or in setting or lifting nets, or removing fish from nets, must have a helper's license, unless the person is the holder of a master's license. A person possessing an angling license may assist the holder of a master's or apprentice license in going to and from fishing locations, or in setting or lifting nets, or removing fish from nets.~~

~~A helper's~~ An apprentice license is transferable from one helper to another by the holder of a master's license applying to the commissioner.

Sec. 51. Laws 1995, chapter 220, section 137, is amended to read:

Sec. 137. [PUBLIC INPUT; REPORT.]

~~The commissioner of natural resources shall seek public input and comment on sections section 135 and 136. By March 1, 1996, the commissioner shall report to the environment and natural resources committees of the legislature with a summary of the public comments received and any recommendations for legislation.~~

Sec. 52. Laws 1995, chapter 238, section 1, subdivision 2, is amended to read.

Subd. 2. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 103F.215, the counties of Crow Wing, Hubbard, Cass, and Morrison may allow the sale or transfer, as a separate parcel, of a lot within shoreland, as defined in Minnesota Statutes, section 103F.205, subdivision 4, that:

(1) is located wholly within the Mississippi headwaters corridor, as identified in the plan, or is located anywhere within Crow Wing, Hubbard, Cass, or Morrison county;

(2) is one of a group of two or more contiguous lots that have been under the same common ownership since July 1, 1981; and

(3) does not meet the residential lot size requirements in the model standards and criteria adopted by the commissioner of natural resources under Minnesota Statutes, section 103F.211.

Sec. 53. [PUBLIC INPUT; REPORT.]

The commissioner of natural resources shall seek public input and comments on the allowance to take antlered deer in more than one zone, and whether the license issued under Minnesota Statutes, section 97A.475, subdivision 2, clause (9), shall be extended to archery and muzzle-loader hunters at no additional fee. The commissioner must deliver a report on the public input to the house and senate policy committees by March 1, 1997.

Sec. 54. [SALE OF STATE WILDLIFE LAND IN WASHINGTON COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, and the public hearing requirement in Minnesota Statutes, section 97A.135, subdivision 2a, the commissioner of natural resources may sell land in a wildlife management area, described in this section, by private sale for a consideration not less than the appraised value, in accordance with the remaining provisions of Minnesota Statutes, chapter 94, and section 97A.135.

(b) The conveyance shall be in a form approved by the attorney general.

(c) The deed must contain a restrictive covenant that prohibits the placement or construction of additional buildings or structures, including corrals and animal shelters or pens, on the property conveyed in this section. The cost for constructing and maintaining any fencing on the property to be conveyed shall be the sole responsibility of the purchaser.

(d) The land that may be sold is in the Hardwood Creek wildlife management area in Washington County and is described as: the South 487 feet of the North 520 feet of the West 770 feet of the Northwest Quarter of the Southeast Quarter (NW 1/4 SE 1/4), Section Twenty-seven (27), Township Thirty-two (32) North, Range Twenty-one (21) West EXCEPT the North 440 feet of the West 650 feet of said NW 1/4 SE 1/4.

(e) The conveyance in this section will provide the adjacent landowner with a buffer between the landowner's buildings and public hunting activities on the adjacent wildlife area that surrounds the site and eliminate a problem with a portion of the landowner's barn that lies on the existing state property.

Sec. 55. [LAKE COUNTY LAND SALES RATIFIED.]

(a) Notwithstanding Minnesota Statutes, section 373.01, the conveyances by Lake county, Minnesota, of the following county fee lands are hereby ratified:

(1) one parcel of land sold October 29, 1993, by Lake county, Minnesota, to Darrel and Harriet Kempffer, being a five-acre county fee parcel of land described as the North One-half of the West One-half (N 1/2 of W 1/2) of the West One-half (W 1/2) of the Northwest Quarter of the Northwest Quarter (NW 1/4 of NW 1/4), Section Two (2), Township Fifty-two (52) North, Range Eleven (11) West, Lake county, Minnesota, constituting five acres;

(2) four parcels of land sold July 18, 1994, by Lake county, Minnesota, described as:

(i) Lot One (1), Five Mile Hill Plat, Lake county, Minnesota, sold to Diane Cullen;

(ii) Lot Four (4), Five Mile Hill Plat, Lake county, Minnesota, sold to Thomas Muehlburger;

(iii) Lot Seven (7), Five Mile Hill Plat, Lake county, Minnesota, sold to Thomas Muehlburger;

(iv) Lot Six (6), Five Mile Hill Plat, Lake county, Minnesota, sold to John McClellan;

(3) four parcels of land sold October 7, 1994, by Lake county, Knife River, Minnesota, described as:

- (i) Lot One (1), Granite Point Plat, Lake county, Minnesota, sold to Tim Stoddart;
- (ii) Lot Two (2), Granite Point Plat, Lake county, Minnesota, sold to Tim Stoddart;
- (iii) Lot Three (3), Granite Point Plat, Lake county, Minnesota, sold to Lee Jensen;
- (iv) Lot Four (4), Granite Point Plat, Lake county, Minnesota, sold to Lee Jensen; and
- (4) a parcel of land sold July 21, 1995, by Lake county, Minnesota, described as:

The East Two Hundred Eight and 7/10 (E.208.7) feet of the West Eight Hundred Thirty-four and 8/10 (W.834.8) of the South Two Hundred Forty-two (S.242) feet of the South One-half (S 1/2) of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4), Section Five (5), Township Fifty-nine (59) North, Range Eight (8) West, Stony River Township, Lake county, sold to Dorothy Johnson.

(b) Through an error, the sales of the lands described in paragraph (a) were conducted using the procedure for public sales of tax-forfeited lands rather than the applicable public sale procedure in Minnesota Statutes, section 373.01.

Sec. 56. [PERSONAL FLOTATION DEVICE RULES; VIOLATIONS.]

A violation prior to May 1, 1997, of requirements added in the proposed rule published in the State Register, Volume 19, Number 45, pages 2207 to 2210, May 8, 1995, and subsequently adopted on October 2, 1995, shall not result in a penalty, but is punishable only by a safety warning.

Sec. 57. [REPEALER.]

Minnesota Statutes 1994, sections 84.09 and 84.14; and Laws 1995, chapter 220, section 136, are repealed.

Sec. 58. [INSTRUCTION TO REVISOR.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The references in column C may be changed by the revisor to the section of Minnesota Statutes in which the bill sections are compiled.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
84.42	84.09	84.091
97A.025	84.09	84.091
97A.065	84.09	84.091

Sec. 59. [EFFECTIVE DATE.]

Sections 52 and 56 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; clarifying status of game refuge designations; modifying provisions for aquatic farms; modifying provisions for recreational vehicles; removing the residency requirement for youth hunting; permitting nonresident students to take big game; defining terms; modifying provisions relating to short-term fishing licenses, special permits, commercial fishing, taking fish, taking deer, blaze orange, trout and salmon stamps, and sturgeon and paddlefish; modifying provisions for stocking fish; modifying provisions related to wild rice and disposal of state hatchery eggs or fry; requiring reports; ratifying certain conveyances of county fee lands; permitting the sale of certain state wildlife land; modifying certain provisions for shoreland transfers; modifying penalty provisions for personal flotation device violations; amending Minnesota Statutes 1994, sections 17.4982, subdivisions 8, 10, 17, 21, and by adding a subdivision; 17.4984, subdivisions 2 and 7; 17.4985, subdivisions 2 and 3; 17.4986; 17.4988, subdivisions 2 and 4; 17.4991, subdivision 3; 17.4992, subdivisions 2 and 3; 17.4993, subdivision 1; 97A.015, subdivision 20, and by adding a subdivision; 97A.401, subdivision 4; 97A.411,



subdivision 1; 97A.451, by adding a subdivision; 97A.455; 97A.475, subdivisions 30, 31, 32, 33, 34, 35, 36, and 37; 97A.535, by adding a subdivision; 97B.021, subdivision 1; 97B.071; 97B.311; 97C.035, subdivision 3; 97C.203; 97C.205; 97C.305, subdivision 2; 97C.411; 97C.811, subdivision 6; 97C.815, subdivision 4; 97C.835, subdivisions 1 and 5; and 97C.841; Minnesota Statutes 1995 Supplement, sections 14.386; 14.387; 84.788, subdivision 3; 84.922, subdivision 2; and 97A.451, subdivision 3; Laws 1995, chapters 220, section 137; and 238, section 1, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1994, sections 84.09 and 84.14; Laws 1995, chapter 220, section 136."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Janet B. Johnson, Gene Merriam, Dennis R. Frederickson, Steven Morse, Pat Pariseau

House Conferees: (Signed) Bob Milbert, Betty McCollum, Tom Osthoff, Virgil J. Johnson, Mark Holsten

Ms. Johnson, J.B. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2445 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2445 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Morse	Ranum
Beckman	Hottinger	Kroening	Neuville	Reichgott Junge
Belanger	Janezich	Larson	Novak	Sams
Berg	Johnson, D.E.	Lesewski	Oliver	Samuelson
Berglin	Johnson, D.J.	Lessard	Olson	Scheevel
Betzold	Johnson, J.B.	Limmer	Ourada	Solon
Cohen	Johnston	Marty	Pappas	Spear
Day	Kelly	Merriam	Pariseau	Stevens
Fischbach	Kleis	Metzen	Piper	Stumpf
Flynn	Knutson	Moe, R.D.	Pogemiller	Vickerman
Frederickson	Kramer	Mondale	Price	Wiener

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### **MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2478, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2478 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 2478**

A bill for an act relating to consumer protection; restricting the provision of immigration services; regulating notaries public; providing penalties; proposing coding for new law in Minnesota Statutes, chapters 325E; and 359.

March 20, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2478, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2478 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325E.031] [IMMIGRATION SERVICES.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the terms in this subdivision have the meanings given.

(b) "Immigration matter" means any proceeding, filing, or action affecting the nonimmigrant, immigrant, or citizenship status of any person that arises under immigration and naturalization law, executive order, or presidential proclamation of the United States or any foreign country, or that arises under action of the United States Immigration and Naturalization Service, the United States Department of Labor, or the United States Department of State.

(c) "Immigration assistance service" means any advice, guidance, information, or action provided or offered to customers or prospective customers relating to any immigration matter and for which a fee is charged.

Subd. 2. [NOTICE.] (a) Any person who provides or offers immigration assistance services in this state shall post a notice at that person's place of business, setting forth information in English and in every other language in which the person provides or offers to provide immigration assistance services. Each language must be on a separate sign and posted in a location visible to customers. Each sign must be at least 11 inches by 17 inches and must contain the following statements:

(1) "I AM NOT AN ATTORNEY LICENSED TO PRACTICE LAW AND MAY NOT GIVE LEGAL ADVICE OR ACCEPT FEES FOR LEGAL ADVICE."

(2) "I AM NOT ACCREDITED TO REPRESENT YOU BEFORE THE UNITED STATES IMMIGRATION AND NATURALIZATION SERVICE AND THE IMMIGRATION BOARD OF APPEALS."

(b) Any person who advertises immigration assistance services in a language other than English, whether by radio, television, signs, pamphlets, newspapers, or other written communication, with the exception of a single desk plaque, shall post or otherwise include with the advertisement a notice in English and the language in which the advertisement appears that contains the language in paragraph (a), clause (1).

Subd. 3. [PROHIBITED ACTIVITIES.] Any person who provides or offers to provide immigration assistance services may not do any of the following:

(1) give any legal advice concerning an immigration matter or perform an act constituting the practice of immigration law as defined in Code of Federal Regulations, title 8, section 1.1 (i), (j), (k), or (m);

(2) represent, hold out or advertise, in connection with the provision of assistance in immigration matters, other titles or credentials in any language, including, but not limited to, "notary public" or "immigration consultant," that could cause a customer to believe that the person possesses special professional skills or is authorized to provide advice on an immigration matter;

(3) make any misrepresentation or false statement, directly or indirectly, to influence, persuade, or induce patronage;

(4) retain any compensation for service not performed; or

(5) refuse to return documents supplied by, prepared on behalf of, or paid for by the customer upon the request of the customer even if subject to a fee dispute.

Subd. 4. [WRITTEN CONTRACT.] Except as otherwise provided in this section, before providing an immigration assistance service a person shall provide the customer with a written contract that includes the following:

(1) an explanation of the services to be performed;

(2) identification of all compensation and costs to be charged to the customer for the services to be performed; and

(3) a statement that documents submitted in support of an application for nonimmigrant, immigrant, or naturalization status may not be retained by the person for any purpose, including payment of compensation or costs.

The written contract must be in both English and in the language of the customer. A copy of the contract must be provided to the customer upon the customer's execution of the contract. A customer has the right to rescind a contract within 72 hours after signing the contract. Any documents prepared on behalf of, or paid for by the customer, must be returned upon demand of the customer.

