

STATE OF MINNESOTA

# Journal of the Senate

EIGHTY-FIRST LEGISLATURE

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EIGHTY-SIXTH DAY

St. Paul, Minnesota, Monday, March 13, 2000

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

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Stacy Offner.

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

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

Anderson	Hottinger	Krentz	Olson	Samuelson
Belanger	Janezich	Laidig	Ourada	Scheevel
Berg	Johnson, D.E.	Langseth	Pappas	Scheid
Berglin	Johnson, D.H.	Larson	Pariseau	Solon
Betzold	Johnson, D.J.	Lesewski	Piper	Spear
Cohen	Junge	Limmer	Pogemiller	Stevens
Day	Kelley, S.P.	Lourey	Price	Stumpf
Dille	Kelly, R.C.	Marty	Ranum	Terwilliger
Fischbach	Kierlin	Metzen	Ring	Vickerman
Flynn	Kinkel	Murphy	Robertson	Wiener
Foley	Kiscaden	Neuville	Robling	Wiger
Hanson	Kleis	Novak	Runbeck	Ziegler
Higgins	Knutson	Oliver	Sams	

The President declared a quorum present.

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

## MEMBERS EXCUSED

Senators Frederickson, Lessard and Moe, R.D. were excused from the Session of today.

## REPORTS OF COMMITTEES

Senator Junge moved that the Committee Reports at the Desk be now adopted, with the exception of the report on H.F. No. 90. The motion prevailed.

**Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 3478:** A bill for an act relating to the city of Rochester; modifying probationary period rules for city of Rochester firefighters.

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

Page 1, line 10, delete the second "firefighter"

Page 1, line 11, delete everything before the comma and insert "Rochester fire department training academy and assignment to a fire company"

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

**Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**H.F. No. 2723:** A bill for an act relating to McLeod county; extending the authority to temporarily office in Glencoe township; amending Laws 1995, chapter 207, article 2, section 37.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 2756:** A bill for an act relating to hospital districts; authorizing the annexation of a city or town that is contiguous to a contiguous city or town; amending Minnesota Statutes 1998, section 447.36.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 3284:** A bill for an act relating to higher education; University of Minnesota; appropriating money for the Northstar Research Coalition.

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

Page 1, line 18, delete "between" and insert "among"

Page 2, line 13, delete "between" and insert "among"

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**H.F. No. 3633:** A bill for an act relating to state observances; designating Mighty Eighth Air Force Week; proposing coding for new law in Minnesota Statutes, chapter 10.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**H.F. No. 118:** A bill for an act relating to state agencies; providing that persons designated as

permanent commissioners serve as acting commissioners until the senate has consented to their appointment; limiting service as temporary or acting commissioners; amending Minnesota Statutes 1998, section 15.06, subdivision 5.

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

**Senator Hottinger from the Committee on Health and Family Security, to which was referred**

**S.F. No. 2850:** A bill for an act relating to human services; extending participation in the prepayment demonstration project for Itasca county; amending Minnesota Statutes 1998, section 256B.69, subdivision 2.

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

Page 1, line 24, delete "2005" and insert "2002"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Senator Ranum from the Committee on Judiciary, to which was referred**

**H.F. No. 90:** A bill for an act relating to civil actions; regulating the apportionment of joint and several liability; amending Minnesota Statutes 1998, section 604.02, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is the following persons are jointly and severally liable for the whole award:

- (1) a person, other than the state or a municipality, whose fault is 40 percent or greater;
- (2) the state or a municipality, if its fault is 50 percent or greater;
- (3) two or more persons who act in a common scheme or plan that results in injury;
- (4) a person who commits an intentional tort; or

(5) a person whose liability arises ~~Except in cases where liability arises under chapters 18B - pesticide control, 115 - water pollution control, 115A - waste management, 115B - environmental response and liability, 115C - leaking underground storage tanks, and 299J - pipeline safety, public nuisance law for damage to the environment or the public health, any other environmental or public health law, or any environmental or public health ordinance or program of a municipality as defined in section 466.01, a person whose fault is 15 percent or less is liable for a percentage of the whole award no greater than four times the percentage of fault, including any amount reallocated to that person under subdivision 2.~~

~~If the state or a municipality as defined in section 466.01 is jointly liable, and its fault is less than 35 percent, it is jointly and severally liable for a percentage of the whole award no greater than twice the amount of fault, including any amount reallocated to the state or municipality under subdivision 2.~~

For purposes of this subdivision, "state" has the meaning given in section 3.732 and "municipality" has the meaning given in section 466.01.

Sec. 2. [APPLICATION.]

Section 1 applies to claims arising from events that occur on or after August 1, 2000."

And when so amended the bill do pass. Senator Berglin questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

**Senator Ranum from the Committee on Judiciary, to which was referred**

**S.F. No. 3082:** A bill for an act relating to the city of Duluth; authorizing the city council to establish or grant additional powers to a human rights commission.

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

**Senator Ranum from the Committee on Judiciary, to which was referred**

**H.F. No. 1326:** A bill for an act relating to human services; modifying licensing and reporting requirements; amending Minnesota Statutes 1998, sections 245A.04, subdivision 3a; 245A.08, subdivision 5; 256E.08, by adding a subdivision; and 626.556, subdivisions 10i, and 11c.

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

**Senator Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 3036:** A bill for an act relating to natural resources; providing for seizure and administrative forfeiture of certain firearms and abandoned property; modifying authority to issue trespass citations; modifying provisions for forfeited vehicles; modifying definition of peace officer; providing civil penalties; appropriating money; amending Minnesota Statutes 1998, sections 97B.002, subdivision 1; and 609.5312, subdivision 4; Minnesota Statutes 1999 Supplement, sections 169.1217, subdivision 9; and 169.123, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

**Senator Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 1952:** A bill for an act relating to peace officers; clarifying warrant authority of alcohol and gambling agents; amending Minnesota Statutes 1998, section 626.11.

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

**Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 981:** A bill for an act relating to commerce; regulating unclaimed property; authorizing a dormancy charge for money orders; defining a term; amending Minnesota Statutes 1998, section 345.31, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 345.

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

**Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 3673:** A bill for an act relating to pawnbrokers; requiring pawnbrokers who provide law enforcement agencies with electronic records of transactions to use a specified interchange file specification format; amending Minnesota Statutes 1998, section 325J.05.

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

Page 1, line 19, delete "electronically" and insert "in a computerized format"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 2436:** A bill for an act relating to insurance; auto; regulating rental vehicle coverages; amending Minnesota Statutes 1998, section 65B.49, subdivision 5a.

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

Page 5, line 8, after "vehicle" insert ", provided that the vehicle so loaned is owned by the service or repair business"

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 3478, 2756, 2850, 3082, 3036, 1952, 981, 3673 and 2436 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 2723, 3633, 118 and 1326 were read the second time.

**MOTIONS AND RESOLUTIONS**

Senator Lourey moved that the name of Senator Marty be added as a co-author to S.F. No. 2970. The motion prevailed.

Senator Stevens moved that the name of Senator Dille be added as a co-author to S.F. No. 3026. The motion prevailed.

Senator Limmer moved that the names of Senators Stevens and Langseth be added as co-authors to S.F. No. 3259. The motion prevailed.

**Senator Larson introduced--**

**Senate Resolution No. 129:** A Senate resolution congratulating the Alexandria High School Boys Swimming and Diving Team on winning the 2000 State High School Class AA Boys Swimming and Diving Tournament.

Referred to the Committee on Rules and Administration.

**Senator Knutson introduced--**

**Senate Resolution No. 130:** A Senate resolution congratulating the Burnsville High School Girls dance team on winning the 2000 State High School Class 3A Girls Dance Tournament in High Kick/Precision.

Referred to the Committee on Rules and Administration.

**Senator Ourada introduced--**

**Senate Resolution No. 131:** A Senator resolution congratulating the Big Lake High School Girls gymnastics team on winning the 2000 State High School Class A Girls Gymnastics Tournament.

Referred to the Committee on Rules and Administration.

**Senator Knutson introduced--**

**Senate Resolution No. 132:** A Senate resolution congratulating the Apple Valley High School Boys wrestling team on winning the 2000 State High School Class 3A Boys Wrestling Tournament.

Referred to the Committee on Rules and Administration.

**Senator Price introduced--**

**Senate Resolution No. 133:** A Senate resolution congratulating the Woodbury High School Boys Track team on an outstanding season.

Referred to the Committee on Rules and Administration.

**Senator Price introduced--**

**Senate Resolution No. 134:** A resolution congratulating the Woodbury High School Girls Track and Field Team as runners-up of the 1999 State High School Class AA Girls Track and Field Tournament.

Referred to the Committee on Rules and Administration.

### RECONSIDERATION

Having voted on the prevailing side, Senator Higgins moved that the vote whereby S.F. No. 2810 was passed by the Senate on March 9, 2000, be now reconsidered. The motion prevailed. So the vote was reconsidered.

**S.F. No. 2810:** A bill for an act relating to employment; repealing laws governing entertainment agencies; repealing Minnesota Statutes 1998, sections 184A.01; 184A.02; 184A.03; 184A.04; 184A.05; 184A.06; 184A.07; 184A.08; 184A.09; 184A.10; 184A.11; 184A.12; 184A.13; 184A.14; 184A.15; 184A.16; 184A.17; 184A.18; 184A.19; and 184A.20.

Senator Higgins moved that S.F. No. 2810 be returned to its author. The motion prevailed.

### CALENDAR

**S.F. No. 2193:** A bill for an act relating to commerce; regulating contracts for the sale of wood; defining a term; amending Minnesota Statutes 1998, section 239.33.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Janezich	Krentz	Oliver	Sams
Belanger	Johnson, D.E.	Laidig	Ourada	Samuelson
Berg	Johnson, D.H.	Langseth	Pappas	Scheevel
Berglin	Johnson, D.J.	Larson	Pariseau	Scheid
Betzold	Junge	Lesewski	Piper	Solon
Day	Kelley, S.P.	Limmer	Pogemiller	Spear
Dille	Kelly, R.C.	Lourey	Price	Stevens
Flynn	Kierlin	Marty	Ranum	Stumpf
Foley	Kinkel	Metzen	Ring	Terwilliger
Hanson	Kiscaden	Murphy	Robertson	Vickerman
Higgins	Kleis	Neuville	Robling	Wiger
Hottinger	Knutson	Novak	Runbeck	Ziegler

So the bill passed and its title was agreed to.