This subdivision does not apply to a not-for-profit organization that provides advice or assistance in immigration matters to clients without charge beyond a reasonable fee to reimburse the organization's or clinic's reasonable costs relating to providing immigration services to that client.

Subd. 5. [EXEMPTIONS.] This section does not apply to:

(1) an attorney licensed to practice law in any state or territory of the United States, or in any foreign country when authorized by the Minnesota supreme court, to the extent the attorney renders immigration assistance service in the course of practicing as an attorney;

(2) a nonlawyer assistant, as described by the rules of the Minnesota supreme court, employed by and under the direct supervision of a licensed attorney and rendering immigration assistance service in the course of the assistant's employment;

(3) a not-for-profit organization recognized by the Board of Immigration Appeals under Code of Federal Regulations, title 8, section 292.2(a), and employees of those organizations accredited under Code of Federal Regulations, title 8, section 292.2(d), and designated entities as defined under Code of Federal Regulations, title 8, section 245a.1; and

(4) an organization employing or desiring to employ an alien or nonimmigrant alien, where the organization, its employees or its agents provide advice or assistance in immigration matters to alien or nonimmigrant alien employees or potential employees without compensation from the individuals to whom the advice or assistance is provided.

Subd. 6. [PENALTY AND REMEDIES.] A person who violates this section is guilty of a misdemeanor. The penalties and remedies of section 8.31 apply to violations of this section, including a private cause of action.

Sec. 2. [359.062] [NOTICE; LANGUAGES OTHER THAN ENGLISH.]

(a) A notary public who is not an attorney who advertises the services of a notary public in a language other than English, whether by radio, television, signs, pamphlets, newspapers, or other written communication, with the exception of a single desk plaque, shall post or otherwise include with the advertisement a notice in English and the language in which the advertisement appears. This notice must be of a conspicuous size, if in writing, and must state: "I AM NOT AN ATTORNEY LICENSED TO PRACTICE LAW IN MINNESOTA AND MAY NOT GIVE LEGAL ADVICE OR ACCEPT FEES FOR LEGAL ADVICE." If the advertisement is by radio or television, the statement may be modified but must include substantially the same message.

(b) A notary public who violates this section is guilty of a misdemeanor."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Carlos Mariani, Matt Entenza, Fran Bradley

Senate Conferees: (Signed) Sandra L. Pappas, Randy C. Kelly, Martha R. Robertson

Ms. Pappas moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2478 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2478 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2834, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2834 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2834

A bill for an act relating to watercraft; modifying the requirements for operation of a motor

boat by a youth; modifying the provisions for operation of a personal watercraft by a youth; amending Minnesota Statutes 1994, sections 86B.305, subdivisions 1 and 2; and 86B.313, subdivision 2.

March 19, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2834, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2834 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [TITLE.]

This act shall be called the "Aaron Sahli child boating safety act."

Sec. 2. Minnesota Statutes 1994, section 86B.305, subdivision 1, is amended to read:

Subdivision 1. [UNDER AGE 12.] (a) Except in case of an emergency, a person under age 12 may not operate or be allowed to operate a watercraft propelled by a motor with a factory rating of more than ~~30~~ 25 horsepower unless there is present in the watercraft, in addition to the operator, ~~the operator's parent or legal guardian or at least one person of the age 18~~ 21 or older who is within immediate reach of the controls of the motor. For purposes of section 86B.331, the person age 21 or older, as well as the actual operator, is in physical control of the motorboat.

(b) A person under age 12 may not operate or be allowed to operate a watercraft propelled by a motor with a factory rating of more than 75 horsepower.

Sec. 3. Minnesota Statutes 1994, section 86B.305, subdivision 2, is amended to read:

Subd. 2. [AGE 12 TO 17; PERMIT REQUIRED.] Except as provided in this subdivision, a person age 12 or older and younger than age 18 may not operate a motorboat powered by a motor over ~~30~~ 25 horsepower without possessing a valid watercraft operator's permit from this state or from the operator's state of residence unless there is a person age ~~18~~ 21 or older in the motorboat who is within immediate reach of the controls of the motor. For purposes of section 86B.331, the person age 21 or older, as well as the actual operator, is in physical control of the motorboat.

Sec. 4. Minnesota Statutes 1994, section 86B.313, subdivision 2, is amended to read:

Subd. 2. [AGE OF OPERATOR.] Except in the case of an emergency, a person under the age of 13 years may not operate or be permitted to operate a personal watercraft, regardless of horsepower, ~~unless there is a person 18 years of age or older on board the craft.~~ It is unlawful for the owner of a personal watercraft to permit the personal watercraft to be operated contrary to this subdivision.

Sec. 5. [ADVISORY GROUP REPORT.]

The department of natural resources shall continue its work with a boating advisory panel, consisting of members from the marine industry, boat dealers, shoreland owners, county sheriffs, boat user groups, legislators, and department representatives to review boating safety issues. The department shall report back to the chairs of the senate and house environment and natural resources committees with any recommendations for legislative changes by January 15, 1997.

Sec. 6. [EFFECTIVE DATE.]

Sections 2, paragraph (b), 4, and 5 are effective May 1, 1996. The remainder of this act is effective January 1, 1997."

Amend the title as follows:

Page 1, line 5, after "youth;" insert "requiring an advisory group report;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Kris Hasskamp, Thomas Bakk, Dennis Ozment

Senate Conferees: (Signed) Janet B. Johnson, Gene Merriam, Gen Olson

Ms. Johnson, J.B. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2834 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2834 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Janezich	Limmer	Scheevel	Stevens
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2519, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2519 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2519

A bill for an act relating to the environment; increasing the amount of reimbursement available for cleanup of petroleum releases by certain responsible persons; amending Minnesota Statutes 1995 Supplement, section 115C.09, subdivision 3.

March 21, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2519, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2519 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;  
(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the harmful substance compensation account under subdivision 5 and section 115B.26, subdivision 4; and

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter; and

(8) for corrective action performance audits under section 115C.093.

(b) Money in the fund is appropriated to the board to make reimbursements or payments under this section.

Sec. 2. Minnesota Statutes 1995 Supplement, section 115C.09, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENTS; SUBROGATION; APPROPRIATION.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund in the following amounts:

(1) 90 percent of the total reimbursable costs on the first \$250,000 and 75 percent on any remaining costs in excess of \$250,000 on a site; or

(2) for corrective actions at a residential site used as a permanent residence at the time the release was discovered, 92.5 percent of the total reimbursable costs on the first \$100,000 and 100 percent of any remaining costs in excess of \$100,000; or

(3) 90 percent of the total reimbursable costs on the first \$250,000 and 100 percent of the cumulative total reimbursable costs in excess of \$250,000 at all sites in which the responsible person had interest, and for which the commissioner has not issued a closure letter as of the effective date of this clause, if the responsible person dispensed less than 1,000,000 gallons of petroleum at each location in each of the last three calendar years that the responsible person dispensed petroleum at the location and:

(i) has owned no more than three locations in the state at which motor fuel was dispensed into motor vehicles and has discontinued operation of all petroleum retail operations; or

(ii) has owned no more than one location in the state at which motor fuel was dispensed into motor vehicles.

Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) When an applicant has obtained responsible competitive bids or proposals according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal are presumed to be reasonable by the board, unless the costs of the low bid or proposal are substantially in excess of the average costs charged for similar tasks, procedures, services, materials, equipment, and tests in the same geographical area during the same time period.

(d) When an applicant has obtained a minimum of two responsible competitive bids or proposals on forms prescribed by the board and where the rules promulgated under this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures, services, materials, equipment and tests, the eligible costs of the low bid or proposal are deemed reasonable if the costs are at or below the maximums set forth in the rules.

(e) Costs incurred for change orders executed as prescribed in rules promulgated under this chapter after June 1, 1995, are presumed reasonable if the costs are at or below the maximums set forth in the rules, unless the costs in the change order are above those in the original bid or proposal or are unsubstantiated and inconsistent with the process and standards required by the rules.

(f) A reimbursement may not be made from the fund under this subdivision in response to either an initial or supplemental application for costs incurred after June 4, 1987, that are payable under an applicable insurance policy, except that if the board finds that the responsible person has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the responsible person under this subdivision.

(g) If the board reimburses a responsible person for costs for which the responsible person has petroleum tank leakage or spill insurance coverage, the board is subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the reimbursement by the board. The board may request the attorney general to bring an action in district court against the insurer to enforce the board's subrogation rights. Acceptance by a responsible person of reimbursement constitutes an assignment by the responsible person to the board of any rights of the responsible person with respect to any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this paragraph, the board may instead request a return of the reimbursement under subdivision 5 and may employ against the responsible party the remedies provided in that subdivision, except where the board has knowingly provided reimbursement because the responsible person was denied coverage by the insurer.

(h) Money in the fund is appropriated to the board to make reimbursements under this section. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

(i) The board may reduce the amount of reimbursement to be made under this section if it finds that the responsible person has not complied with a provision of this chapter, a rule or order issued under this chapter, or one or more of the following requirements:

(1) the agency was given notice of the release as required by section 115.061;



(2) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(3) the state and federal rules and regulations applicable to the condition or operation of the tank when the noncompliance caused or failed to mitigate the release.

(j) The reimbursement may be reduced as much as 100 percent for failure by the responsible person to comply with the requirements in paragraph (i), clauses (1) to (3). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the reasonable determination by the agency of the environmental impact of the noncompliance;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators; and

(4) the amount of reimbursement reduction recommended by the commissioner.

(k) A person may assign the right to receive reimbursement to each lender who advanced funds to pay the costs of the corrective action or to each contractor or consultant who provided corrective action services. An assignment must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the responsible person, the identity of the assignee, the dollar amount of the assignment, and the location of the corrective action. An assignment signed by the responsible person is valid unless terminated by filing a termination with the board, in a form prescribed by the board, which must include the written concurrence of the assignee. The board shall maintain an index of assignments filed under this paragraph. The board shall pay the reimbursement to the responsible person and to one or more assignees by a multiparty check. The board has no liability to a responsible person for a payment under an assignment meeting the requirements of this paragraph.

### Sec. 3. [115C.093] [CORRECTIVE ACTION PERFORMANCE AUDITS.]

(a) The board shall contract for performance audits of corrective actions for which reimbursement is sought under section 115C.09, subdivision 3, paragraph (a), clause (3), and may contract for audits of other corrective actions.

(b) A responsible person may request a performance audit under this section. If the board denies the request, it must provide the requester with the reasons for the denial.

(c) A performance audit conducted under this section must evaluate the adequacy of the corrective actions, the validity of the corrective action costs, and whether alternative methods or technologies could have been used to carry out the corrective actions at a lower cost. The board shall report the results of audits conducted under this section to the chairs of the senate committees on environment and natural resources and commerce and consumer protection, the finance division of the senate committee on environment and natural resources, and the house of representatives committees on environment and natural resources, environment and natural resources finance, and commerce, tourism, and consumer affairs. Money in the fund is appropriated to the board for the purposes of this section.

Sec. 4. Laws 1995, chapter 254, article 1, section 93, is amended to read:

### Sec. 93. [SPENDING LIMITATION ON CONTRACTS.]

(a) During the biennium ending June 30, 1997, the aggregate amount spent by all departments or agencies defined in Minnesota Statutes, section 15.91, subdivision 1, on professional or technical service contracts may not exceed 95 percent of the aggregate amount these departments or agencies spent on these contracts during the biennium from July 1, 1993, to June 30, 1995. For purposes of this section, professional or technical service contracts are as defined in Minnesota Statutes, section 16B.17, but do not include contracts for highway construction or maintenance, contracts between state agencies, contracts paid for from insurance trust funds, gift and deposit funds, capital projects funds, or federal funds, contracts with private collection agencies, contracts

that are entered into in connection with the agency's distribution of grant funds, or contracts entered into under Minnesota Statutes, section 16B.35 or 115C.093. The governor or a designated official must limit or disapprove proposed contracts as necessary to comply with this section.

(b) During the biennium ending June 30, 1997, the amount spent by (1) the house of representatives; (2) the senate; and (3) the legislative coordinating commission and all groups under its jurisdiction, from direct-appropriated funds on professional or technical service contracts may not exceed 95 percent of the amount spent on these contracts from direct-appropriated funds during the biennium from July 1, 1993, to June 30, 1995. Each entity listed in clauses (1), (2), and (3) of this paragraph must be treated separately for purposes of determining compliance with this paragraph, except that the legislative coordinating commission and all groups under its jurisdiction must be treated as one unit. For purposes of this paragraph, "professional or technical service contract" has the meaning defined in section 16B.17, but does not include contracts for actuarial services entered into by the legislative commission on pensions and retirement, or contracts with other legislative or state executive agencies. The house of representatives committee on rules and legislative administration, the senate committee on rules and administration, and the legislative coordinating commission must each determine the amount of the reduction to be made under this paragraph.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; increasing the amount of reimbursement available for cleanup of petroleum releases by certain responsible persons; requiring corrective action performance audits in certain circumstances; exempting petroleum tank cleanup contracts from certain spending limitations; amending Minnesota Statutes 1995 Supplement, sections 115C.08, subdivision 4; and 115C.09, subdivision 3; Laws 1995, chapter 254, article 1, section 93; proposing coding for new law in Minnesota Statutes, chapter 115C."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Gene Pelowski, Jr., Virgil J. Johnson, Richard Mulder

Senate Conferees: (Signed) Steven Morse, Leonard R. Price, Pat Pariseau

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2519 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2519 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2206, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2206 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2206

A bill for an act relating to education; removing mandates from higher education; requiring increased accountability and performance for funding; amending Minnesota Statutes 1994, sections 15.43, subdivisions 2 and 3; 16B.01, subdivision 2; 16B.21, subdivisions 1 and 3; 16B.33, subdivisions 1, 3, 4, and by adding a subdivision; 16B.35, by adding a subdivision; 16B.41, subdivision 2; 16B.482; 16B.49; 16B.531; 16B.54, subdivision 1; 16B.85, subdivision 2; 43A.05, subdivision 4; 43A.10, subdivision 3; 123.70, subdivision 10; 135A.033; 135A.14, as amended; 137.37; 169.448, subdivision 2; 201.1611; and 248.07, subdivision 7; Minnesota Statutes 1995 Supplement, sections 16B.17, subdivision 6; 16B.465, subdivision 4; 43A.06, subdivision 1; 135A.181; 136A.101, subdivision 10; 136F.06, subdivisions 1 and 2; 136F.12; 136F.16, subdivision 3; 136F.18; 136F.30; 136F.36, subdivision 2; 136F.44; 136F.50; 136F.53, subdivisions 1 and 3; 136F.58; 136F.71, by adding a subdivision; 136F.72, subdivision 3; 136F.80, subdivision 2; and 169.441, subdivision 5; Laws 1995, chapter 212, article 2, sections 15; and 20, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136F; repealing Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; Minnesota Statutes 1995 Supplement, sections 135A.08; 136F.25; and 136F.59, subdivision 1; Laws 1995, chapter 212, article 1, section 6, subdivision 1.

March 22, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2206, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2206 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 15.43, subdivision 2, is amended to read:

Subd. 2. [TEXTBOOKS EXEMPTED.] Textbooks, software, and other course materials authored by an employee of the state's education systems Minnesota state colleges and universities or of the University of Minnesota may be used as required course material upon receipt of written approval from the head of the department. Instructors in state institutions and at the university may accept free samples of textbooks and related teaching materials.

Sec. 2. Minnesota Statutes 1994, section 15.43, subdivision 3, is amended to read:

Subd. 3. [OTHER EXEMPTIONS.] The commissioners of human services and corrections, ~~and the chancellors of the state university and community college systems~~ may by rule prescribe procedure for the acceptance of gifts from any person or organization, provided that such gifts are accepted by the commissioner ~~or chancellor~~, or a designated representative of the commissioner ~~or chancellor~~, and that such gifts are used solely for the direct benefit of patients; or inmates or students under the jurisdiction of the accepting state officer.

Sec. 3. Minnesota Statutes 1994, section 16B.01, subdivision 2, is amended to read:

Subd. 2. [AGENCY.] "Agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government. Unless specifically provided elsewhere in this chapter, agency does not include the Minnesota state colleges and universities.

Sec. 4. Minnesota Statutes 1995 Supplement, section 16B.17, subdivision 6, is amended to read:

Subd. 6. [EXCLUSIONS.] This section and section 16B.167 do not apply:

(1) ~~to Minnesota state college or university contracts to provide instructional services to public or private organizations, agencies, businesses, or industries;~~

(2) ~~to contracts with individuals or organizations for administration of employee pension plans authorized under chapter 354B or 354C; or~~

(3) ~~to instructional services provided to Minnesota state colleges or universities by organizations or individuals provided the contracts are consistent with terms of applicable labor agreements.~~

Sec. 5. Minnesota Statutes 1994, section 16B.21, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of trade and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22, ~~137.31, 137.35, 161.321, and 473.142~~ during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business and targeted group procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the small business procurement program, the total dollar value and number of set-aside and other contracts actually awarded to small businesses, and the total number of small businesses that were awarded set-aside and other contracts;

(3) the total dollar value and number of contracts awarded to small targeted group businesses pursuant to each bidding process authorized by sections 16B.19, subdivision 2c, ~~137.31, 137.35, 161.321, and 473.142~~; the total number and value of these contracts awarded to each small targeted group business and to each type of small targeted group business in each purchasing category, and the percentages of the total procurement for each purchasing category the figures represent;

(4) the total dollar value and number of contracts awarded to small businesses in economically disadvantaged areas under the bidding process authorized in section 16B.19, subdivision 2d; the total number and value of these contracts awarded to each business, and to all businesses within each economically disadvantaged area in each purchasing category, and the percentages of total procurement for each purchasing category the figures represent.

The information required by clauses (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Sec. 6. Minnesota Statutes 1994, section 16B.21, subdivision 3, is amended to read:

Subd. 3. [REPORTS FROM OTHER AGENCIES.] The commissioner of transportation, and each metropolitan agency listed in section 473.143, subdivision 1, and the University of Minnesota shall report to the commissioner of administration all information that the commissioner requests to make reports required under this section. The information must be reported at the time and in the manner requested by the commissioner of administration.

Sec. 7. Minnesota Statutes 1994, section 16B.33, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Agency" has the meaning given in section 16B.01, ~~and also includes the University of Minnesota.~~

(b) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(c) "Board" means the state designer selection board.

(d) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(e) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(f) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(g) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(h) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency.

(i) "User agency" means the agency undertaking a specific project.

Sec. 8. Minnesota Statutes 1994, section 16B.33, subdivision 3, is amended to read:

Subd. 3. [AGENCIES MUST REQUEST DESIGNER.] (a) [APPLICATION.] Upon undertaking a project with an estimated cost greater than \$750,000 or a planning project with estimated fees greater than \$60,000, every user agency, except the capitol area architectural and planning board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The University of Minnesota and the Minnesota state colleges and universities shall follow the process in subdivision 3a to select designers for their projects. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.

(b) [REACTIVATED PROJECT.] If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner, the Minnesota state colleges and universities, or the University of Minnesota may, if the project is reactivated, retain the same designer to complete the project.

(c) [FEE LIMIT REACHED AFTER DESIGNER SELECTED.] If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without

conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.

Sec. 9. Minnesota Statutes 1994, section 16B.33, is amended by adding a subdivision to read:

Subd. 3a. [HIGHER EDUCATION PROJECTS.] (a) When the University of Minnesota or the Minnesota state colleges and universities undertakes a project involving construction or major remodeling, as defined in section 16B.335, subdivision 1, with an estimated cost greater than \$2,000,000 or a planning project with estimated fees greater than \$200,000, the system shall submit a written request for a primary designer to the commissioner, as provided in subdivision 3.

(b) When the University of Minnesota or the Minnesota state colleges and universities undertakes a project involving renovation, repair, replacement, or rehabilitation, the system office may submit a written request for a primary designer to the commissioner as provided in subdivision 3.

Sec. 10. Minnesota Statutes 1994, section 16B.33, subdivision 4, is amended to read:

Subd. 4. [DESIGNER SELECTION PROCESS.] (a) [PUBLICITY.] Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) [CONFLICT OF INTEREST.] The board may not select a designer or firm in which a member of the designer selection board has a current financial interest.

(c) [SELECTION BY COMMISSIONER.] In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) [SECOND SELECTION.] If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) [SIXTY DAYS TO SELECT.] If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) [LESS THAN SATISFACTORY PERFORMANCE.] The commissioner, or the University of Minnesota and the Minnesota state colleges and universities for projects under its their supervision, shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Sec. 11. Minnesota Statutes 1994, section 16B.35, is amended by adding a subdivision to read:

Subd. 4. [CAMPUSES.] Art for a building on a public college or university campus shall be selected by the campus, in consultation with the arts board. Consideration of the artwork of faculty and students on that campus is encouraged.

Sec. 12. Minnesota Statutes 1994, section 16B.36, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, and may assist state agencies by providing analytical, statistical, and organizational development services to them in order to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible. The commissioner shall periodically submit to the legislature a list of the studies being conducted for this purpose and any future studies scheduled at the time the list is submitted. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 13. Minnesota Statutes 1994, section 16B.37, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 14. Minnesota Statutes 1994, section 16B.41, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES.] The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies is used. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house ways and means committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, unless the office has approved the request.

(d) Each biennium the office must rate agency requests for new appropriations for development or purchase of information systems equipment or software based on established information management criteria. The office must submit this rating to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature. The governor must provide information necessary to rate agency requests to the office.

(e) The office must define, review, and approve major purchases of information systems

equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education ~~must not~~ may purchase interconnective up to \$250,000 of equipment or other computer technology to connect the college or university to sites outside the institution without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office. These standards and guidelines shall emphasize uniformity that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and the Minnesota government data practices act. The office, in consultation with the intergovernmental information systems advisory council and the legislative reference library, shall adopt specific standards and guidelines to be met by each state agency within a time period fixed by the office in regard to the following:

(1) establishment of methodologies and systems directed at reducing and ultimately eliminating redundant storage of data and encouraging greater use of central databases;

(2) establishment of data retention schedules, disaster recovery plans and systems, security systems, and procedural safeguards concerning privacy of data;

(3) establishment of pricing policies and incentives that encourage electronic transfer of information in electronic forms, while giving due consideration to the value and cost of providing the information in those forms. These pricing policies may include preferential prices for information requested by a public entity for a public purpose; and

(4) establishment of information sales systems that utilize licensing and royalty agreements to the greatest extent possible, together with procedures for agency denial of requests for licenses or royalty agreements by commercial users or resellers of the information. Section 3.751 does not apply to these licensing and royalty agreements and the agreements must include provisions that section 3.751 does not apply and that the state is immune from liability under the agreement.

If an agency needs additional funds to comply with the requirements of this paragraph, the agency must first obtain approval of the proposal by the office as required by paragraph (c) before submitting it to the legislature.

(g) The office must conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

(h) The office shall recommend to the legislature any statutory changes that are necessary or desirable to accomplish the duties described in this subdivision.

(i) The office must report to the legislature by January 15 each year on progress in implementing paragraph (f), clauses (1) to (4).

Sec. 15. Minnesota Statutes 1995 Supplement, section 16B.465, subdivision 4, is amended to read:

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation of state agencies, the state board of education, and the ~~governing boards~~ board of trustees of the Minnesota state colleges and universities, the community colleges, and the technical colleges, and



may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

~~(b) A direct appropriation made to an educational institution for usage costs associated with the STARS network must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration. The post-secondary appropriations may be shifted between systems as required by unanticipated usage patterns. An intersystem transfer must be requested by the appropriate system and may be made only after review and approval by the commissioner of finance, in consultation with the commissioner of administration.~~

Sec. 16. Minnesota Statutes 1994, section 16B.482, is amended to read:

16B.482 [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner of administration may provide materials and services under this chapter to state legislative and judicial branch agencies, political subdivisions, the Minnesota state colleges and universities, the University of Minnesota, and federal government agencies. Legislative and judicial branch agencies, political subdivisions, the Minnesota state colleges and universities, the University of Minnesota, and federal government agencies purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for cost.

Sec. 17. [16B.4821] [PROVISION OF MATERIALS AND SERVICES TO MNSCU.]

Subdivision 1. [MATERIALS AND SERVICES AVAILABLE.] Notwithstanding any law to the contrary, the Minnesota state colleges and universities may request from the commissioner of administration any services and materials available to any state agency under this chapter, including but not limited to purchasing, contracting, leasing, energy conservation, communications systems, construction, and all other programs and contracts administered by the department of administration, whether administered directly or indirectly by contract or otherwise. The commissioner of administration shall make reasonable efforts to comply with any such request. The chancellor of the Minnesota state colleges and universities and the commissioner of administration shall cooperate to identify services and materials available to state agencies from the department of administration.

Subd. 2. [STATUS REQUESTED BY CHANCELLOR.] The Minnesota state colleges and universities shall be a state agency where being a state agency is a prerequisite to obtaining or participating in any services, materials acquisition, or programs under this chapter which are requested by the chancellor.

Subd. 3. [NOTIFICATION.] The Minnesota state colleges and universities shall be a state agency for purposes of being included on any state agency's list to receive notices and information appropriate to the purposes of the Minnesota state colleges and universities.

Sec. 18. Minnesota Statutes 1994, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters within the boundaries of the city of St. Paul must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days. For purposes of this section, the Minnesota state colleges and universities is a state agency.

Sec. 19. Minnesota Statutes 1994, section 16B.531, is amended to read:

16B.531 [TRAVEL SERVICES.]