**S.F. No. 2737:** A bill for an act relating to drivers' licenses; allowing applicant for driver's license to donate \$1 for public information and education about anatomical gifts; requiring report; amending Minnesota Statutes 1998, section 171.06, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Langseth	Pappas	Scheid
Belanger	Johnson, D.H.	Larson	Pariseau	Solon
Berg	Johnson, D.J.	Lesewski	Piper	Spear
Berglin	Junge	Limmer	Pogemiller	Stevens
Betzold	Kelley, S.P.	Lourey	Price	Stumpf
Day	Kelly, R.C.	Marty	Ranum	Terwilliger
Dille	Kierlin	Metzen	Ring	Vickerman
Flynn	Kinkel	Murphy	Robertson	Wiger
Foley	Kiscaden	Neuville	Robling	Ziegler
Hanson	Kleis	Novak	Runbeck	
Higgins	Knutson	Oliver	Sams	
Hottinger	Krentz	Olson	Samuelson	
Janezich	Laidig	Ourada	Scheevel	

So the bill passed and its title was agreed to.

**S.F. No. 2500:** A bill for an act relating to charitable organizations; changing definitions; amending Minnesota Statutes 1998, section 309.501, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Pappas	Scheid
Belanger	Johnson, D.E.	Larson	Pariseau	Solon
Berg	Johnson, D.H.	Lesewski	Piper	Spear
Berglin	Johnson, D.J.	Limmer	Pogemiller	Stevens
Betzold	Junge	Lourey	Price	Stumpf
Cohen	Kelley, S.P.	Marty	Ranum	Terwilliger
Day	Kelly, R.C.	Metzen	Ring	Vickerman
Dille	Kierlin	Murphy	Robertson	Wiger
Flynn	Kinkel	Neuville	Robling	Ziegler
Foley	Kiscaden	Novak	Runbeck	
Hanson	Kleis	Oliver	Sams	
Higgins	Knutson	Olson	Samuelson	
Hottinger	Krentz	Ourada	Scheevel	

So the bill passed and its title was agreed to.

**S.F. No. 2511:** A bill for an act relating to transportation; allowing entry on property for examination and survey; allowing towns to recover certain costs incurred in establishing cartways; amending Minnesota Statutes 1998, sections 164.07, by adding a subdivision; and 164.08, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Oliver	Sams
Belanger	Janezich	Laidig	Olson	Samuelson
Berg	Johnson, D.E.	Langseth	Ourada	Scheevel
Berglin	Johnson, D.H.	Larson	Pappas	Scheid
Betzold	Johnson, D.J.	Lesewski	Pariseau	Solon
Cohen	Junge	Limmer	Piper	Spear
Day	Kelley, S.P.	Lourey	Pogemiller	Stevens
Dille	Kelly, R.C.	Marty	Price	Stumpf
Flynn	Kinkel	Metzen	Ring	Terwilliger
Foley	Kiscaden	Murphy	Robertson	Vickerman
Hanson	Kleis	Neuville	Robling	Wiger
Higgins	Knutson	Novak	Runbeck	Ziegler

So the bill passed and its title was agreed to.

**H.F. No. 2873:** A bill for an act relating to Anoka county; clarifying the effect of certain requirements on an appointed department head; amending Laws 1989, chapter 243, section 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Ourada	Scheevel
Belanger	Johnson, D.E.	Langseth	Pappas	Scheid
Berg	Johnson, D.H.	Larson	Pariseau	Solon
Berglin	Johnson, D.J.	Lesewski	Piper	Spear
Betzold	Junge	Limmer	Pogemiller	Stevens
Cohen	Kelley, S.P.	Lourey	Price	Stumpf
Day	Kelly, R.C.	Marty	Ranum	Terwilliger
Dille	Kierlin	Metzen	Ring	Vickerman
Flynn	Kinkel	Murphy	Robertson	Wiger
Foley	Kiscaden	Neuville	Robling	Ziegler
Hanson	Kleis	Novak	Runbeck	
Higgins	Knutson	Oliver	Sams	
Hottinger	Krentz	Olson	Samuelson	

So the bill passed and its title was agreed to.

**S.F. No. 2688:** A bill for an act relating to metropolitan agencies; changing the name of the metropolitan airports commission to Minnesota airports commission; providing instructions to the revisor of statutes.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Kinkel	Novak	Solon
Berglin	Janezich	Kiscaden	Pappas	Spear
Betzold	Johnson, D.E.	Krentz	Piper	Vickerman
Cohen	Johnson, D.H.	Langseth	Pogemiller	Wiger
Flynn	Johnson, D.J.	Lourey	Price	
Foley	Junge	Marty	Sams	
Hanson	Kelley, S.P.	Metzen	Samuelson	
Higgins	Kelly, R.C.	Murphy	Scheid	

Those who voted in the negative were:

Belanger	Day	Fischbach	Kleis	Laidig
Berg	Dille	Kierlin	Knutson	Larson



Lesewski	Oliver	Pariseau	Runbeck	Stumpf
Limmer	Olson	Ranum	Scheevel	Terwilliger
Neuville	Ourada	Robling	Stevens	Ziegler

So the bill passed and its title was agreed to.

**S.F. No. 2748:** A bill for an act relating to health; modifying ambulance service and EMT requirements; amending Minnesota Statutes 1999 Supplement, sections 144E.101, subdivision 9; 144E.28, subdivisions 5 and 7; 144E.285, subdivisions 1 and 4; 144E.29; 144E.305, subdivisions 1 and 2; and 144E.50, subdivision 6; repealing Minnesota Rules, parts 4690.0100, subpart 28; 4690.3500; 4690.7900, subpart 2; and 4735.5100.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Olson	Scheevel
Belanger	Janezich	Laidig	Ourada	Scheid
Berg	Johnson, D.E.	Langseth	Pappas	Solon
Berglin	Johnson, D.H.	Larson	Pariseau	Spear
Betzold	Johnson, D.J.	Lesewski	Piper	Stevens
Cohen	Junge	Limmer	Pogemiller	Stumpf
Day	Kelley, S.P.	Lourey	Price	Terwilliger
Dille	Kelly, R.C.	Marty	Ranum	Vickerman
Fischbach	Kierlin	Metzen	Ring	Wiger
Flynn	Kinkel	Murphy	Robertson	Ziegler
Foley	Kiscaden	Neuville	Robling	
Hanson	Kleis	Novak	Runbeck	
Higgins	Knutson	Oliver	Sams	

So the bill passed and its title was agreed to.

**S.F. No. 2652:** A bill for an act relating to utilities; modifying electric power generating plant exemption from the Minnesota Power Plant Siting Act; amending Minnesota Statutes 1998, section 116C.57, subdivision 5a.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Janezich	Laidig	Ourada	Scheevel
Belanger	Johnson, D.E.	Langseth	Pappas	Scheid
Berg	Johnson, D.H.	Larson	Pariseau	Solon
Berglin	Johnson, D.J.	Lesewski	Piper	Spear
Betzold	Junge	Limmer	Pogemiller	Stevens
Cohen	Kelley, S.P.	Lourey	Price	Stumpf
Day	Kelly, R.C.	Marty	Ranum	Terwilliger
Dille	Kierlin	Metzen	Ring	Vickerman
Fischbach	Kinkel	Murphy	Robertson	Wiger
Foley	Kiscaden	Neuville	Robling	Ziegler
Hanson	Kleis	Novak	Runbeck	
Higgins	Knutson	Oliver	Sams	
Hottinger	Krentz	Olson	Samuelson	

So the bill passed and its title was agreed to.

**S.F. No. 2385:** A bill for an act relating to public employment; exempting certain public hospital employees from the compensation limit; amending Minnesota Statutes 1998, section 43A.17, subdivision 9.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.H.	Laidig	Oliver	Scheid
Berg	Junge	Langseth	Olson	Solon
Cohen	Kelley, S.P.	Larson	Ourada	Stevens
Day	Kelly, R.C.	Limmer	Pariseau	Terwilliger
Fischbach	Kierlin	Metzen	Robling	Vickerman
Hanson	Kinkel	Murphy	Runbeck	Ziegler
Janezich	Kleis	Neuville	Sams	
Johnson, D.E.	Knutson	Novak	Scheevel	

Those who voted in the negative were:

Anderson	Foley	Krentz	Piper	Robertson
Berglin	Higgins	Lesewski	Pogemiller	Samuelson
Betzold	Hottinger	Lourey	Price	Spear
Dille	Johnson, D.J.	Marty	Ranum	Stumpf
Flynn	Kiscaden	Pappas	Ring	Wiger

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 3060:** A bill for an act relating to human services; requiring the commissioner to develop proposals to provide respite care for family adult foster care providers.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Olson	Scheevel
Belanger	Janezich	Laidig	Ourada	Scheid
Berg	Johnson, D.E.	Langseth	Pappas	Solon
Berglin	Johnson, D.H.	Larson	Piper	Spear
Betzold	Johnson, D.J.	Lesewski	Pogemiller	Stevens
Cohen	Junge	Limmer	Price	Stumpf
Day	Kelley, S.P.	Lourey	Ranum	Terwilliger
Dille	Kelly, R.C.	Marty	Ring	Vickerman
Fischbach	Kierlin	Metzen	Robertson	Wiger
Flynn	Kinkel	Murphy	Robling	Ziegler
Foley	Kiscaden	Neuville	Runbeck	
Hanson	Kleis	Novak	Sams	
Higgins	Knutson	Oliver	Samuelson	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Senator Junge, designee of the Chair of the Committee on Rules and Administration, designated S.F. No. 2896 a Special Order to be heard immediately.

**SPECIAL ORDER**

**S.F. No. 2896:** A bill for an act relating to health; requiring the commissioner to develop procedures for the nursing home survey process; allowing nursing homes to train and employ resident assistants to assist residents with eating and drinking; requiring various studies and reports; amending Laws 1999, chapter 245, article 3, section 45; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Statutes 1998, section 144A.103; Minnesota Rules, part 4658.0515.

Senator Stevens moved to amend S.F. No. 2896 as follows:

Page 1, line 14, before "A" insert "(a) Upon federal approval,"

Page 1, line 18, delete "rules implementing this act" and insert "section 144A.04, subdivision 7"

Page 1, after line 18, insert:

"(b) The commissioner shall submit by May 15, 2000, a request for a federal waiver necessary to implement this section."

Page 4, line 20, delete "Section 2 is" and insert "Sections 1 and 2 are"

The motion prevailed. So the amendment was adopted.

Senator Berglin moved to amend S.F. No. 2896 as follows:

Page 1, line 27, after "[REQUIREMENTS.]" insert "(a)"

Page 2, after line 6, insert:

"(b) A nursing home may not use a current employee as a resident attendant unless the employee satisfies the requirements of paragraph (a) and volunteers to be used in that capacity."

Page 2, after line 14, insert:

"Subd. 6. [NONRETALIATION.] Employees shall not be subject to disciplinary action if they choose not to volunteer under this section."

Subd. 7. [RESIDENT PROTECTIONS.] Resident attendants are subject to requirements for volunteer feeding assistants in Minnesota Rules, part 4658.0530."

Subd. 8. [EXCEPTIONS.] A resident attendant may not be assigned to feed any resident who:

(1) is at risk of choking while eating or drinking;

(2) presents significant behavior management challenges while eating or drinking; or

(3) presents other risk factors that may require emergency intervention."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2896 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  
Belanger  
Berg

Berglin  
Betzold  
Cohen

Day  
Dille  
Fischbach

Flynn  
Foley  
Hanson

Higgins  
Hottinger  
Janezich

Johnson, D.E.	Knutson	Murphy	Price	Solon
Johnson, D.H.	Krentz	Neuville	Ranum	Spear
Johnson, D.J.	Laidig	Novak	Ring	Stevens
Junge	Langseth	Oliver	Robertson	Stumpf
Kelley, S.P.	Larson	Olson	Robling	Terwilliger
Kelly, R.C.	Lesewski	Ourada	Runbeck	Vickerman
Kierlin	Limmer	Pappas	Sams	Wiger
Kinkel	Lourey	Pariseau	Samuelson	Ziegler
Kiscaden	Marty	Piper	Scheevel	
Kleis	Metzen	Pogemiller	Scheid	

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

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Higgins in the chair.

After some time spent therein, the committee arose, and Senator Higgins reported that the committee had considered the following:

S.F. Nos. 2547, 624, 2989, 2868, 3120, 3138, 2905, 2693, 2579, 2789, 3064, 3019, 2685, 2794, 3292, 2829, 2827, 2821, 2473, 3075, 2627, 3139 and H.F. No. 2836, which the committee recommends to pass.

S.F. No. 2546, which the committee recommends to pass with the following amendment offered by Senator Stevens:

Page 1, line 16, after "person" insert ", including a person" and delete "personally, or"

Page 1, line 22, delete "Minnesota" and insert "this state"

Page 2, line 13, delete "shall" and insert "must"

Page 2, line 32, after "review" insert "and approve"

Page 2, line 33, delete "preclude the possibility of" and insert "prevent" and delete "filing" and insert "being approved"

Page 2, line 35, delete "an impending" and insert "each" and after "application" insert "received"

Page 3, line 15, before "The" insert "(a)" and delete "following" and after "conditions" insert "in this subdivision"

Page 3, line 16, delete "shall" and insert "must" and delete the colon and insert a period

Page 3, line 17, delete "(1)" and insert "(b)"

Page 3, lines 19, 27, 31, and 35, delete the semicolon and insert a period

Page 3, line 20, delete "(2)" and insert "(c)" and delete the first "of" and insert "after"

Page 3, line 22, delete "shall" and insert "must" and delete the semicolon and insert a period

Page 3, line 23, delete "(3)" and insert "(d)" and after the first "the" insert "lease must specify the"

Page 3, line 24, delete "pursuant to the lease"

Page 3, line 28, delete "(4)" and insert "(e)"

Page 3, line 32, delete "(5)" and insert "(f)"

Page 3, line 33, after "more" insert a period and delete "and" and insert "The lessee"

- Page 3, line 34, delete "period"
- Page 3, line 36, delete "(6)" and insert "(g)" and delete "of"
- Page 4, line 1, delete "shall be" and insert "is"
- Page 4, line 2, delete "shall" and insert "may"
- Page 4, lines 3, 7, 9, 11, 15, 20, 24, 28, 31, and 35, delete the semicolon and insert a period
- Page 4, line 4, delete "(7)" and insert "(h)"
- Page 4, line 5, delete "upon" and insert "on"
- Page 4, line 8, delete "(8)" and insert "(i)"
- Page 4, line 10, delete "(9)" and insert "(j)"
- Page 4, line 12, delete "(10)" and insert "(k)"
- Page 4, line 16, delete "(11)" and insert "(l)"
- Page 4, line 21, delete "(12)" and insert "(m)"
- Page 4, line 25, delete "(13)" and insert "(n)"
- Page 4, line 29, delete "(14)" and insert "(o)"
- Page 4, line 30, delete "prior to" and insert "before"
- Page 4, line 32, delete "(15)" and insert "(p)" and delete "shall" and delete "lease" and insert "leased"
- Page 4, line 34, delete "shall" and insert "must"
- Page 4, line 36, delete "(16)" and insert "(q)"
- Page 5, line 1, delete "prior to" and insert "before"
- Page 5, line 6, delete "lease" and insert "leased"
- Page 5, line 8, delete "with this clause shall" and insert "must"
- Page 5, line 10, delete the semicolon and insert a period
- Page 5, line 11, delete "(17)" and insert "(r)" and delete "have the power to"
- Page 5, line 12, delete the semicolon and insert a period
- Page 5, line 13, delete "(18)" and insert "(s)"
- Page 5, line 15, delete "; and" and insert a period
- Page 5, line 16, delete "(19)" and insert "(t)"
- Page 5, line 20, delete "shall" and insert "must" and after "deposited" insert "in the state treasury and credited"
- Page 5, lines 21 and 23, delete "shall" and insert "must" and delete "deposited in" and insert "credited to"
- Page 5, line 24, after "fund" insert a comma
- Page 5, line 27, delete "shall" and insert "must" and delete "deposited in" and insert "credited to"

The motion prevailed. So the amendment was adopted.

S.F. No. 2742, which the committee recommends to pass with the following amendment offered by Senator Betzold:

Page 5, line 15, delete "144.225" and insert "144.224"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 3023, which the committee recommends to pass with the following amendments offered by Senators Kleis and Dille:

Senator Kleis moved to amend S.F. No. 3023 as follows:

Page 2, line 22, after "original" insert "or renewed"

Page 19, after line 19, insert:

"Sec. 28. Laws 1995, chapter 264, article 2, section 44, is amended to read:

Sec. 44. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Sections 3 and 4 are effective June 1, 1995. ~~Section 4 is repealed June 1, 2000.~~

Sections 5 to 21 and 43, paragraph (a), are effective July 1, 1995.

Sections 23, 28, 33, 40, 42, and the part of section 22 amending language in paragraph (i), clause (vii), are effective the day following final enactment.

Sections 24 and 34 are effective for sales made after December 31, 1996.

Section 25 is effective beginning with leases or rentals made after June 30, 1995.

Section 26 is effective retroactively for sales after May 31, 1992.

Section 27 is effective for sales made after June 30, 1995.

Section 29 and the part of section 22 striking the language after paragraph (h) are effective for sales after June 30, 1995.

Section 32 is effective for sales made after June 30, 1995, and before July 1, 1996.

Sections 35 and 36 are effective for sales or transfers made after June 30, 1995.

Section 38 is effective the day after the governing body of the city of Winona complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 39 is effective upon compliance by the Minneapolis city council with Minnesota Statutes, section 645.021, subdivision 3.

Section 43, paragraph (b), is effective for sales of 900 information services made after June 30, 1995."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Dille moved to amend S.F. No. 3023 as follows:

Page 16, after line 13, insert:

"Sec. 25. Minnesota Statutes 1998, section 169.81, subdivision 3c, is amended to read:

Subd. 3c. [RECREATIONAL VEHICLE COMBINATION.] Notwithstanding subdivision 3, a recreational vehicle combination may be operated without a permit if:

(1) the combination does not consist of more than three vehicles, and the towing rating of the pickup truck is equal to or greater than the total weight of all vehicles being towed;

(2) the combination does not exceed ~~60~~ 65 feet in length;

(3) the camper-semitrailer in the combination does not exceed 28 feet in length;

(4) the operator of the combination is at least 18 years of age;

(5) the trailer carrying a watercraft, motorcycle, motorized bicycle, off-highway motorcycle, snowmobile, or all-terrain vehicle meets all requirements of law;

(6) the trailers in the combination are connected to the pickup truck and each other in conformity with section 169.82; and

(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kleis moved to amend S.F. No. 3023 as follows:

Page 16, after line 13, insert:

"Sec. 25. Minnesota Statutes 1998, section 169.781, subdivision 3, is amended to read:

Subd. 3. [INSPECTOR CERTIFICATION; SUSPENSION AND REVOCATION; HEARING.] (a) An inspection required by this section may be performed only by:

(1) an employee of the department of public safety or transportation who has been certified by the commissioner after having received training provided by the state patrol; or

(2) another person who has been certified by the commissioner after having received training provided by the state patrol or other training approved by the commissioner.