The commissioner may offer a centralized travel service to all state departments and agencies, and to the Minnesota state colleges and universities, and may, in connection with that service, accept payments from travel agencies under contracts for the provision of travel services. The payments must be deposited in the motor pool revolving account established by section 16B.54, subdivision 8, and must be used for the expenses of managing the centralized travel service. Revenues in excess of the management costs of the centralized service must be returned to the general fund.

Sec. 20. Minnesota Statutes 1994, section 16B.54, subdivision 1, is amended to read:

Subdivision 1. [MOTOR POOLS.] The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, (1) "agencies" includes the Minnesota state colleges and universities, and (2) "truck" means a pickup or panel truck up to one ton carrying capacity.

Sec. 21. Minnesota Statutes 1994, section 16B.85, subdivision 2, is amended to read:

Subd. 2. [RISK MANAGEMENT FUND.] (a) All state agencies, and the Minnesota state colleges and universities, may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(b) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.152, subdivision 4. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Sec. 22. Minnesota Statutes 1994, section 43A.05, subdivision 4, is amended to read:

Subd. 4. [TIME OFF IN EMERGENCIES.] The commissioner shall authorize appointing authorities to pay for time off in emergencies. The commissioner, after consultation with the commissioner of public safety, may excuse employees from duty with full pay in the event of a natural or other emergency, if continued operation would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration. Authority to excuse employees from duty with full pay on the campuses of the Minnesota state colleges and universities is vested in the college and university presidents, under guidelines established by the board of trustees of the Minnesota state colleges and universities.

Sec. 23. Minnesota Statutes 1995 Supplement, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

~~(c) In consultation with the commissioner of employee relations and except as specified in this paragraph, The board of trustees of the Minnesota state colleges and universities may exercise the powers under this section for employees included in units 9, 10, 11, and 12 in section 179A.10, subdivision 2. The power and authority to engage in collective bargaining or to enter into interest arbitration remains with the commissioner of employee relations, who shall exercise those powers in consultation with the board of trustees of the Minnesota state colleges and universities. The commissioner of employee relations shall have the right to review and comment to the Minnesota state colleges and universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. When submitting a proposed collective bargaining agreement to the legislative coordinating commission and the legislature under section 3.855, subdivision 2, the board of trustees must use procedures and assumptions consistent with those used by the commissioner of employee relations in calculating the costs of the proposed contract.~~

Sec. 24. Minnesota Statutes 1994, section 43A.10, subdivision 3, is amended to read:

Subd. 3. [FACILITIES FURNISHED EXAMINERS.] The authorities having control of public buildings in political subdivisions of the state and school districts, upon written request of the commissioner, shall furnish ~~without charge~~ convenient facilities for the administration of examinations. Upon such request, it shall be the duty of state and local authorities and employees, as it is consistent with their other duties, to aid in carrying out the provisions of this section. Campuses of the Minnesota state colleges and universities may charge the commissioner for actual costs incurred in providing facilities for examinations, provided that the costs were incurred due solely to the examination.

Sec. 25. Minnesota Statutes 1994, section 123.70, subdivision 10, is amended to read:

Subd. 10. A statement required to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization shall include month, day, and year for immunizations administered after January 1, 1990.

(a) For persons enrolled in grades 7 and 12 during the ~~1992-1993~~ 1996-1997 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(b) For persons enrolled in grades 7, 8, and 12 during the ~~1993-1994~~ 1997-1998 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(c) For persons enrolled in grades 7, 8, 9, and 12 during the ~~1994-1995~~ 1998-1999 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(d) For persons enrolled in grades 7, 8, 9, 10, and 12 during the ~~1995-1996~~ 1999-2000 school term, the statement must indicate that the person has received ~~at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart~~ a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(e) For persons enrolled in grades 7 through 12 during the 2000-2001 school term and for each year thereafter, the statement must indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.

(f) For persons enrolled in grades 7 through 12 during the 1996-1997 school year and for each year thereafter, the statement must indicate that the person has received at least two doses of vaccine against measles, mumps, and rubella, given alone or separately and given not less than one month apart.

Sec. 26. Minnesota Statutes 1994, section 135A.033, is amended to read:

## 135A.033 [PERFORMANCE FUNDING.]

The governing boards of the University of Minnesota, ~~the state universities, the community colleges, and the technical colleges~~ and the Minnesota state colleges and universities, in conjunction with their respective campuses, shall each specify performance categories and indicators relating to section 135A.053, subdivision 1, to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

## Sec. 27. [135A.053] [STATE HIGHER EDUCATION POLICY.]

Subdivision 1. [STATEWIDE OBJECTIVES.] Minnesota's higher education investment is made in pursuit of the following objectives:

(1) to ensure quality - to provide a level of excellence that is competitive on a national and international level, through high quality teaching, scholarship, and learning in a broad range of arts and sciences, technical education, and professional fields;

(2) to foster student success - to enable and encourage students to choose institutions and programs that are best suited for their talents and abilities, and to provide an educational climate that supports students in pursuing their goals and aspirations;

(3) to promote democratic values - to enhance Minnesota's quality of life by developing understanding and appreciation of a free and diverse society;

(4) to maintain access - to provide an opportunity for all Minnesotans, regardless of personal circumstances, to participate in higher education; and

(5) to enhance the economy - to assist the state in being competitive in the world market, and to prepare a highly skilled and adaptable workforce that meets Minnesota's opportunities and needs.

Subd. 2. [PERFORMANCE AND ACCOUNTABILITY.] Higher education systems and campuses are expected to achieve the objectives in subdivision 1 and will be held accountable for doing so. The legislature is increasing the flexibility of the systems and campuses to provide greater responsibility to higher education in deciding how to achieve statewide objectives, and to decentralize authority so that those decisions can be made at the level where the education is delivered. To demonstrate their accountability, the legislature expects each system and campus to measure and report on its performance, using meaningful indicators that are critical to achieving the objectives in subdivision 1, as provided in section 135A.033. Nothing in this section precludes a system or campus from determining its own objectives and performance measures beyond those identified in this section.

Sec. 28. Minnesota Statutes 1994, section 135A.14, as amended by Laws 1995, chapter 212, article 3, section 59, and Laws 1995, First Special Session chapter 3, article 16, section 13, is amended to read:

## 135A.14 [STATEMENT OF IMMUNIZATION OF POST-SECONDARY STUDENTS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) "Administrator" means the administrator of the institution or other person with general control and supervision of the institution.

(b) "Public or private post-secondary educational institution" or "institution" means any of the following institutions having an enrollment of more than 100 persons during any quarter, term, or semester during the preceding year: (1) the University of Minnesota; (2) the state universities; (3) the state community colleges; (4) public technical colleges; (5) private four-year, professional and graduate institutions; (6) private two-year colleges; and (7) schools subject to either chapter 141, sections 136A.61 to 136A.71, or schools exempt under section 136A.657, and which offer educational programs within the state for an academic year greater than six consecutive months.

An institution's report to the Minnesota higher education services office or the Minnesota department of children, families, and learning may be considered when determining enrollment.

(c) "Student" means a person born after 1956 who did not graduate from a Minnesota high school in 1997 or later, and who is (1) registering for more than one class during a full academic term, such as a quarter or a semester; or (2) housed on campus and is registering for one or more classes. Student does not include persons enrolled in extension classes only or correspondence classes only.

Subd. 2. [STATEMENT OF IMMUNIZATION REQUIRED.] Except as provided in subdivision 3, no student may remain enrolled in a public or private post-secondary educational institution unless the student has submitted to the administrator a statement that the student has received appropriate immunization against measles, rubella, and mumps after having attained the age of 12 months, and against diphtheria and tetanus within ten years of first registration at the institution. This statement must indicate the month and year of each immunization given. Instead of submitting a statement, a student may provide an immunization record maintained by a school according to section 123.70, subdivision 7, or a school in another state if the required information is contained in the record. A student who has submitted a statement as provided in this subdivision may transfer to a different Minnesota institution without submitting another statement if the student's transcript or other official documentation indicates that the statement was submitted.

Subd. 3. [EXEMPTIONS FROM IMMUNIZATION.] (a) An immunization listed in subdivision 2 is not required if the student submits to the administrator a statement signed by a physician that shows:

(1) that, for medical reasons, the student did not receive an immunization;

(2) that the student has experienced the natural disease against which the immunization protects; or

(3) that a laboratory has confirmed the presence of adequate immunity.

(b) If the student submits a notarized statement that the student has not been immunized as required in subdivision 2 because of the student's conscientiously held beliefs, the immunizations described in subdivision 2 are not required. The institution shall forward this statement to the commissioner of health.

Subd. 4. [IMMUNIZATION FILES REQUIRED.] The institution must maintain an immunization record ~~within the student's file for all students~~ each student governed by this section for at least one year from the time of original filing. The immunization records may be inspected by the department of health and the local board of health in whose jurisdiction the institution is located.

Subd. 5. [DEADLINE FOR SUBMITTING STATEMENT.] The institution shall require that the statement from the student, as required within subdivision 2 or 3, be submitted within 45 days of commencement of the academic term for which the student has registered.

Sec. 29. Minnesota Statutes 1995 Supplement, section 135A.181, subdivision 2, is amended to read:

Subd. 2. [COMMON CALENDAR.] In converting to the semester system required in subdivision 1 shall be offered on a common calendar throughout all the campuses under the jurisdiction of the board of trustees of the Minnesota state colleges and universities. This calendar, in consultation with the system office, shall set calendars that best meet the needs of students, including those jointly enrolled in local school districts and other cooperative programs. Common calendars shall include be a priority at colocated campuses including a common start and end date for each semester as well as common summer school schedules. The board of trustees may exempt a campus from this calendar if they determine that because of extenuating circumstances an alternative calendar would better serve students' needs.

Sec. 30. Minnesota Statutes 1995 Supplement, section 136A.101, subdivision 10, is amended to read:

Subd. 10. "Satisfactory academic progress" means that:

(1) ~~at a point between by the end of a student's first and second academic year of attendance at an institution, the student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with the institution's graduation requirements; and~~

(2) ~~by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.~~

Sec. 31. [136A.1312] [FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.]

Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and expected family contribution computations to allow for treatment of individual students with special circumstances, with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards. Nothing in this section precludes a financial aid administrator from establishing an appeals process for other extenuating circumstances.

Sec. 32. [136A.1313] [FINANCIAL AID AUDITS.]

Beginning with audits for fiscal year 1996, in place of the audits provided by the office, public institutions that administer state grants under decentralized delivery may arrange for audits of state financial aid awards and tuition reciprocity recipients in conjunction with their audits for federal financial aid. Audits must be conducted in compliance with guidelines and materials prepared by the office. The office shall develop a review process including procedures for responding to audit exceptions. All other institutions under decentralized delivery may arrange for audits under this section beginning with audits for fiscal year 1997.

Sec. 33. Minnesota Statutes 1995 Supplement, section 136F.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The board shall possess all powers necessary to govern the state colleges and universities and all related property. Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe courses of study and conditions of admission, set tuition and fees, ~~prescribe~~ approve programs of study and requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, enter into contracts and other agreements, and adopt suitable policies for the institutions it governs. To the extent practicable in protecting statewide interests, the board shall provide autonomy to the campuses while holding them accountable for their decisions. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 34. Minnesota Statutes 1995 Supplement, section 136F.06, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE AUTHORITY.] The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or limited prohibited by law. The board is responsible for its operations and necessary decisions unless these are specifically delegated by law to a state department or agency.

Sec. 35. Minnesota Statutes 1995 Supplement, section 136F.12, is amended to read:

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. ~~By July 1, 1995, the board of trustees and the board of directors of Fond du Lac tribal college shall implement the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions. The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding.~~

Sec. 36. Minnesota Statutes 1995 Supplement, section 136F.16, subdivision 3, is amended to read:

Subd. 3. [OFF-CAMPUS SITES.] The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 37. Minnesota Statutes 1995 Supplement, section 136F.18, is amended to read:

136F.18 [CAMPUS CLOSING.]

~~The board may close a campus or center under its jurisdiction according to policies adopted by the board. Prior to closing a campus or center, the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.~~

Sec. 38. Minnesota Statutes 1995 Supplement, section 136F.30, is amended to read:

136F.30 [COURSES AND PROGRAMS.]

~~The board shall prescribe the courses review and approve or disapprove campus proposals for adding, deleting, or substantially changing programs of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education. The board shall avoid duplicate program offerings. The board may initiate activities to close programs. The board shall place a high priority on ensuring the transferability of credit.~~

Sec. 39. Minnesota Statutes 1995 Supplement, section 136F.36, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] ~~The sale requirements of chapters 92 and 94 do not apply to this section, nor do the leasing provisions of section 16B.24, nor do the construction supervision and control provisions of sections 16B.30 to 16B.335. The board shall develop policies for leasing requirements and construction supervision. The board will normally competitively bid contracts related to instructional construction but, notwithstanding the provisions of sections 16B.07 to 16B.09, may negotiate contracts without competitive bidding where it deems appropriate.~~

Sec. 40. [136F.42] [PERSONNEL MANAGEMENT.]