(b) A person who is not an employee of the department of public safety or transportation may be certified by the commissioner if the person is: (1) an owner, or employee of the owner, of one or more commercial motor vehicles that are power units; (2) a dealer licensed under section 168.27 and engaged in the business of buying and selling commercial motor vehicles, or an employee of the dealer; or (3) engaged in the business of repairing and servicing commercial motor vehicles. Certification of persons described in clauses (1) to (3) is effective for two years from the date of certification. The commissioner may require biennial retraining of persons holding a certificate under this paragraph as a condition of renewal of the certificate. The commissioner may charge a fee of not more than \$10 for each certificate issued and renewed. A certified person described in clauses (1) to (3) may charge a fee of ~~not more than \$50~~ for each inspection of a vehicle not owned by the person or the person's employer.

(c) Except as otherwise provided in subdivision 5, the standards adopted by the commissioner for commercial motor vehicle inspections under sections 169.781 to 169.783 shall be the standards prescribed in Code of Federal Regulations, title 49, section 396.17, and in chapter III, subchapter B, appendix G. The commissioner may classify types of vehicles for inspection purposes and may issue separate classes of inspector certificates for each class.

The commissioner shall issue separate categories of inspector certificates based on the following classifications:

(1) a class of certificate that authorizes the certificate holder to inspect commercial motor vehicles without regard to ownership or lease; and

(2) a class of certificate that authorizes the certificate holder to inspect only commercial motor vehicles the certificate holder owns or leases.

The commissioner shall issue a certificate described in clause (1) only to a person described in paragraph (b), clause (2) or (3).

(d) The commissioner, after notice and an opportunity for a hearing, may suspend a certificate issued under paragraph (b) for failure to meet annual certification requirements prescribed by the commissioner or failure to inspect commercial motor vehicles in accordance with inspection procedures established by the state patrol. The commissioner shall revoke a certificate issued under paragraph (b) if the commissioner determines after notice and an opportunity for a hearing that the certified person issued an inspection decal for a commercial motor vehicle when the person knew or reasonably should have known that the vehicle was in such a state of repair that it would have been declared out of service if inspected by an employee of the state patrol. Suspension and revocation of certificates under this subdivision are not subject to sections 14.57 to 14.69."

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. 2919, which the committee recommends to pass with the following amendments offered by Senators Kelley, S.P. and Limmer:

Senator Kelley, S.P. moved to amend S.F. No. 2919 as follows:

Page 2, after line 28, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

Senator Limmer moved to amend S.F. No. 2919 as follows:

Page 2, line 8, delete "need not issue any" and insert "shall"

Page 2, line 9, delete "except" and insert "to the legislature, including"

Page 2, line 10, after the period, insert "The administrative law judge shall ensure that notice of the meetings of the work group is provided to the public and that members of the public are allowed to attend."

Page 2, line 26, after "submit" insert "a report including" and after "legislation" insert a comma

The motion prevailed. So the amendment was adopted.

On motion of Senator Junge, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Motions and Resolutions.



**REPORTS OF COMMITTEES**

Senator Junge moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2822 and 3762. The motion prevailed.

**Senator Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 3624:** A bill for an act relating to the environment; requiring a report to the legislature on pesticide management.

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

**Senator Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 3290:** A bill for an act relating to environment; modifying reimbursement provisions for certain settlements made under the Environment Response and Liability Act; amending Minnesota Statutes 1998, section 115B.17, subdivision 19.

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

Page 3, delete lines 19 to 36

Page 4, delete lines 1 to 5 and insert:

"(f) Notwithstanding any provision to the contrary in paragraphs (a) to (e) of this subdivision, until June 30, 2001, the agency may use the authority under this subdivision to enter into agreements for the implementation of a portion of an approved response action plan and to provide funds in the form of a grant for the purpose of implementing the agreement. The amount paid for implementing a portion of an approved response action plan may not exceed the proportion of the costs of the response action plan which are attributable to the liability of responsible persons who are not parties to the agreement.

(g) A decision of the agency under paragraph (f) to offer or agree to provide funds in any agreement or to determine the specific remedial actions included in any agreement to implement an approved action plan or the amount of funds the agency will provide under an agreement is a matter of agency discretion in the exercise of its enforcement authority.

**Sec. 2. [WESTERN LAKE SUPERIOR SANITARY DISTRICT; LANDFILL CLEANUP PROGRAM QUALIFICATION.]**

Notwithstanding any provision to the contrary in Minnesota Statutes, sections 115B.39 to 115B.445, the facilities of a sanitary district operating pursuant to Minnesota Statutes, chapter 458D, and adjacent property used for solid waste disposal that did not occur under a permit from the agency, is a qualified facility for purposes of Minnesota Statutes, section 115B.39, subdivision 2, paragraph (1), clause (2), if the following conditions are met:

- (1) the sanitary district's facility is or was permitted by the pollution control agency;
- (2) the sanitary district stopped accepting mixed municipal solid waste by January 1, 2000;
- (3) the sanitary district stops accepting demolition debris and industrial waste at the facility by January 1, 2002; and
- (4) any future disposal of demolition debris and industrial waste on this site beyond January 1, 2002, must be in an area that meets setback requirements approved by the commissioner of the pollution control agency."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to environment; providing grants for certain agreements made under the Environment Response and Liability Act; extending landfill cleanup eligibility for the Western Lake Superior Sanitary District; amending Minnesota Statutes 1998, section 115B.17, subdivision 19."

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

**Senator Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 2822:** A bill for an act relating to taxation; reducing passenger automobile registration tax rate; changing vehicle depreciation schedule; reducing minimum additional registration tax; clarifying and removing obsolete, archaic, and redundant statutory language; amending Minnesota Statutes 1998, section 168.013, subdivision 1a.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 3586:** A bill for an act relating to game and fish; permitting angling with a lighted fishing lure; amending Minnesota Statutes 1998, section 97C.335.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

**Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 3699:** A bill for an act relating to commerce; enacting the Uniform Electronic Transactions Act adopted by the National Conference of Commissioners on Uniform State Laws; proposing coding for new law as Minnesota Statutes, chapter 325L.

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

Page 3, line 22, after "trusts" insert "or trust instruments in which a sole grantor reserves a power to alter, amend, revoke, or terminate the provisions of the trust" and delete "and"

Page 3, line 24, after "2A" insert "; and

(3) section 145C.03, subdivision 1, relating to requirements for creation of a health care directive; section 507.24, relating to requirements for recording any conveyance, power of attorney, or other instrument affecting real estate; section 523.23, subdivision 3, relating to requirements for creation of a statutory short form power of attorney; and section 253B.03, subdivision 6b, relating to requirements for creation of a declaration of preferences or instructions regarding intrusive mental health treatment"

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

**Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 619:** A bill for an act relating to commerce; regulating collection agencies; exempting out-of-state agencies from regulation; providing an exception; amending Minnesota Statutes 1998, section 332.31, subdivisions 3, 6, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 332.31, is amended by adding a subdivision to read:

Subd. 7. [EXEMPT OUT-OF-STATE COLLECTION AGENCY.] "Exempt out-of-state collection agency" means a collection agency that has no physical presence in this state, that is engaged in the business of collecting claims on behalf of creditors that have no physical presence in this state, and that only conducts business within this state by means of interstate communications including telephone, mail, and facsimile transmission.

Sec. 2. [332.335] [EXEMPTION FROM LICENSURE.]

Subdivision 1. [EXEMPTION FROM LICENSURE.] An exempt out-of-state collection agency, as defined by section 332.31, subdivision 7, that has obtained a certificate of exemption under subdivision 2 is exempt from the collector and collection agency licensing requirements of this chapter, but is subject to all other provisions of sections 45.027 and 332.31 to 332.45.

Subd. 2. [CERTIFICATE OF EXEMPTION.] To qualify as an exempt out-of-state collection agency, a person, except for those excluded from the definition of collection agency under section 332.32, must, before initiating collection activity, obtain a certificate of exemption from the commissioner. A certificate of exemption must be issued upon the applicant's filing an application on a form approved by the commissioner if the applicant is found to be qualified under this chapter. The form must include:

(1) a signed statement that the exempt out-of-state collection agency holds a valid license to do business as a collection agency in another state whose requirements for licensing are similar to the requirements imposed under this chapter along with a copy of the licensing document from the other state;

(2) certification that the exempt out-of-state collection agency will not solicit or collect claims for any creditor who has a business presence in this state. A creditor has a business presence in this state if either the creditor or an affiliate or subsidiary of the creditor has an office in this state;

(3) certification that the exempt out-of-state collection agency will not establish a physical presence in this state and that all collection activity in this state will be conducted exclusively by means of interstate communications including telephone, mail, or facsimile transmission;

(4) evidence of a corporate surety bond substantially similar, as determined by the commissioner, to the bond required under section 332.34;

(5) appointment of the commissioner as the exempt out-of-state collection agency's agent for service of process in this state; and

(6) written acknowledgment that the exempt out-of-state collection agency agrees to be subject to the jurisdiction of Minnesota courts and the Minnesota Administrative Procedures Act, chapter 14, in connection with the commissioner's enforcement of Minnesota law pertaining to collection activities in Minnesota, including compliance with this chapter and chapter 45.

Subd. 3. [NOTICE.] An exempt out-of-state collection agency must advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change.

Subd. 4. [LOSS OF EXEMPTION.] In addition to fines and other authorized sanctions, a certificate of exemption is considered revoked if the exempt out-of-state collection agency is found to be in violation of any provision of Minnesota Statutes, chapter 45 or 332, or the Fair Debt Collection Practices Act of 1977, United States Code, title 15, sections 1691 to 1693r."

Delete the title and insert:

"A bill for an act relating to commerce; regulating collection agencies; exempting out-of-state agencies from licensure under certain conditions; amending Minnesota Statutes 1998, section 332.31, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 332."

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

**Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 3203:** A bill for an act relating to insurance; conforming state statutes to the National Association of Insurance Commissioners model legislation providing uniform accounting principles; amending Minnesota Statutes 1998, sections 60A.11, subdivision 22; 60A.12, subdivision 5; 60A.121, subdivision 9, and by adding subdivisions; 60A.123; 60A.129, subdivisions 3 and 5; and 66A.16, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 1998, sections 60A.12, subdivisions 1, 3, 4, 7, 8, and 9; 60A.125, subdivision 3; and 60A.128.

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

Page 2, line 12, after "practices" insert "as set forth in the National Association of Insurance Commissioners' accounting practices and procedures manual"

Page 6, line 15, delete "have an impairment that is other than temporary" and insert "be permanently impaired"

Pages 14 and 15, delete section 9

Page 20, after line 30, insert:

"Sec. 11. Minnesota Statutes 1998, section 68A.01, subdivision 4, is amended to read:

Subd. 4. [INVESTMENT OF OTHER FUNDS.] After the investment of such portion of its capital stock as hereinbefore provided and the deposit of the securities in its guaranty fund as aforesaid the remainder of its capital stock and funds may be invested in such securities, records, ~~abstract plants~~, and equipment as the board of directors or the board of trustees of the company shall determine to be suitable for the transaction of its business, unless otherwise limited by this chapter.

Sec. 12. Minnesota Statutes 1998, section 68A.01, is amended by adding a subdivision to read:

Subd. 6. [ADMITTED ASSET STANDARDS.] An investment in a title plant or plants in an amount equal to the actual cost must be allowed as an admitted asset for title insurers. The aggregate amount of the investment must not exceed the lesser of 20 percent of admitted assets or 40 percent of surplus to policyholders, both as required to be shown on the statutory balance sheet of the insurer for its most recently filed statement with the commissioner. If the amount of the investment exceeds the limits in this subdivision, the excess amount must be recorded as a nonadmitted asset.

Sec. 13. Minnesota Statutes 1998, section 68A.02, is amended to read:

68A.02 [UNEARNED PREMIUM RESERVE.]

Upon issuance of each contract of title insurance issued on or after January 1, 1964, through January 1, 2001, by a domestic real estate title insurance company, there shall be reserved initially a sum equal to ten percent of the original premium charged therefor. At the end of each calendar year following the year in which the contract of title insurance is issued, there shall be a reduction in the sum so reserved in the amount of one-twentieth of such sum. On any contract of title insurance issued prior to January 1, 1964, by a domestic real estate title insurance company, a reserve shall be set up on January 1, 1964, and thereafter maintained in such sum as would have been required if the foregoing requirements with respect to title insurance reserves had existed at and after the date of the contract of title insurance. Such sums herein required to be reserved shall

at all times and for all purposes be considered and constitute unearned portions of the original premiums on such contracts of title insurance, shall be charged as a reserve liability of the real estate title insurance company in determining its financial condition, and, for the purpose of applying the provisions of section 60A.23, subdivision 4, shall be deemed to constitute the whole amount of the premiums on the unexpired risks of such real estate title insurance company.

Sec. 14. [68A.03] [RESERVES.]

Subdivision 1. [REQUIREMENTS.] After January 1, 2001, the financial condition of an insurer doing business under chapter 68A must be determined by applying the general provisions of the insurance code requiring the establishment of reserves sufficient to cover all known and unknown liabilities including allocated and unallocated loss adjustment expense, except that a title insurer shall also establish and maintain the reserves required by this section.

Subd. 2. [CLAIM RESERVES.] A title insurer shall establish and maintain a known claim reserve in an amount estimated to be sufficient to cover all unpaid losses, claims, and allocated loss adjustment expenses arising under title insurance policies, guaranteed certificates of title, guaranteed searches, and guaranteed abstracts of title and all unpaid losses, claims, and allocated loss adjustment expenses for which the title insurer may be liable, and for which the insurer has received notice by or on behalf of the insured, holder of a guarantee, or escrow or security depositor.

Subd. 3. [PREMIUM RESERVE.] (a) A title insurer shall establish and maintain a statutory premium reserve consisting of:

(1) the amount of statutory premium reserve required by the laws of the domiciliary state of the insurer if the insurer is a foreign or non-U.S. title insurer; or

(2) if the insurer is a domestic title insurer of this state, a statutory or unearned premium reserve consisting of:

(i) the amount of the statutory or unearned premium or reinsurance reserve legally held on January 1, 2001, which balance must be released according to the law in effect at the time the sums were added to the reserve; and

(ii) additions to the reserve after January 1, 2001, must be made out of total charges for title insurance policies and guarantees written, equal to the sum of the following items, as set forth in the title insurer's most recent annual statement filed with the commissioner:

(A) for each title insurance policy on a single risk written or assumed after January 1, 2001, a minimum rate of \$0.36 per \$1,000 of net retained liability for policies under \$500,000 and \$0.16 per \$1,000 of net retained liability for policies of \$500,000 or greater; and

(B) a minimum of eight percent of escrow, settlement, and closing fees collected in contemplation of the issuance of title insurance policies or guarantees.

(b) The aggregate of the amounts set aside in this reserve in any calendar year pursuant to paragraph (a), clause (2), item (ii), must be released from the reserve and restored to net profits over a period of 20 years at an amortization rate not to exceed the following formula: 35 percent of the aggregate sum on July 1 of the year next succeeding the year of addition; 15 percent of the aggregate sum on July 1 of each of the succeeding two years; ten percent of the aggregate sum on July 1 of the next succeeding year; three percent of the aggregate sum on July 1 of each of the next three succeeding years; two percent of the aggregate sum on July 1 of each of the next three succeeding years; and one percent of the aggregate sum on July 1 of each of the next succeeding ten years.

(c) The insurer shall calculate an adjusted statutory or unearned premium reserve as of the year of first application of paragraph (a), clause (2), item (ii). The adjusted reserve must be calculated as if paragraph (a), clause (2), item (ii), had been in effect for all years beginning 20 years before the year of first application of paragraph (a), clause (2), item (ii). For purposes of this calculation, the balance of the reserve as of that date is considered to be zero. If the adjusted reserve so

calculated exceeds the aggregate amount set aside for statutory or unearned premiums in the insurer's most recent annual statement filed with the commissioner, the insurer shall, out of total charges for policies of title insurance, increase its statutory or unearned premium reserve by an amount equal to one-sixth of that excess in each of the succeeding six years, beginning with the calendar year that includes the year of first application of paragraph (a), clause (2), item (ii), until the entire excess has been added.

(d) The aggregate of the amounts set aside in this reserve in any calendar year as adjustments to the insurer's statutory or unearned premium reserve pursuant to paragraph (c) must be released from the reserve and restored to net profits, or equity if the additions required by paragraph (c) reduced equity directly, over a period not exceeding ten years pursuant to the following table:

<u>Year of addition</u>	<u>Release</u>
<u>Year 1*</u>	<u>Equally over ten years</u>
<u>Year 2</u>	<u>Equally over nine years</u>
<u>Year 3</u>	<u>Equally over eight years</u>
<u>Year 4</u>	<u>Equally over seven years</u>
<u>Year 5</u>	<u>Equally over six years</u>
<u>Year 6</u>	<u>Equally over five years</u>

\* The calendar year following the year of first application of paragraphs (a), clause (2), item (ii), (b), and (c).

(e) A supplemental reserve must be established consisting of any other reserves necessary, when taken in combination with the reserves required by sections 68A.02 and 68A.03, to cover the company's liabilities with respect to all losses, claims, and loss adjusted expenses.

(f) Each title insurer subject to the provisions of this chapter shall file with its annual statement, required under section 60A.13, subdivision 1, a certification by a member in good standing of the American Academy of Actuaries. The actuarial certification required of a title insurer must conform to the National Association of Insurance Commissioners' annual statement instructions for title insurers."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "subdivisions 3 and 5; and" and insert "subdivision 3;"

Page 1, line 9, before "proposing" insert "68A.01, subdivision 4, and by adding a subdivision; and 68A.02;"

Page 1, line 10, delete "chapter" and insert "chapters" and after the semicolon, insert "and 68A;"

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

#### **Senator Solon from the Committee on Commerce, to which was referred**

**S.F. No. 2753:** A bill for an act relating to commerce; motor vehicle sales and distribution; regulating unfair practices by manufacturers, distributors, and factory branches; amending Minnesota Statutes 1998, sections 80E.13; and 80E.14, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 80E.13, is amended to read:

80E.13 [UNFAIR PRACTICES BY MANUFACTURERS, DISTRIBUTORS, FACTORY BRANCHES.]

It is unlawful and an unfair practice for a manufacturer, distributor, or factory branch to engage in any of the following practices:

(a) To delay, refuse, or fail to deliver new motor vehicles or new motor vehicle parts or accessories in reasonable time and in reasonable quantity relative to the new motor vehicle dealer's facilities and sales potential in the dealer's relevant market area, after having accepted an order from a new motor vehicle dealer having a franchise for the retail sale of any new motor vehicle sold or distributed by the manufacturer or distributor, if the new motor vehicle or new motor vehicle parts or accessories are publicly advertised as being available for delivery or actually being delivered. This clause is not violated, however, if the failure is caused by acts or causes beyond the control of the manufacturer;

(b) To refuse to disclose to any new motor vehicle dealer handling the same line make, the manner and mode of distribution of that line make within the relevant market area;

(c) To obtain money, goods, service, or any other benefit from any other person with whom the dealer does business, on account of, or in relation to, the transaction between the dealer and the other person, other than for compensation for services rendered, unless the benefit is promptly accounted for, and transmitted to, the new motor vehicle dealer;

(d) To increase prices of new motor vehicles which the new motor vehicle dealer had ordered for private retail consumers prior to the dealer's receiving the written official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order if the vehicle is in fact delivered to that customer. In the event of manufacturer price reductions, the amount of any reduction received by a dealer shall be passed on to the private retail consumer by the dealer if the retail price was negotiated on the basis of the previous higher price to the dealer;

(e) To offer any refunds or other types of inducements to any new motor vehicle dealer for the purchase of new motor vehicles of a certain line make without making the same offer to all other new motor vehicle dealers in the same line make within the relevant market area;