Subdivision 1. [TIME REPORTING.] As provided in executive order 96-2, the board, in consultation with the commissioners of employee relations and finance, may develop policies to allow system office or campus employees on salaries, as defined in section 43A.17, subdivision 1, to use negative time reporting in which employees report only that time for which leave is taken. By the end of the 1997 fiscal year, the board, in consultation with the commissioners of employee relations and finance, shall evaluate the use of negative time reporting and its potential for use with other state employees.

Subd. 2. [TRAVEL POLICIES.] The board may adopt policies for colleges and universities to

approve and administer travel arrangements, other than reimbursement, for employees on campus, and for the system office to provide the same services for employees in that office.

Sec. 41. Minnesota Statutes 1995 Supplement, section 136F.44, is amended to read:

136F.44 [ADMINISTRATIVE INTERACTION WITH STUDENTS.]

Subdivision 1. [SYSTEM AND CAMPUS ADMINISTRATORS.] As part of their annual goal setting activity, all unrepresented system and campus academic administrators ~~employed in their positions before July 1, 1995, shall have the expectation of~~ are encouraged to substantially ~~increasing~~ increase their interaction with students through activities such as teaching a regularly scheduled course or serving as an academic advisor. ~~Contracts for persons initially employed in unclassified administrative positions on or after July 1, 1995, shall include requirements for activities involving student contact.~~ Actions to increase the interaction of students and administrators under this section shall not displace permanent faculty or staff.

Subd. 2. [EVALUATION INFORMATION.] ~~Each state university, community college, and technical college campus shall provide an evaluation of this activity to the board, and The board shall include a summary of campus and system activities related to subdivision 1 in its 1998-1999 biennial budget request.~~

Sec. 42. Minnesota Statutes 1995 Supplement, section 136F.50, is amended to read:

136F.50 [COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.]

The board, system office, and the campuses may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board, system office, or the campus contribute to the development of the state colleges and universities and the welfare of their students.

Sec. 43. [136F.526] [AUDITS.]

Each college and university shall be audited as provided by board policy. The policy shall be designed to ensure financial integrity, necessary internal controls, and appropriate accordance between board policies and campus expenditures. The college or university may arrange for any additional audits it desires by contracting with the legislative auditor or a private certified public accountant. Nothing in this section shall limit the authority of the legislative auditor to perform selected scope audits or other duties of the office as provided under section 3.971.

Sec. 44. Minnesota Statutes 1995 Supplement, section 136F.53, subdivision 1, is amended to read:

Subdivision 1. [~~BOARD POWER~~ CAMPUS PARKING AUTHORITY.] Notwithstanding section 169.966, ~~the board may authorize~~ a state college or university ~~to~~ may adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.

Sec. 45. Minnesota Statutes 1995 Supplement, section 136F.53, subdivision 3, is amended to read:

Subd. 3. [DISPUTES.] A state college or university, ~~with the approval of the board,~~ shall establish procedures to resolve a dispute arising from enforcement of a policy.

Sec. 46. Minnesota Statutes 1995 Supplement, section 136F.58, is amended to read:

136F.58 [BOOKSTORES.]

~~The board may permit~~ A state college or university ~~to conduct~~ may operate 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~~ operate a bookstore ~~therein~~ without rent at the



board's campus' 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.

Sec. 47. [136F.581] [PURCHASES AND CONTRACTS.]

Subdivision 1. [CONDITIONS.] The board and the colleges and universities are subject to the provisions of section 471.345.

Subd. 2. [POLICIES AND PROCEDURES.] The board shall develop policies, and each college and university shall develop procedures, for purchases and contracts that are consistent with subdivision 1. In addition, each college and university, in consultation with the system office, shall develop procedures for those purchases and contracts that can be accomplished by a college and university without board approval. The board policies must allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Subd. 3. [PROCUREMENT FROM DESIGNATED BUSINESSES.] The policies and procedures must include provisions for procurement, including construction, from small targeted group businesses and businesses from economically disadvantaged areas designated under section 16B.19. The board, colleges, and universities shall use the methods contained in section 471.345, subdivision 8, for such purchasing, or may develop additional methods in which the cost percentage preferences are consistent with the provision of section 16B.19, subdivision 2c and 2d, or consistent with the provisions of the University of Minnesota's targeted group business purchasing program.

Subd. 4. [PROFESSIONAL OR TECHNICAL SERVICES.] (a) The board shall develop policies for entering into contracts for professional or technical services, other than instructional services. The policies must allow each college and university the authority to enter into contracts for professional or technical services up to \$15,000 without board approval. The board may allow a college or university authority to enter into contracts for professional or technical services over \$15,000 without receiving board approval.

(b) Each college and university, in consultation with the system office, shall develop procedures to enter into contracts for professional or technical services.

(c) The policies and procedures developed by the board and by each college and university for professional or technical service contracts must be done in consultation with employees and their exclusive bargaining representatives and must address topics such as employee protections, information availability and reporting, conflict of interest, and renewal restrictions.

Sec. 48. [136F.582] [LOCAL CONTRACTING AUTHORITY.]

College and university presidents may enter into contracts to provide customized training or for short-term leases of instructional space or equipment without additional authorization.

Sec. 49. [136F.61] [STATE BUILDING CODE.]

All Minnesota state college and university facilities are subject to the provisions of the state building code under chapter 16B and the Uniform Fire Code under chapter 299F.

Sec. 50. [136F.67] [FINANCING OF CHILD CARE; PARKING.]

Subdivision 1. [AUTHORIZATION.] A technical college or a community college must not seek financing for child care facilities or parking facilities through the higher education facilities authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Subd. 2. [PARKING.] State appropriations for repair or construction of parking facilities must not be used for more than two-thirds of the repair or construction cost of a parking facility at any

technical college or community college campus. The campus must provide the remaining costs through local revenue.

Sec. 51. Minnesota Statutes 1995 Supplement, section 136F.71, is amended by adding a subdivision to read:

Subd. 3. [INTEREST INCOME.] Beginning July 1, 1997, interest income attributable to general fund dedicated receipts of the board is appropriated to the board. The board shall allocate the income proportionately among the colleges and universities. The board shall report this income separately in its biennial budget requests.

Sec. 52. Minnesota Statutes 1995 Supplement, section 136F.72, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION.] The board Each college and university, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the state colleges and universities its activity funds and the administrative fund. The board, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the administrative fund established in the system office. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Sec. 53. Minnesota Statutes 1995 Supplement, section 136F.80, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF MONEY.] The board shall provide by policy, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state. Notwithstanding the provisions of chapter 118, the state board of investment may invest assets of the board, colleges, and universities when requested by the board, college, or university.

Sec. 54. Minnesota Statutes 1994, section 137.37, is amended to read:

137.37 [OFF-CAMPUS SITES AND CENTERS.]

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation. This section does not apply to sites set up specifically for the delivery of courses and programs through telecommunications.

Sec. 55. Minnesota Statutes 1995 Supplement, section 169.441, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL MARKINGS; RULES.] A school district or technical college may elect to show on the front and rear of the school buses that it owns or contracts for, a plainly visible, summary message explaining section 169.444, subdivisions 1 and 2. If the school district or technical college elects to display the message, it must conform with the rules of the commissioner of children, families, and learning. The commissioner shall adopt rules governing the size, type, design, display, and content of the summary message that may be shown.

Sec. 56. Minnesota Statutes 1994, section 169.448, subdivision 2, is amended to read:

Subd. 2. [SCHOOL MOTOR COACHES.] (a) Neither A school district nor a technical college may not acquire a motor coach for transportation purposes.

(b) A motor coach acquired by a school district or technical college before March 26, 1986, may be used by it only to transport students participating in school activities, their instructors, and supporting personnel to and from school activities. A motor coach may not be outwardly equipped

and identified as a school bus. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. The state board of education shall implement rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision.

(c) After January 1, 1998, ~~neither a school district nor a technical college~~ may not own or operate a motor coach for any purpose.

Sec. 57. Minnesota Statutes 1994, section 201.1611, is amended to read:

201.1611 [POST-SECONDARY INSTITUTION VOTER REGISTRATION.]

Subdivision 1. [FORMS.] All post-secondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student ~~upon payment of tuition, fees, and activities funds at the commencement of~~ as early as possible in the fall quarter. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions may request these forms from the secretary of state. Institutions shall consult with their campus student government in determining the most effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3.

Subd. 2. [STUDENT VOTER REGISTRATION.] ~~Upon registration or receipt of payment of fees, students must be asked if they want to register to vote at the same time.~~ A copy of each completed voter registration form must be sent to the county auditor of the county in which the voter maintains residence or to the secretary of state as soon as possible. All completed voter registration forms must be forwarded ~~to the county auditor within five days and in no case later than 21 days before the general election.~~

Sec. 58. Minnesota Statutes 1994, section 248.07, subdivision 7, is amended to read:

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the Minnesota state colleges and universities at a state university or, a community college systems, a consolidated community technical college, or a technical college served by the commissioner before January 1, 1996, or by any department or agency of the state of Minnesota except the department of natural resources properties operated directly by the division of state parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Sec. 59. Laws 1995, chapter 212, article 2, section 15, is amended to read:

Sec. 15. [~~CREDIT STUDENT TRACKING.~~] The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to develop a centralized electronic tracking system systems of credits earned by students student enrollment.

Sec. 60. Laws 1995, chapter 212, article 2, section 20, subdivision 1, is amended to read:

Subdivision 1. [PLAN.] The state universities, community colleges, and technical colleges shall each develop and implement plans, in conjunction with the board of trustees, to provide students with job placement history and projected demand to students at the time the student declares a

major program or field of study for careers in major programs or fields of study. The University of Minnesota campuses are requested to develop and implement similar plans. These plans may allow for this information to be provided through such means as in-person student advising or electronic delivery, as determined by the campus to best address student needs.

Sec. 61. Laws 1995, chapter 212, article 2, section 20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] Information provided must include program placement history, and projected demand in the field and in associated types of placement, using labor market forecasting information from the department of economic security or similar materials. The plan must provide for students to indicate in writing that they received the information.

Sec. 62. [MINNESOTA STATE COLLEGE AND UNIVERSITY POLICIES.]

Subdivision 1. [GENERAL.] In establishing system policies under this section and elsewhere in this act, the system office and campus representatives shall consult with the departments of administration, employee relations, and finance.

Subd. 2. [DEVELOPMENT.] The system office and the campuses shall begin developing policies and procedures and do other necessary planning to implement this act immediately upon final enactment. Policies and procedures necessary to implement section 47 shall be developed by July 1, 1996. To the extent possible, policies and procedures necessary to implement any other sections shall be developed before the beginning of the 1996-1997 academic year.

Subd. 3. [PROPERTY DISPOSAL POLICY.] Notwithstanding Minnesota Statutes, section 15.054, Minnesota state college and university system and campus officials, in consultation with the department of administration, shall establish an efficient method for the disposal and exchange of property and equipment no longer needed by the system office or a campus, but that might be of use to another college or university in the system.

Minnesota state college and university system and campus officials may allow other state and local governmental agencies access to property and equipment to be used for educational purposes.

Subd. 4. [ENVIRONMENTALLY RESPONSIBLE PRACTICES.] The board shall develop (1) resource recovery policies that ensure recycling in the system office and at the colleges and universities is at least maintained at the current level, and (2) environmentally responsible practices that are consistent in their intent and goals with Minnesota Statutes, sections 16B.121 and 115A.15, and related administrative policies.

Sec. 63. [FINANCIAL AID RULES.]

The higher education services office shall eliminate the requirement that schools document that students have been counseled regarding responsibilities as SELF loan borrowers. Schools shall have a campus policy for counseling students about their obligations and responsibilities as SELF borrowers. This counseling may be done in conjunction with federal loan counseling. The office shall work with the Minnesota association of financial aid administrators to determine a solution to the problems created by different federal and state disbursement schedules and to improve the process relating to holds on state grants for nonpayment of child support.

Sec. 64. [CONTRACT LIABILITY.]

Any procurement contract involving the department of administration that (1) was entered into before March 1, 1996, and (2) would be breached without the participation of the Minnesota state colleges and universities as determined by the attorney general, shall remain in effect until the first time that the Minnesota state colleges and universities can be excluded without liability.

Sec. 65. [TRANSITIONAL BARGAINING.]

Changes in the authority of the board of trustees to negotiate contracts under section 23 apply to negotiations for contracts for the period beginning July 1, 1999.

## Sec. 66. [REPEALER.]

Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; Minnesota Statutes 1995 Supplement, section 136F.59, subdivision 1, are repealed.