(f) To release to any outside party, except under subpoena or in an administrative or judicial proceeding involving the manufacturer or dealer, any business, financial, or personal information which may be provided by the dealer to the manufacturer, without the express written consent of the dealer or unless pertinent to judicial or governmental administrative proceedings or to arbitration proceedings of any kind;

(g) To deny any new motor vehicle dealer the right of free association with any other new motor vehicle dealer for any lawful purpose;

(h) To unfairly discriminate among its new motor vehicle dealers with respect to warranty reimbursement or authority granted its new vehicle dealers to make warranty adjustments with retail customers;

(i) To compete with a new motor vehicle dealer in the same line make operating under an agreement or franchise from the same manufacturer ~~in the relevant market area, distributor, or factory branch~~. A manufacturer, distributor, or factory branch is considered to be competing when it has an ownership interest, other than a passive interest held for investment purposes, in a dealership of its line make located within the state. A manufacturer, distributor, or factory branch shall not, however, be deemed to be competing

(1) when operating a dealership, either temporarily or for a reasonable period, which is for sale to any qualified independent person at a fair and reasonable price, or when involved in a bona fide relationship in which an independent person has made a significant investment subject to loss in the dealership and can reasonably expect to acquire full ownership and full management and operational control of the dealership within a reasonable time on reasonable terms and conditions,  
or

(2) if it has an existing direct or indirect ownership interest in a new motor vehicle dealer in this state as of January 1, 2000, and has no more than four franchised dealers in this state. A

manufacturer, distributor, or factory branch described in this clause that has unaffiliated dealers of the same line make in this state may acquire an interest in existing dealers of that line make but it may not establish any new dealership in which it would own an interest or approve an additional location for the sale of new motor vehicles by an affiliated dealership. A manufacturer, distributor, or factory branch described in this clause is permitted to alter its ownership interest in a new motor vehicle dealer;

(j) To prevent a new motor vehicle dealer from receiving fair and reasonable compensation for the value of the new motor vehicle dealership. There shall be no transfer, assignment of the franchise, or major change in the executive management of the dealership, except as is otherwise provided in sections 80E.01 to 80E.17, without consent of the manufacturer, which shall not be unreasonably withheld. Denial of the request must be in writing and delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the information necessary to evaluate the proposed transfer. If a denial is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed transfer or change;

(k) To threaten to modify or replace or modify or replace a franchise with a succeeding franchise that would adversely alter the rights or obligations of a new motor vehicle dealer under an existing franchise or that substantially impairs the sales or service obligations or investments of the motor vehicle dealer;

(l) To unreasonably deny the right to acquire factory program vehicles to any dealer holding a valid franchise from the manufacturer to sell the same line make of vehicles, provided that the manufacturer may impose reasonable restrictions and limitations on the purchase or resale of program vehicles to be applied equitably to all of its franchised dealers. For the purposes of this paragraph, "factory program vehicle" has the meaning given the term in section 80E.06, subdivision 2;

(m) fail or refuse to offer to its same line make franchised dealers all models manufactured for that line make, other than alternative fuel vehicles as defined in section 216C.01, subdivision 1b. Failure to offer a model is not a violation of this section if the failure is not arbitrary and is due to a lack of manufacturing capacity, a strike, labor difficulty, or other cause over which the manufacturer, distributor, or factory branch has no control;

(n) require a dealer to pay an extra fee, or remodel, renovate, or recondition the dealer's existing facilities, or purchase unreasonable advertising displays, training, tools, or other materials, or to require the dealer to establish exclusive facilities or dedicated personnel as a prerequisite to receiving a model or a series of vehicles.

Sec. 2. Minnesota Statutes 1998, section 80E.14, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION; PROTEST; HEARING.] In the event that a manufacturer seeks to enter into a franchise establishing an additional new motor vehicle dealership or relocating an existing new motor vehicle dealership within or into a relevant market area where the line make is then represented, the manufacturer shall, in writing, first notify each new motor vehicle dealer in this line make in the relevant market area of the intention to establish an additional dealership or to relocate an existing dealership within or into that market area. The relevant market area is a radius of ten miles around an existing dealership. Within 15 30 days of receiving the notice or within 15 30 days after the end of any appeal procedure provided by the manufacturer, the new motor vehicle dealership may commence a civil action in a court of competent jurisdiction pursuant to section 80E.17 challenging the establishing or relocating of the new motor vehicle dealership. An action brought under this section shall be placed on the calendar ahead of other civil actions to be heard and determined as expeditiously as possible. Thereafter the manufacturer shall not establish or relocate the proposed new motor vehicle dealership unless the court has determined that there is good cause for permitting the establishment or relocation of the motor vehicle dealership.

For the purposes of this section, the reopening in a relevant market area of a new motor vehicle dealership within two miles of a location at which a former dealership of the same line make had been in operation within the previous two years shall not be deemed the establishment of a new



motor vehicle dealership if the reopening is carried out in good faith and does not violate the provisions of section 80E.13, paragraph (i).

The relocation of an existing dealer within its area of responsibility as defined in the franchise agreement shall not be subject to this section, if the proposed relocation site is within five miles of its existing location and is not within a radius of five miles of an existing dealer of the same line make.

A manufacturer's establishment or approval of an additional new motor vehicle sales, service, or parts location by its line make dealer is considered the establishment of a new motor vehicle dealership subject to the requirements of this section.

Sec. 3. [EFFECTIVE DATE.]

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

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

**Senator Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 2830:** A bill for an act relating to crime; providing that a person may be charged with escape from custody when they escape after lawful arrest but prior to the commencement of trial proceedings; amending Minnesota Statutes 1998, section 609.485, subdivision 2; Minnesota Statutes 1999 Supplement, section 609.485, subdivision 4.

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

Page 2, line 18, strike "on a"

Page 2, line 19, strike "charge or conviction of" and insert "for"

Page 3, line 30, delete "August 1, 2000" and insert "the day following final enactment"

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

**Senator Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 2770:** A bill for an act relating to crime prevention; increasing maximum fines for petty misdemeanor and misdemeanor offenses; amending Minnesota Statutes 1998, sections 169.89, subdivision 2; 609.02, subdivisions 3 and 4a; 609.03; 609.033; 609.0331; 609.0332, subdivision 1; and 609.034.

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

Page 1, line 20, delete "\$800" and insert "\$1,000"

Page 2, lines 14 and 25, delete "\$800" and insert "\$1,000"

Page 3, line 18, delete "\$800" and insert "\$1,000"

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

**Senator Spear from the Committee on Crime Prevention, to which was re-referred**

**S.F. No. 887:** A bill for an act relating to crime; providing additional penalty enhancements for certain crimes motivated by bias; authorizing the sentencing guidelines commission to modify the sentencing guidelines to allow judges to upwardly depart from the presumptive sentence due to bias motivation; requiring mandatory education and community service for certain juveniles petitioned or adjudicated delinquent for violating the bias-motivated crime; amending Minnesota Statutes 1998, sections 260.185, subdivision 3, and by adding a subdivision; 609.595, subdivisions 2 and 3; 609.749, subdivision 3; and 624.712, subdivision 5; proposing coding for new law in

Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1998, sections 609.2231, subdivision 4; and 609.595, subdivision 1a.

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

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 260B.198, is amended by adding a subdivision to read:

Subd. 2a. [BIAS-MOTIVATED OFFENSE.] If the child is petitioned for violating section 609.156 and found delinquent for that offense, in addition to any other disposition, the court shall order that the child:

(1) receive appropriate education concerning bias-motivated offenses and the effect these offenses have on victims and society; and

(2) perform a specified amount of appropriate community service.

Sec. 2. Minnesota Statutes 1999 Supplement, section 260B.198, subdivision 7, is amended to read:

Subd. 7. [CONTINUANCE.] (a) When it is in the best interests of the child to do so and when the child has admitted the allegations contained in the petition before the judge or referee, or when a hearing has been held as provided for in section 260B.163 and the allegations contained in the petition have been duly proven but, in either case, before a finding of delinquency has been entered, the court may continue the case for a period not to exceed 90 days on any one order. Such a continuance may be extended for one additional successive period not to exceed 90 days and only after the court has reviewed the case and entered its order for an additional continuance without a finding of delinquency. During this continuance the court may enter an order in accordance with the provisions of subdivision 1, clause (a) or (b), or enter an order to hold the child in detention for a period not to exceed 15 days on any one order for the purpose of completing any consideration, or any investigation or examination ordered in accordance with the provisions of section 260B.157. This subdivision does not apply to an extended jurisdiction juvenile proceeding.

(b) When a court continues a case under paragraph (a) or as part of a continuance for dismissal under Minnesota Rules of Juvenile Procedure, rule 14, for a child petitioned for violating section 609.156, in addition to any other order authorized by law, the court shall order that the child:

(1) receive appropriate education concerning bias-motivated offenses and the effect these offenses have on victims and society; and

(2) perform a specified amount of appropriate community service."

Page 3, delete line 11

Page 3, line 12, delete "(8)" and insert "(7)"

Page 3, line 13, delete "(9)" and insert "(8)"

Page 3, line 14, delete "(10)" and insert "(9)"

Page 3, line 15, delete "(11)" and insert "(10)"

Page 3, line 17, delete "(12)" and insert "(11)"

Page 3, line 19, delete "(13)" and insert "(12)"

Page 4, line 9, delete "2000" and insert "2001"

Page 6, line 5, strike "609.2231, subdivision 4," and delete "or"

Pages 6 and 7, delete section 8

Page 7, line 10, delete "9" and insert "8" and delete "1999" and insert "2000"

Re-number the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime; providing additional penalty enhancements for certain crimes motivated by bias; requiring mandatory education and community service for certain juveniles petitioned or adjudicated delinquent for violating the bias-motivated crime; amending Minnesota Statutes 1998, sections 609.595, subdivisions 2 and 3; 609.749, subdivision 3; and 624.712, subdivision 5; Minnesota Statutes 1999 Supplement, section 260B.198, subdivision 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1998, sections 609.2231, subdivision 4; and 609.595, subdivision 1a."

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

### **Senator Spear from the Committee on Crime Prevention, to which was referred**

**S.F. No. 3046:** A bill for an act relating to crime; clarifying that the definition of "peace officer" in the fleeing a peace officer crime includes tribal peace officers; amending Minnesota Statutes 1998, section 609.487, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 609.487, subdivision 1, is amended to read:

Subdivision 1. [FLEE; DEFINITION.] For purposes of this section, the term "flee" means to increase speed, extinguish motor vehicle headlights or taillights, refuse to stop the vehicle, or to use other means with intent to attempt to elude a peace officer following a signal given by any peace officer to the driver of a motor vehicle.

Sec. 2. Minnesota Statutes 1998, section 609.487, subdivision 2, is amended to read:

Subd. 2. [PEACE OFFICER; DEFINITION.] For purposes of this section, "peace officer" means:

(1) an employee of a political subdivision or state law enforcement agency who is licensed by the Minnesota board of peace officer standards and training, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and Minnesota conservation officers; or

(2) an employee of a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e), who is licensed by the Minnesota board of peace officer standards and training; or

(3) a member of a duly organized state, county, or municipal law enforcement unit of another state charged with the duty to prevent and detect crime and generally enforce criminal laws, and granted full powers of arrest.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 2000, and apply to acts committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; clarifying that the definition of "peace officer" in the fleeing a peace officer crime includes tribal peace officers; defining flee to include refusing to stop the vehicle; amending Minnesota Statutes 1998, section 609.487, subdivisions 1 and 2."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

**Senator Lessard from the Committee on Environment and Natural Resources, to which was referred**

**S.F. No. 2289:** A bill for an act relating to natural resources; modifying effective period of annual state park permits; amending Minnesota Statutes 1998, section 85.053, subdivision 1.

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

Page 2, after line 8, insert:

"Sec. 2. Minnesota Statutes 1998, section 85.34, subdivision 1, is amended to read:

Subdivision 1. The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling state park known as the upper bluff consisting of officer's row and, area J, the polo grounds, the adjacent golf course, and residential, storage and service all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, trunk highway highways numbered 5, Taylor avenue, Minnehaha avenue and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99 years. The lease or leases may provide for the provision of capital improvements or other performance by the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be required.

Sec. 3. Minnesota Statutes 1998, section 85.34, is amended by adding a subdivision to read:

Subd. 4. All receipts derived from the leasing or operation of the property described in subdivision 1 shall be deposited in the state treasury and be credited to the state parks working capital account designated in section 85.22, subdivision 1. Receipts and expenses from the leasing or operation of the property described in subdivision 1 shall be tracked separately within the account. Money in the account derived from the leasing or operation of the property described in subdivision 1 is annually appropriated for the payment of expenses attributable to the leasing and operation of the property described in subdivision 1, included but not limited to the maintenance, repair, and rehabilitation of historic buildings and landscapes. Any excess receipts in this account are annually appropriated for historic preservation purposes within state parks.

Sec. 4. Minnesota Statutes 1998, section 85.34, is amended by adding a subdivision to read:

Subd. 5. The commissioner of natural resources may provide an exception, in whole or in part, to the rules for use of state parks and other recreational areas for property leased pursuant to subdivision 1. The exception may be provided by commissioner's order and shall be effective for the term of the lease or such lesser period of time specified by the commissioner.

Sec. 5. [MINNEAPOLIS LEASE.]

A lease to the Minneapolis park and recreation board entered into prior to or after the effective date of this section pursuant to Laws 1999, chapter 231, section 5, subdivision 5, shall be subject to Minnesota Statutes, section 85.34, except as provided in this section. The approval of the executive council shall not be required for the lease or the issuance of a liquor license. Only the operating costs, as defined in the lease, to be paid by the Minneapolis park and recreation board to the state shall be credited to the state parks working capital account. All base rent and percentage of gross sales to be paid by the Minneapolis park and recreation board to the state shall be credited to the general fund. A lease of any portion of officer's row or area J may include a charge to be paid by the tenant for repayment of a portion of the costs incurred by the Minneapolis park and

recreation board for the installation of a new water line on the upper bluff. The total amount to be repaid to the Minneapolis park and recreation board by tenants of officer's row and area J shall not exceed \$450,000.

Sec. 6. [EFFECTIVE DATE.]

Sections 2 to 5 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "adding conditions for leasing state land on the upper bluff of Fort Snelling state park; providing for the deposit of lease receipts; appropriating money;"

Page 1, line 4, delete "section" and insert "sections" and before the period, insert "; and 85.34, subdivision 1, and by adding subdivisions"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

### **Senator Flynn from the Committee on Transportation, to which was referred**

**S.F. No. 2749:** A bill for an act relating to agriculture; establishing an agri-business investigative unit in the office of the attorney general; authorizing "support family farms" license plates and requiring holders of such plates to contribute to the attorney general's agri-business investigation fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 8; and 168.

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

Pages 1 and 2, delete section 1

Page 2, line 23, delete "(a)"

Page 2, line 32, after the semicolon, insert "and"

Page 2, delete lines 33 to 35

Page 2, line 36, delete "(6)" and insert "(5)"

Page 3, delete lines 2 to 6

Page 3, delete lines 12 and 13

Page 3, line 14, delete "4" and insert "3"

Page 3, delete line 20 and insert:

"Subd. 4. [FEES CREDITED.]"

Page 3, delete lines 21 and 22

Page 3, line 23, delete everything before "The"

Page 3, line 26, delete "6" and insert "5"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to driver's licenses; authorizing "support family farms" license plates; proposing coding for new law in Minnesota Statutes, chapter 168."

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

**Senator Vickerman from the Committee on Local and Metropolitan Government, to which was referred**

**S.F. No. 3145:** A bill for an act relating to newspapers; providing priority for official publication for a public body to a newspaper with either a known office of issue or a secondary office; amending Minnesota Statutes 1998, section 331A.04, subdivision 2; repealing Minnesota Statutes 1998, section 331A.04, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. [MINNETONKA OFFICIAL NEWSPAPER DESIGNATION.]

Notwithstanding Minnesota Statutes, section 331A.04, subdivision 2, if the city of Minnetonka has one or more qualified newspapers with either a known office of issue or a major secondary office within the city, the one if there is only one, or one of them if there are more than one, may be designated as the newspaper for publication of its official proceedings and public notices when designation is authorized or required by the city charter or by statute.

For the purpose of this section, a "major secondary office" is a secondary office with a circulation of at least 5,000 copies, and home delivery to at least a majority of the residences, within the city.

Sec. 2. [EFFECTIVE DATE; NO LOCAL APPROVAL.]

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the city of Minnetonka; providing a variation from the general statutory priority for designation of a qualified newspaper for publication of its official proceedings and public notices."

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1231:** A bill for an act relating to professions; modifying provisions relating to optometrist licensing; amending Minnesota Statutes 1998, sections 148.57, subdivision 1; and 148.61, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 148.

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 3006:** A bill for an act relating to state government; requiring certain purchases of products with recovered materials; requiring the commissioner of administration to establish a process for consideration of environmental factors in state purchasing; amending Minnesota Statutes 1998, sections 16B.121; and 16B.122, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 16C.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16B.121, is amended to read:

## 16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.

The commissioner shall regularly consult with the office of environmental assistance, state agencies, and other interested parties to update the department's specifications for recycled content and other environmentally preferable products, consistent with other state procurement requirements. In updating its specifications, the department shall take into account the United States Environmental Protection Agency's Comprehensive Procurement Guidelines.

Each year the department shall issue a public report listing environmentally preferable products and the products' key environmental attributes, reporting benchmarks for recycled content or other environmentally preferable products, and discussing progress by state agencies in achieving the benchmarks.

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program and the extent to which the commodity or product contains postconsumer material."

Delete the title and insert:

"A bill for an act relating to state government; requiring the commissioner of administration to consult with interested parties before updating specifications for environmental factors in state purchasing; requiring a report; amending Minnesota Statutes 1998, section 16B.121."

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 3259:** A bill for an act relating to the state building code; providing for certain energy code rules to remain in effect; repealing Minnesota Rules, chapters 7672; and 7674.

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

Delete everything after the enacting clause and insert:

"Section 1. [ENERGY CODE RULES REMAIN IN EFFECT.]

(a) Notwithstanding Laws 1999, chapter 135, section 9, Minnesota Rules, chapter 7670, does not expire on April 15, 2000, but remains in effect for residential buildings not covered by Minnesota Rules, chapter 7676. The provisions of Minnesota Rules, chapter 7670, that apply to category 1 buildings govern R-3 occupancy residential buildings. All R-3 occupancy buildings subject to Minnesota Rules, chapter 7670, submitting an application for a building permit after April 14, 2000, must meet the requirements for category 1 buildings, as set out in Minnesota Rules, chapter 7670. All R-3 occupancy buildings must include a heat recovery ventilation system or other complying system. R-3 occupancy buildings having fuel-burning equipment using nonsolid fuels for space heating or service water heating must install direct vent, power vent, or sealed combustion equipment.

(b) Minnesota Rules, chapters 7672 and 7674, are delayed until July 1, 2002. Minnesota Rules, chapter 7670, remains in effect until July 1, 2002.

(c) The department of administration, buildings codes and standards division (BCSD), shall issue a report to the legislature by December 1, 2001, addressing the need, expense, and cost-benefit analysis regarding implementation of Minnesota Rules, chapters 7672 and 7674.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the state building code; providing for certain energy code rules to remain in effect."