## Sec. 67. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 11, 14, 15, 26 to 31, 33 to 38, 41 to 46, 48, and 53 to 66 are effective the day following final enactment. Sections 3, 4, 12, 13, 16 to 24, 32, 39, 40, 47, and 49 to 52 are effective July 1, 1996. Section 25 is effective January 1, 1997."

Delete the title and insert:

"A bill for an act relating to education; removing mandates from higher education; requiring increased accountability and performance for funding; allowing higher education greater flexibility in conducting its business; amending Minnesota Statutes 1994, sections 15.43, subdivisions 2 and 3; 16B.01, subdivision 2; 16B.21, subdivisions 1 and 3; 16B.33, subdivisions 1, 3, 4, and by adding a subdivision; 16B.35, by adding a subdivision; 16B.36, subdivision 1; 16B.37, subdivision 1; 16B.41, subdivision 2; 16B.482; 16B.49; 16B.531; 16B.54, subdivision 1; 16B.85, subdivision 2; 43A.05, subdivision 4; 43A.10, subdivision 3; 123.70, subdivision 10; 135A.033; 135A.14, as amended; 137.37; 169.448, subdivision 2; 201.1611; and 248.07, subdivision 7; Minnesota Statutes 1995 Supplement, sections 16B.17, subdivision 6; 16B.465, subdivision 4; 43A.06, subdivision 1; 135A.181, subdivision 2; 136A.101, subdivision 10; 136F.06, subdivisions 1 and 2; 136F.12; 136F.16, subdivision 3; 136F.18; 136F.30; 136F.36, subdivision 2; 136F.44; 136F.50; 136F.53, subdivisions 1 and 3; 136F.58; 136F.71, by adding a subdivision; 136F.72, subdivision 3; 136F.80, subdivision 2; and 169.441, subdivision 5; Laws 1995, chapter 212, article 2, sections 15; and 20, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 135A; 136A; and 136F; repealing Minnesota Statutes 1994, sections 137.03; 137.05; 137.06; 137.07; 137.08; 137.11; 137.14; 137.15; and 137.33; Minnesota Statutes 1995 Supplement, section 136F.59, subdivision 1."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Gene Pelowski, Jr., Lyndon R. Carlson, John Tuma

Senate Conferees: (Signed) Steve L. Murphy, Deanna Wiener, Cal Larson

Mr. Murphy moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2206 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2206 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mses. Berglin, Flynn and Mr. Merriam voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1567, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1567 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1567

A bill for an act relating to public funds; regulating the deposit and investment of these funds, and agreements related to these funds; requiring a study; amending Minnesota Statutes 1994, section 6.745; 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.

March 21, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 1567, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1567 be further amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1 PUBLIC FUNDS

Section 1. Minnesota Statutes 1994, section 6.745, as amended by Laws 1995, chapter 134, section 1, is amended to read:

#### 6.745 [SUMMARY BUDGET DATA TO THE STATE AUDITOR.]

Subdivision 1. [CITIES.] Annually, upon adoption of the city budget, the city council of each home rule charter or statutory city shall forward summary budget information to the office of the state auditor. The summary budget information shall be provided on forms prescribed by the state auditor. The office of the state auditor shall work with representatives of city government to develop a budget reporting form that conforms with city budgeting practices and provides the necessary summary budget information to the office of the state auditor. The summary budget data must include separately any net unrealized gains or losses from investments. The summary budget data shall be provided to the office of the state auditor no later than January 31 of each budget year.

Subd. 2. [COUNTIES.] Annually, upon adoption of the county budget, the county board shall forward summary budget information to the office of the state auditor. The summary budget

information shall be provided on forms prescribed by the state auditor. The office of the state auditor shall work with representatives of county government to develop a budget reporting form that conforms with county budgeting practices and provides the necessary summary budget information to the office of the state auditor. The summary budget data must include separately any net unrealized gains or losses from investments. The summary budget data shall be provided to the office of the state auditor no later than December 31 of the year preceding each budget year.

Sec. 2. [118A.01] [PUBLIC FUNDS; DEPOSITORIES AND INVESTMENTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 118A.01 to 118A.06.

Subd. 2. [GOVERNMENT ENTITY.] "Government entity" means a county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, any other political subdivision, except an entity whose investment authority is specified under chapter 11A or 356A.

Subd. 3. [FINANCIAL INSTITUTION.] "Financial institution" means a savings association, commercial bank, trust company, credit union, or industrial loan and thrift company.

Subd. 4. [PUBLIC FUNDS.] "Public funds" means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity, unless otherwise restricted.

Sec. 3. [118A.02] [AUTHORIZATION FOR DEPOSIT AND INVESTMENT.]

Subdivision 1. The governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions. The governing body may authorize the treasurer or chief financial officer to (1) designate depositories of the funds; (2) make investments of funds under sections 118A.01 to 118A.06 or other applicable law; or (3) both designate depositories and make investments as provided in this subdivision.

Subd. 2. The treasurer or chief financial officer of a government entity may at any time sell obligations purchased pursuant to this section and the money received from such sale, and the interest and profits or loss on such investment shall be credited or charged, as the case may be, to the fund from which the investment was made. Neither such official nor government entity, nor any other official responsible for the custody of such funds, shall be personally liable for any loss sustained from the deposit or investment of funds in accordance with the provisions of sections 118A.04 and 118A.05.

Sec. 4. [118A.03] [DEPOSITORIES AND COLLATERAL.]

Subdivision 1. To the extent that funds deposited are in excess of available federal deposit insurance, the government entity shall require the financial institution to furnish collateral security or a corporate surety bond executed by a company authorized to do business in the state.

Subd. 2. The following are the allowable forms of collateral in lieu of a corporate surety bond:

- (1) United States government treasury bills, treasury notes, treasury bonds;
- (2) issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- (3) general obligation securities of any state or local government with taxing powers which is rated A or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated AA or better by a national bond rating service;
- (4) irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and

(5) time deposits that are fully insured by the Federal Deposit Insurance Corporation.

Subd. 3. The total amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the business day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

Subd. 4. Any collateral pledged shall be accompanied by a written assignment to the government entity from the financial institution. The written assignment shall recite that, upon default, the financial institution shall release to the government entity on demand, free of exchange or any other charges, the collateral pledged. Interest earned on assigned collateral will be remitted to the financial institution so long as it is not in default. The government entity may sell the collateral to recover the amount due. Any surplus from the sale of the collateral shall be payable to the financial institution, its assigns, or both.

Subd. 5. A financial institution may withdraw excess collateral or substitute other collateral after giving written notice to the governmental entity and receiving confirmation. The authority to return any delivered and assigned collateral rests with the government entity.

Subd. 6. For purposes of this section, default on the part of the financial institution includes, but is not limited to, failure to make interest payments when due, failure to promptly deliver upon demand all money on deposit, less any early withdrawal penalty that may be required in connection with the withdrawal of a time deposit, or closure of the depository. If a financial institution closes, all deposits shall be immediately due and payable. It shall not be a default under this subdivision to require prior notice of withdrawal if such notice is required as a condition of withdrawal by applicable federal law or regulation.

Subd. 7. All collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection shall be approved by the government entity.

#### Sec. 5. [118A.04] [INVESTMENTS.]

Subdivision 1. Any public funds, not presently needed for other purposes or restricted for other purposes, may be invested in the manner and subject to the conditions provided for in this section.

Subd. 2. Public funds may be invested in governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

Subd. 3. Funds may be invested in the following:

(1) any security which is a general obligation of any state or local government with taxing powers which is rated A or better by a national bond rating service;

(2) any security which is a revenue obligation of any state or local government with taxing powers which is rated AA or better by a national bond rating service; and

(3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated A or better by a national bond rating agency.

Subd. 4. Funds may be invested in commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.

Subd. 5. Funds may be invested in time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks.

Subd. 6. For the purposes of this section and section 118A.05, "high-risk mortgage-backed securities" are:



- (a) interest-only or principal-only mortgage-backed securities; and
- (b) any mortgage derivative security that:
  - (1) has an expected average life greater than ten years;
  - (2) has an expected average life that:
    - (i) will extend by more than four years as the result of an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or
    - (ii) will shorten by more than six years as the result of an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or
  - (3) will have an estimated change in price of more than 17 percent as the result of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

Subd. 7. Funds may be invested in general obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5, or 475.61, subdivision 6.

Subd. 8. Funds held in a debt service fund may be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold by the governmental entity at any time, but the money so received remains part of the fund until used for the purpose for which the fund was created. Any obligation held in a debt service fund from which it is payable may be canceled at any time unless otherwise provided in a resolution or other instrument securing obligations payable from the fund.

Subd. 9. (a) For the purpose of this section and section 118A.05, the term "broker" means a broker-dealer, broker, or agent of a government entity, who transfers, purchases, sells, or obtains securities for, or on behalf of, a government entity.

(b) Prior to completing an initial transaction with a broker, a government entity shall provide annually to the broker a written statement of investment restrictions which shall include a provision that all future investments are to be made in accordance with Minnesota Statutes governing the investment of public funds.

(c) A broker must acknowledge annually receipt of the statement of investment restrictions in writing and agree to handle the government entity's account in accordance with these restrictions. A government entity may not enter into a transaction with a broker until the broker has provided this written agreement to the government entity.

(d) The state auditor shall prepare uniform notification forms which shall be used by the government entities and the brokers to meet the requirements of this subdivision.

#### Sec. 6. [118A.05] [CONTRACTS AND AGREEMENTS.]

Subdivision 1. In addition to other authority granted in sections 118A.01 to 118A.06, government entities may enter into contracts and agreements as follows.

Subd. 2. Repurchase agreements consisting of collateral allowable in section 118A.04, and reverse repurchase agreements may be entered into with any of the following entities:

- (1) a financial institution qualified as a "depository" of public funds of the government entity;
- (2) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
- (3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or

(4) a securities broker-dealer licensed pursuant to chapter 80A, or an affiliate of it, regulated by the securities and exchange commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.

Reverse agreements may only be entered into for a period of 90 days or less and only to meet short-term cash flow needs. In no event may reverse repurchase agreements be entered into for the purpose of generating cash for investments, except as stated in subdivision 3.

Subd. 3. Securities lending agreements, including custody agreements, may be entered into with a financial institution meeting the qualifications of subdivision 2, clause (1) or (2), and having its principal executive office in Minnesota. Securities lending transactions may be entered into with entities meeting the qualifications of subdivision 2 and the collateral for such transactions shall be restricted to the securities described in sections 118A.04 and 118A.05.

Subd. 4. Government entities may enter into agreements or contracts for shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in sections 118A.04 and 118A.05, subdivision 2, or shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months.

Subd. 5. Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries. The credit quality of the issuer's or guarantor's short- and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below A, the government entity must have withdrawal rights.

Sec. 7. [118A.06] [DELIVERY AND SAFEKEEPING.]

Investments, contracts, and agreements may be held in safekeeping with:

- (1) any Federal Reserve Bank;
- (2) any bank authorized under the laws of the United States or any state to exercise corporate trust powers, including, but not limited to, the bank from which the investment is purchased;
- (3) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
- (4) a securities broker-dealer having its principal executive office in Minnesota, licensed under chapter 80A, or an affiliate of it, and regulated by the Securities and Exchange Commission; provided that the government entity's ownership of all securities is evidenced by written acknowledgments identifying the securities by the names of the issuers, maturity dates, interest rates, CUSIP number, or other distinguishing marks.

Sec. 8. [118A.07] [ADDITIONAL INVESTMENT AUTHORITY.]

Subdivision 1. [AUTHORITY PROVIDED.] As used in this section, "governmental entity" means a city with a population in excess of 200,000 or a county that contains a city of that size. If a governmental entity meets the requirements of subdivisions 2 and 3, it may exercise additional investment authority under subdivisions 4, 5, and 6.

Subd. 2. [WRITTEN POLICIES AND PROCEDURES.] Prior to exercising any additional authority under subdivisions 4, 5, and 6, the governmental entity must have written investment policies and procedures governing the following:

- (1) the use of or limitation on mutual bond funds or other securities authorized or permitted investments under law;

- (2) specifications for and limitations on the use of derivatives;
- (3) the final maturity of any individual security;
- (4) the maximum average weighted life of the portfolio;
- (5) the use of and limitations on reverse repurchase agreements;
- (6) credit standards for financial institutions with which the government entity deals; and
- (7) credit standards for investments made by the government entity.

Subd. 3. [OVERSIGHT PROCESS.] Prior to exercising any authority under subdivisions 4, 5, and 6, the governmental entity must establish an oversight process that provides for review of the government entity's investment strategy and the composition of the financial portfolio. This process shall include one or more of the following:

- (1) audit reviews;
- (2) internal or external investment committee reviews; and
- (3) internal management control.

Additionally, the governing body of the governmental entity must, by resolution, authorize its treasurer to utilize the additional authorities under this section within their prescribed limits, and in conformance with the written limitations, policies, and procedures of the governmental entity.

If the governing body of a governmental entity exercises the authority provided in this section, the treasurer of the governmental entity must annually report to the governing body on the findings of the oversight process required under this subdivision. If the governing body intends to continue to exercise the authority provided in this section for the following calendar year, it must adopt a resolution affirming that intention by December 1.

Subd. 4. [REPURCHASE AGREEMENTS.] A government entity may enter into repurchase agreements as authorized under section 118A.05, provided that the exclusion of mortgage-backed securities defined as "high risk mortgage-backed securities" under section 118A.04, subdivision 6, shall not apply to repurchase agreements under this authority if the margin requirements is 101 percent or more.

Subd. 5. [REVERSE REPURCHASE AGREEMENTS.] Notwithstanding the limitations contained in section 118A.05, subdivision 2, the county may enter into reverse repurchase agreements to:

- (1) meet cash flow needs; or
- (2) generate cash for investments, provided that the total securities owned shall be limited to an amount not to exceed 130 percent of the annual daily average of general investable monies for the fiscal year as disclosed in the most recently available audited financial report. Excluded from this limit are:
  - (i) securities with maturities of one year or less; and
  - (ii) securities that have been reversed to maturity.

There shall be no limit on the term of a reverse repurchase agreement. Reverse repurchase agreements shall not be included in computing the net debt of the governmental entity, and may be made without an election or public sale, and the interest payable thereon shall not be subject to the limitation in section 475.55. The interest shall not be deducted or excluded from gross income of the recipient for the purpose of state income, corporate franchise, or bank excise taxes, or if so provided by federal law, for the purpose of federal income tax.

Subd. 6. [OPTIONS AND FUTURES.] A government entity may enter into futures contracts, options on futures contracts, and option agreements to buy or sell securities authorized under law

as legal investments for counties, but only with respect to securities owned by the governmental entity, including securities that are the subject of reverse repurchase agreements under this section that expire at or before the due date of the option agreement.

Sec. 9. [NO SUPERSEDING EFFECT.]

Except as provided in section 11, sections 2 to 7 shall not supersede any general or special law relating to the deposit and investment of public funds.

Sec. 10. [STUDY; REPORT.]

The department of finance, in cooperation with the Minnesota Association of County Treasurers, the Minnesota Association of School Business Officials, and the Minnesota Government Finance Officers Association, shall review the adequacy of training and certification programs for representatives of local government entities which are entrusted with the deposit and investment of public funds. The department shall report its finding and any recommendations to the local government and metropolitan affairs committee of the house of representatives and the metropolitan and local government committee of the senate no later than November 15, 1996.

Sec. 11. [REPEALER.]

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, as amended by Laws 1995, chapter 122, section 3; and 475.76, are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 2 to 7 and 11 are effective January 1, 1997. Section 10 is effective the day following final enactment.

## ARTICLE 2

### CONFORMING CHANGES

Section 1. Minnesota Statutes 1994, section 103E.635, subdivision 8, is amended to read:

Subd. 8. [COUNTY INVESTMENT, PURCHASE, AND SELLING OF TEMPORARY DRAINAGE BONDS.] (a) Funds of the issuing county may be invested in temporary drainage bonds under ~~sections 471.56 and 475.66~~ section 118A.04, except that the temporary drainage bonds may be:

- (1) purchased by the county when the temporary drainage bonds are initially issued;
- (2) purchased only out of funds that the board determines will not be required for other purposes before the temporary drainage bonds mature; and
- (3) resold before the temporary drainage bonds mature only if there is an unforeseen emergency.

(b) If a temporary drainage bond purchase is made from money held in a sinking fund for other bonds of the county, the holders of the other bonds may enforce the county's obligation to sell definitive bonds at or before the maturity of the temporary drainage bonds, or exchange the other bonds, in the same manner as holders of the temporary drainage bonds.

Sec. 2. Minnesota Statutes 1994, section 121.148, subdivision 4, is amended to read:

Subd. 4. [UNFAVORABLE REVIEW AND COMMENT.] If the commissioner submits an unfavorable review and comment for a proposal under section 121.15, the school board, by resolution of the board, must reconsider construction. If, upon reconsideration, the school board decides to proceed with construction, it may initiate proceedings for issuing bonds to finance construction under ~~sections 475.51 to 475.76~~ chapter 475. Unless 60 percent of the voters at the election approve of issuing the obligations, the board is not authorized to issue the obligations.

Sec. 3. Minnesota Statutes 1994, section 136A.32, subdivision 7, is amended to read:

Subd. 7. The authority may invest any bond proceeds, sinking funds or reserves in any securities authorized for investment of ~~debt service~~ funds of municipalities pursuant to section 475.66, ~~subdivision 3~~ 118A.04, including securities described in section 475.67, subdivision 8. In addition, such bond proceeds, sinking funds and reserves may be

(1) deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter 118, or

(2) invested in repurchase agreements with, providing for the repurchase of securities described in the preceding sentence by, a bank qualified as a depository of money of the authority, a national or state bank in the United States that is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000, or a reporting dealer to the federal reserve bank of New York. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

Sec. 4. Minnesota Statutes 1994, section 385.07, is amended to read:

385.07 [FUNDS, WHERE DEPOSITED OR INVESTED.]

All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in ~~sections 471.56 and 475.66~~ section 118A.04. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county.

Sec. 5. Minnesota Statutes 1994, section 447.49, is amended to read:

447.49 [MISCELLANEOUS PROVISIONS.]

Bonds issued under sections 447.45 to 447.50 must be issued and sold as provided in chapter 475. If the bonds do not pledge the credit of the county, city, or hospital district as provided in section 447.48, the governing body may negotiate their sale without advertisement for bids. They shall not be included in the net debt of any municipality, and are not subject to interest rate limitations, as defined or referred to in sections 475.51 and 475.55. If the bonds do not pledge the credit of the county, city, or hospital district as provided in section 447.48 and are payable from rental payments to be made under a lease agreement entered into pursuant to section 447.47, the county, city, or hospital district may invest or deposit, or authorize a trustee to invest or deposit, any proceeds of the bonds, rental payments, and income from the investment of them, in any manner and upon any terms and conditions agreed to by the lessee under the lease agreement, resolution, or indenture, notwithstanding chapter 118 or ~~section 471.56 or 475.66~~ 118A, but subject to any statutory provisions that govern the deposit and investment of funds of a lessee which is itself a governmental subdivision or agency.

Sec. 6. Minnesota Statutes 1994, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain and is currently vacant, buildings and improvements which are vacated and substandard. Notwithstanding the prior sentence, in cities of the first class the exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section ~~475.66~~ 118A.04 for the deposit and investment of ~~debt-service~~ public funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not

produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing;

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan for a rental housing project by obtaining the appointment of



receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 7. Minnesota Statutes 1994, section 469.155, subdivision 15, is amended to read:

Subd. 15. [INVESTMENT AND DEPOSIT OF FUNDS.] It may invest or deposit, or authorize a trustee to invest or deposit, any proceeds of revenue bonds or notes issued pursuant to sections 469.152 to 469.165, and income from the investment of the proceeds, in any manner and upon any terms and conditions agreed to by the contracting party under the related revenue agreement, resolution, or indenture, notwithstanding chapter 118 or section 471.56 or 475.56 118A, but subject to any statutory provisions which govern the deposit and investment of funds of a contracting party which is itself a governmental subdivision or agency.

Sec. 8. Minnesota Statutes 1994, section 473.197, subdivision 4, is amended to read:

Subd. 4. [DEBT RESERVE; LEVY.] To provide money to pay debt service on bonds issued under the credit enhancement program if pledged revenues are insufficient to pay debt service, the council must maintain a debt reserve fund in the manner and with the effect provided by section 475.66 118A.04 for public debt service funds. To provide funds for the debt reserve fund, the council may use up to \$3,000,000 of the proceeds of solid waste bonds issued by the council under section 473.831 before its repeal. To provide additional funds for the debt reserve fund, the council may levy a tax on all taxable property in the metropolitan area and must levy the tax if sums in the debt reserve fund are insufficient to cure any deficiency in the debt service fund established for the bonds. The tax authorized by this section does not affect the amount or rate of taxes that may be levied by the council for other purposes and is not subject to limit as to rate or amount.

Sec. 9. Minnesota Statutes 1994, section 473.543, subdivision 3, is amended to read:

Subd. 3. The moneys on hand in said funds and accounts may be deposited in the official depositories of the council or invested as hereinafter provided. The amount thereof not currently needed or required by law to be kept in cash on deposit may be invested in obligations authorized for the investment of ~~municipal sinking~~ public funds by section 475.66 118A.04. Such moneys may also be held under certificates of deposit issued by any official depository of the council.

Sec. 10. Minnesota Statutes 1995 Supplement, section 473.900, subdivision 3, is amended to read:

Subd. 3. [DEPOSITORIES; INVESTMENTS.] The money on hand in the funds and accounts may be deposited in the official depositories of the metropolitan council or invested as provided in this subdivision. The amount not currently needed or required by law to be kept in cash on deposit, may be invested in obligations authorized for the investment of ~~municipal sinking~~ public funds by section 475.66 118A.04. The money may also be held under certificates of deposit issued by any official depository of the metropolitan council.

Sec. 11. Minnesota Statutes 1994, section 475.51, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] For the purposes of sections 475.51 to 475.76 this chapter, the terms defined in this section shall have the meanings given them.

Sec. 12. [REVISOR'S INSTRUCTION.]

To replace or remove references to repealed statutes, in the next edition of Minnesota Statutes the revisor of statutes shall

(a) in the sections listed in column A, change the reference in column B to the reference in column C:

Row

No.

Column A

Column B

Column C

(1)	37.07	118.01	118A.03
(2)	37.07	118.10	118A.03
(3)	60F.05	475.66	118A.04
(4)	62H.05	475.66	118A.04
(5)	115.46, subd. 2	475.66	118A.04
(6)	136F.90, subd. 5	475.66	118A.04
(7)	356A.06, subd. 6	118.01	118A.03
(8)	356A.06, subd. 8a	118.01	118A.03
(9)	400.11	475.66	118A.04
(10)	427.01	118.01	118A.03
(11)	427.02	118.01	118A.03
(12)	429.091	471.56	118A.04
(13)	458D.16	118.01	118A.03
(14)	458D.17, subd. 3	475.66	118A.04
(15)	462.396, subd. 6	118.10	118A.03
(16)	469.084, subd. 13	471.56	118A.04
(17)	469.178, subd. 5	471.56	118A.04
(18)	471.982, subd. 2	475.66	118A.04
(19)	473.542	118.01	118A.03
(20)	473.606, subd. 3	471.56	118A.04
(21)	473.711, subd. 3	118.01	118A.03
(22)	473.711, subd. 3	118.10	118A.03
(23)	473.811, subd. 1	475.66	118A.04
(24)	473.899	118.01	118A.03
(25)	475.54, subd. 6a	475.66, subd. 1	118A.06
(26)	475.60, subd. 7	475.66	118A.04
(27)	475.61, subd. 6	471.56	118A.04
(28)	475.67, subd. 13	475.66, subd. 3, clause (f)	118A.05, subd. 5;

and (b) in sections 365.48, subdivision 4; 469.129, subdivision 1; and 475.79, remove the reference to section 475.66."

Delete the title and insert:

"A bill for an act relating to public funds; regulating the deposit and investment of these funds, and agreements related to these funds; requiring a study; making conforming changes; amending Minnesota Statutes 1994, sections 6.745, as amended; 103E.635, subdivision 8; 121.148, subdivision 4; 136A.32, subdivision 7; 385.07; 447.49; 469.012, subdivision 1; 469.155, subdivision 15; 473.197, subdivision 4; 473.543, subdivision 3; and 475.51, subdivision 1; Minnesota Statutes 1995 Supplement, section 473.900, subdivision 3; 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, as amended; and 475.76."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dee Long, Leslie Schumacher, Mike Osskopp

Senate Conferees: (Signed) Lawrence J. Pogemiller, Ted A. Mondale, William V. Belanger, Jr.

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1567 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1567 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2580, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2580 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2580

A bill for an act relating to game and fish; modifying restrictions for nonresident fish houses; amending Minnesota Statutes 1994, section 97C.355, subdivision 6.

March 19, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2580, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Stephen G. Wenzel, John J. Sarna, Richard Pellow

Senate Conferees: (Signed) Don Samuelson, Dallas C. Sams, Dan Stevens

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2580 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2580 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2375, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2375 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2375

A bill for an act relating to local improvements; prohibiting fees for preparing certain reports from being based primarily on the estimated cost of improvement; amending Minnesota Statutes 1994, section 429.031, subdivision 1.

March 20, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2375, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2375 be further amended as follows:

Page 2, line 15, after "is" insert "necessary, cost-effective, and"

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring a report to show the need and cost-effectiveness of local improvements;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann H. Rest, Jean Wagenius, Dan McElroy

Senate Conferees: (Signed) Ember D. Reichgott Junge, Deanna Wiener, Martha R. Robertson

Ms. Reichgott Junge moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2375 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2375 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mr. Oliver and Ms. Runbeck voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2171, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2171 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 2171

A bill for an act relating to state government; clarifying powers of the pollution control agency board and commissioner; amending Minnesota Statutes 1994, sections 116.03, as amended; and 514.673, subdivision 3; Minnesota Statutes 1995 Supplement, section 116.02, by adding subdivisions.

March 21, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2171, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2171 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 116.02, is amended by adding a subdivision to read:

Subd. 6. The agency shall make final decisions on the following matters:

(1) a petition for the preparation of an environmental assessment worksheet, if the project proposer or a person commenting on the proposal requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8;

(2) the need for an environmental impact statement following preparation of an environmental assessment worksheet under applicable rules, if:

(i) the agency has received a request for an environmental impact statement;

(ii) the project proposer or a person commenting on the proposal requests that the declaration be made by the agency and the agency requests that it make the decision under subdivision 8; or

(iii) the commissioner is recommending preparation of an environmental impact statement;

(3) the scope and adequacy of environmental impact statements;

(4) issuance, reissuance, modification, or revocation of a permit if:

(i) a variance is sought in the permit application or a contested case hearing request is pending;  
or

(ii) the permit applicant, the permittee, or a person commenting on the permit action requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8;

(5) final adoption or amendment of agency rules for which a public hearing is required under section 14.25 or for which the commissioner decides to proceed directly to a public hearing under section 14.14, subdivision 1;

(6) approval or denial of an application for a variance from an agency rule if:

(i) granting the variance request would change an air, soil, or water quality standard;

(ii) the commissioner has determined that granting the variance would have a significant environmental impact; or

(iii) the applicant or a person commenting on the variance request requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8; and

(7) whether to reopen, rescind, or reverse a decision of the agency.

Sec. 2. Minnesota Statutes 1995 Supplement, section 116.02, is amended by adding a subdivision to read:

Subd. 7. The commissioner may request that the agency make additional decisions or provide advice to the commissioner.

Sec. 3. Minnesota Statutes 1995 Supplement, section 116.02, is amended by adding a subdivision to read:

Subd. 8. Any other action not specifically within the authority of the commissioner shall be made by the agency if:

(1) prior to the commissioner's final decision on the action, one or more members of the agency notify the commissioner of their request that the decision be made by the agency; or

(2) any person submits a petition to the commissioner requesting that the decision be made by the agency and the commissioner grants the petition.

If the commissioner denies a petition submitted under clause (2), the commissioner shall advise the agency and the petitioner of the reasons for the denial.

Sec. 4. Minnesota Statutes 1995 Supplement, section 116.02, is amended by adding a subdivision to read:

Subd. 9. The commissioner shall inform interested persons as appropriate in public notices and other public documents of their right to request the agency to make decisions in specific matters provided in subdivision 6 and the right of agency members to request that decisions be made by the agency as provided in subdivision 8. The commissioner shall also regularly inform the agency of activities that have broad policy implications or potential environmental significance and of activities in which the public has exhibited substantial interest.

Sec. 5. Minnesota Statutes 1995 Supplement, section 116.02, is amended by adding a subdivision to read:

Subd. 10. (a) The agency must not reopen, rescind, or reverse a decision of the agency except upon:

(1) the affirmative vote of two-thirds of the agency; or

(2) a finding that there was an irregularity in a hearing related to the decision, an error of law, or a newly discovered material issue of fact.

(b) The requirements in paragraph (a) are minimum requirements and do not limit the agency's authority under sections 14.06 and 116.07, subdivision 3, to adopt rules:

(1) applying the requirement in paragraph (a), clause (1) or (2), to certain decisions of the agency; or

(2) establishing additional or more stringent requirements for reopening, rescinding, or reversing decisions of the agency.

Sec. 6. Minnesota Statutes 1994, section 116.03, as amended by Laws 1995, chapters 186, section 31, and 248, article 11, section 7, is amended to read:

#### 116.03 [COMMISSIONER.]

Subdivision 1. (a) The office of commissioner of the pollution control agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy ~~director and an assistant commissioner~~ and assistant commissioners who shall be in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency that are not required to be made by the agency under section 116.02.

Subd. 2. The commissioner shall organize the agency and employ such assistants and other officers, employees and agents as the commissioner may deem necessary to discharge the functions of the commissioner's office, define the duties of such officers, employees and agents, and delegate to them any of the commissioner's powers, duties, and responsibilities, subject to the commissioner's control and under such conditions as the commissioner may prescribe. The commissioner may also contract with persons, firms, corporations, the federal government and any agency or instrumentality thereof, the water research center of the University of Minnesota or any other instrumentality of such university, for doing any of the work of the commissioner's office, and none of the provisions of chapter 16B, relating to bids, shall apply to such contracts. All

~~personnel employed and all contracts entered into pursuant to this subdivision shall be subject to the approval of the pollution control agency. Agreements to exercise delegated powers shall be by written order filed with the secretary of state. An employee of the state commissioner of health engaged in environmental sanitation work may transfer to the pollution control agency with the approval of the commissioner. Under such a transfer the employee shall be assigned to a position of similar responsibility and pay without loss of seniority, vacation, sick leave, or other benefits under the state civil service act.~~

Subd. 2a. [MISSION; EFFICIENCY.] It is part of the agency's mission that within the agency's resources the commissioner and the members of the agency shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the agency as efficiently as possible;
- (3) coordinate the agency's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the agency required under section 15.91, appropriate changes in law necessary to carry out the mission of the agency.

Subd. 3. The commissioner of the pollution control agency is the state agent to apply for, receive, and disburse federal funds made available to the state by federal law or rules and regulations promulgated thereunder for any purpose related to the powers and duties of the pollution control agency or the commissioner. The commissioner shall comply with any and all requirements of such federal law or such rules and regulations promulgated thereunder to facilitate application for, receipt, and disbursement of such funds. All such moneys received by the commissioner shall be deposited in the state treasury and are hereby annually appropriated to the commissioner for the purposes for which they are received. None of such moneys in the state treasury shall cancel and they shall be available for expenditure in accordance with the requirements of federal law.

The provisions of section 3.3005 shall not apply to money available under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, United States Code, title 42, sections 9601 to 9657, for which a state match is not required or for which a state match is available under the Environmental Response and Liability Act or from a political subdivision. The receipt of the money shall be reported to the legislative advisory commission.

~~Subd. 4. Before entering upon the duties of the office the commissioner of the pollution control agency shall take and subscribe an oath.~~

~~Subd. 5. The salary of the commissioner of the pollution control agency shall be prescribed by the governor, unless otherwise fixed by law.~~

~~Subd. 6. The term of the first director of the pollution control agency shall expire with the term of the governor expiring in January, 1971. Thereafter, the term of the commissioner shall be in conformity with the provisions of this section.~~

Sec. 7. Minnesota Statutes 1994, section 514.673, subdivision 3, is amended to read:

Subd. 3. [APPROVAL BY AGENCY OR PETROLEUM TANK RELEASE



COMPENSATION BOARD.] (a) The commissioner may not file an environmental lien notice until the agency board for cleanup action expenses incurred under chapter 115B, or the petroleum tank release compensation board for cleanup action expenses incurred under chapter 115C, the person referred to in section 514.672, subdivision 1, and each record owner and mortgagee of the real property have been notified in writing of the commissioner's intention to file the lien notice and the requirements for filing the lien under paragraph (b) have been met.

(b) By 30 days after receiving notification from the commissioner under paragraph (a), the agency board or petroleum tank release compensation board, after notice and opportunity for the person referred to in section 514.672, subdivision 1, to appear before the appropriate board, shall approve or disapprove of the filing of the lien by the commissioner. If the appropriate board disapproves of the filing, the lien may not be filed. If the appropriate board approves of the filing or, in the case of the petroleum tank release compensation board, takes no action on the matter within the 30-day period, the commissioner may file the lien notice.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective June 1, 1996."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dennis Ozment, Anthony G. "Tony" Kinkel, Jerry Dempsey

Senate Conferees: (Signed) Steven Morse, Gene Merriam, Dan Stevens

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2171 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2171 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2752, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2752 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 2752**

A bill for an act relating to consumer protection; providing for the licensing and regulation of pawnbrokers; providing penalties; amending Minnesota Statutes 1994, sections 471.924, subdivision 1; 471.925; and 471.927; proposing coding for new law as Minnesota Statutes, chapter 325J; repealing Minnesota Statutes 1994, section 609.81.

March 21, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2752, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H.F. No. 2752 be further amended as follows:

Page 6, line 7, of the Rule 49 amendment, delete "be charged" and insert "exceed \$20"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Darlene Luther, Walter E. Perl

Senate Conferees: (Signed) Leonard R. Price, Ember D. Reichgott Junge, Randy C. Kelly

Mr. Price moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2752 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2752 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

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

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

**MESSAGES FROM THE HOUSE - CONTINUED**

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2782, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2782 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1996

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 2782**

A bill for an act relating to local government; providing for creation of an advisory council on intergovernmental relations; proposing coding for new law in Minnesota Statutes, chapter 15.

March 22, 1996

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H.F. No. 2782, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2782 be further amended as follows:

Page 2, line 22, delete "governor" and insert "executive"

Page 3, line 15, delete, "December 31, 1999" and insert "June 30, 1998"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Howard Orenstein, Andy Dawkins, Tim Pawlenty

Senate Conferees: (Signed) James P. Metzen, John C. Hottinger, Dan Stevens

Mr. Metzen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2782 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2782 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Johnston	Lesewski	Oliver
Beckman	Fischbach	Kelly	Lessard	Pappas
Belanger	Flynn	Kleis	Metzen	Piper
Berg	Hanson	Knutson	Moe, R.D.	Pogemiller
Berglin	Hottinger	Krentz	Mondale	Price
Betzold	Janezich	Kroening	Morse	Ranum
Cohen	Johnson, D.E.	Laidig	Murphy	Reichgott Junge
Day	Johnson, J.B.	Larson	Neuville	Robertson

Runbeck  
Sams  
Samuelson

Scheevel  
Solon

Spear  
Stevens

Stumpf  
Terwilliger

Vickerman  
Wiener

Those who voted in the negative were:

Kiscaden  
Kramer

Limmer  
Marty

Merriam  
Olson

Ourada

Pariseau

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2167, and repassed said bill in accordance with the report of the Committee, so adopted.

**S.F. No. 2167:** A bill for an act relating to the organization and operation of state government; appropriating money and modifying provisions relating to the environment, natural resources, and agriculture; supplementing, reducing, and modifying earlier appropriations; establishing a board; establishing an off-highway vehicle recreation area; authorizing and modifying state trails; providing for reports and fees; amending Minnesota Statutes 1994, sections 17.117, subdivision 3; 17B.15, subdivision 1; 18E.02, subdivision 5; 85.015, by adding a subdivision; 85.052, subdivision 3; 85.054, by adding a subdivision; 85.055, subdivision 1; 94.16, subdivision 3; and 97A.028, subdivision 3; Minnesota Statutes 1995 Supplement, sections 85.015, subdivision 7; 103F.725, subdivision 1a; and 446A.07, subdivision 8; Laws 1995, chapters 207, article 1, section 2, subdivision 7; 220, section 19, subdivisions 4, 6, 10, and 19; and 254, article 1, section 93; proposing coding for new law in Minnesota Statutes, chapters 17 and 21; repealing Laws 1995, chapter 224, section 18, subdivision 4.

Senate File No. 2167 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1996

### 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. 66: Mr. Solon, Ms. Piper and Mr. Day.

H.F. No. 2493: Messrs. Morse, Terwilliger and Stumpf.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bill was read the first time and referred to the committee indicated.

**Messrs. Johnson, D.J.; Johnson, D.E.; Mses. Wiener, Hanson and Mr. Metzen introduced--**

**S.F. No. 2884:** A bill for an act relating to taxation; updating to changes in federal law; allowing an extension to file individual income tax returns and property tax refunds for national guard and reserve members who are called to active duty; providing filing extensions for individuals who perform services for the peacekeeping efforts in Bosnia and Herzegovina, Croatia, and Macedonia; amending Minnesota Statutes 1994, section 289A.39, subdivision 1; Minnesota Statutes 1995 Supplement, sections 289A.02, subdivision 7; 290.01, subdivisions 19 and 31; and 291.005, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**MEMBERS EXCUSED**

Messrs. Chmielewski and Finn were excused from the Session of today. Mr. Chandler was excused from the Session of today at 12:30 p.m. Ms. Kiscaden was excused from the Session of today from 12:30 to 2:00 p.m. Mr. Novak was excused from the Session of today at 1:00 p.m.

The following member was excused from today's Session for brief periods of time: Mr. Johnson, D.J.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Wednesday, March 27, 1996. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



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