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 1495:** A bill for an act relating to commerce; enacting revised article 9 of the Uniform Commercial Code as adopted by the National Conference of Commissioners on Uniform State Laws; appropriating money; amending Minnesota Statutes 1998, sections 336.1-105; 336.1-201; 336.2-103; 336.2-210; 336.2-326; 336.2-502; 336.2-716; 336.2A-103; 336.2A-303; 336.2A-307; 336.2A-309; 336.4-210; 336.7-503; 336.8-103; 336.8-106; 336.8-110; 336.8-301; 336.8-302; and 336.8-510; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1998, sections 336.9-101; 336.9-102; 336.9-103; 336.9-104; 336.9-105; 336.9-106; 336.9-107; 336.9-108; 336.9-109; 336.9-110; 336.9-112; 336.9-113; 336.9-114; 336.9-115; 336.9-116; 336.9-201; 336.9-202; 336.9-204; 336.9-205; 336.9-206; 336.9-207; 336.9-208; 336.9-301; 336.9-302; 336.9-303; 336.9-304; 336.9-305; 336.9-306; 336.9-307; 336.9-308; 336.9-309; 336.9-310; 336.9-311; 336.9-312; 336.9-313; 336.9-314; 336.9-315; 336.9-316; 336.9-317; 336.9-318; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-408; 336.9-410; 336.9-412; 336.9-413; 336.9-501; 336.9-502; 336.9-503; 336.9-504; 336.9-505; 336.9-506; 336.9-507; and 336.9-508; and Minnesota Statutes 1999 Supplement, sections 336.9-203; 336.9-401; 336.9-402; and 336.9-411.

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

Page 143, delete section 140

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was re-referred**

**S.F. No. 689:** A bill for an act relating to health; regulating complementary and alternative health care practitioners; establishing civil penalties; amending Minnesota Statutes 1999 Supplement, sections 13.99, by adding a subdivision; 147.09; and 214.01, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 146A.

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

Page 3, line 15, after "(2)" insert "is licensed or registered by the commissioner of health or a health-related licensing board other than the board of medical practice, the board of dentistry, the



board of chiropractic examiners, or the board of podiatric medicine, but does not hold oneself out to the public as being licensed or registered by the commissioner or a health-related licensing board when engaging in complementary and alternative health care;

(3)"

Page 3, line 21, delete "(3)" and insert "(4)"

Page 3, line 23, delete "(4)" and insert "(5)"

Page 18, after line 33, insert:

"Subd. 6. [LICENSED OR REGULATED PRACTITIONERS.] If a practitioner investigated under this section is licensed or registered by the commissioner of health or a health-related licensing board, and if the commissioner determines that the practitioner has violated any provision of this chapter, the commissioner, in addition to taking disciplinary action under this section:

(1) may, if the practitioner is licensed or regulated in another capacity by the commissioner, take further disciplinary action against the practitioner in that capacity; or

(2) shall, if the practitioner is licensed or registered in another capacity by a health-related licensing board, report the commissioner's findings under this section, and may make a nonbinding recommendation that the board take further action against the practitioner in that capacity."

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 3272:** A bill for an act relating to the building code; modifying requirements of bleacher safety; amending Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 3, is amended to read:

Subd. 3. [SAFETY REQUIREMENTS.] In places of public accommodation using bleacher seating, all bleachers or bleacher open spaces over 30 55 inches above grade or the floor below, and all bleacher guardrails if any part of the guardrail is over 55 inches above grade or the floor below must conform to the following safety requirements:

(1) the open space between bleacher footboards, seats, and guardrails must not exceed four inches, unless approved safety nets are installed, except that retractable bleachers already in existence as of January 1, 2001, with open spaces not exceeding nine inches, are exempt from the requirement of this clause;

(2) bleachers must have vertical perimeter guardrails with no more than four-inch rail spacing between vertical rails or other approved guardrails that address climbability and are designed to prevent accidents; and

(3) the state building official shall determine whether the safety nets and guardrail climbability meet the requirements of the alternate design section of the State Building Code. All new bleachers manufactured, installed, sold, or distributed after January 1, 2001, must comply with the State Building Code in effect and clauses (1), (2), and (3) this subdivision.

Sec. 2. Minnesota Statutes 1999 Supplement, section 16B.616, subdivision 4, is amended to read:

Subd. 4. [ENFORCEMENT.] (a) A statutory or home rule charter city that is not covered by the code because of action taken under section 16B.72 or 16B.73 is responsible for enforcement in the city of the code's requirements for bleacher safety. In all other areas where the code does not apply because of action taken under section 16B.72 or 16B.73, the county is responsible for enforcement of those requirements.

(b) Municipalities that have not adopted the code may enforce the code requirements for bleacher safety by either entering into a joint powers agreement for enforcement with another municipality that has adopted the code or contracting for enforcement with a qualified and certified building official or state licensed design professional to enforce the code.

(c) Municipalities, school districts, organizations, individuals, and other persons operating or owning places of public accommodation with bleachers that are subject to the safety requirements in subdivision 3 shall provide a signed certification of compliance to the commissioner by January 1, 2004 2002. For bleachers exempted by subdivision 3, clause (1), entities covered by this paragraph must have on file a bleacher safety management plan and amortization schedule. The certification shall be prepared by a qualified and certified building official or state licensed design professional and shall certify that the bleachers have been inspected and are in compliance with the requirements of this section and are structurally sound. For bleachers owned by a school district, the person the district designates to be responsible for buildings and grounds may make the certification."

Delete the title and insert:

"A bill for an act relating to the building code; modifying requirements of bleacher safety; amending Minnesota Statutes 1999 Supplement, section 16B.616, subdivisions 3 and 4."

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

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 3762:** A bill for an act relating to adult basic education; creating an adult basic education policy review board; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

Delete everything after the enacting clause and insert:

"Section 1. [ADULT BASIC EDUCATION POLICY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] A nine-member adult basic education policy task force shall recommend to the legislature on program and funding policies for adult basic education programs that receive aid under Minnesota Statutes, section 124D.531. The commissioner of children, families, and learning shall appoint task force members. Members do not receive per diem, but may be reimbursed for expenses as specified in Minnesota Statutes, section 15.059, subdivision 3. All other matters of the task force's operation, except expiration of the board under subdivision 4, are governed by Minnesota Statutes, section 15.069.

Subd. 2. [MEMBERSHIP.] Members are appointed by the commissioner of children, families, and learning. The commissioner must appoint two members of the task force from rural programs, two members from suburban programs, two members from urban programs, one member from a nonprofit group that has knowledge and expertise in the area of adult literacy, one member who is currently an adult basic education learner or has participated in an adult basic education program, and one member who is an adult basic education instructor. The composition of the task force must allow for equal representation from adult basic education learners, instructors, and administrators.

Subd. 3. [DUTIES.] The task force must:

(1) recommend to the legislature a mission statement for a statewide system of adult basic education programs that includes educational outcomes, services, eligible learners, requirements for teacher licensing, expectations for student advancement and progress, and recognition of the importance of distance learning and other technology-based instruction methods;

(2) recommend to the legislature the minimum number of contact hours that are necessary in order for the program to continue;

(3) recommend to the legislature an adequate and reasonable hourly rate for smaller programs;

(4) recommend to the legislature a reasonable range for the number of instructional hours or a reasonable cap on the number of hours individuals may spend in adult basic education instruction;

(5) recommend to the legislature an outcome-based adult basic education funding system that rewards and recognizes student progress in attaining educational goals; and

(6) review statewide grant applications for supplemental services under Minnesota Statutes, section 124D.522.

Subd. 4. [EXPIRATION.] The adult basic education policy task force expires on January 2, 2001."

Delete the title and insert:

"A bill for an act relating to adult basic education; creating an adult basic education policy task force."

And when so amended the bill do pass and be re-referred to the Committee on Children, Families and Learning.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

**Senator Metzen from the Committee on Governmental Operations and Veterans, to which was referred**

**S.F. No. 2594:** A bill for an act relating to retirement; modifying criteria for membership in the local government employees correctional plan; amending Minnesota Statutes 1999 Supplement, section 353E.02.

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

Delete everything after the enacting clause and insert:

"Section 1. [352G.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to this chapter.

Subd. 2. [ACCUMULATED CONTRIBUTIONS.] "Accumulated contributions" means the total deductions made from the salary of an employee into the health care reimbursement plan.

Subd. 3. [ALLOWABLE SERVICE.] "Allowable service" means allowable service under chapter 3A, 352, 352B, 352D, or 490 except any allowable service reinstated by repaying a refund on or after July 1, 2000.

Subd. 4. [BOARD.] "Board" means the board of directors of the Minnesota state retirement system established under section 352.03.

Subd. 5. [DESIGNATED BENEFICIARY.] "Designated beneficiary" means the designated beneficiary established by the included participants or eligible retired employees under the retirement plan under chapter 3A, 352, 352B, 352D, or 490.

Subd. 6. [DISABLED EMPLOYEE.] "Disabled employee" means an employee who has been determined disabled under chapter 3A, 352, 352B, 352D, or 490 and who has at least 15 years of allowable service and was eligible to draw retirement benefits at the time of separation from state service.

Subd. 7. [ELIGIBLE RETIRED EMPLOYEE.] "Eligible retired employee" means a former employee who is drawing monthly retirement benefits under chapter 3A, 352, 352B, 352D, or 490,

Subd. 8. [EMPLOYEE.] "Employee" means a person contributing to a retirement plan under chapter 3A, 352, 352B, 352D, or 490.

Subd. 9. [EXECUTIVE DIRECTOR.] "Executive director" means the executive director of the Minnesota state retirement system under section 352.03, subdivision 5.

Subd. 10. [INCLUDED PARTICIPANTS.] "Included participants" means persons contributing to a retirement plan under chapter 3A, 352, 352B, 352D, or 490 on or after July 1, 2000.

Subd. 11. [INELIGIBLE TERMINATED EMPLOYEE.] "Ineligible terminated employee" means a former state employee who is not eligible for benefits from the health care reimbursement plan.

Subd. 12. [SALARY.] "Salary" means wages or other periodic compensation paid to an employee before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs. Lump sum sick leave payments, severance payments, lump sum annual leave payments and overtime payments made at the time of separation from state service, payments in lieu of any employee-paid group insurance coverage, including the difference between single and family rates that may be paid to an employee with single coverage, and payments made as an employer-paid fringe benefit, workers' compensation payments, employer contributions to a deferred compensation or tax sheltered annuity program, and amounts contributed under a benevolent vacation and sick leave donation program are not salary.

## Sec. 2. [352G.02] [HEALTH CARE REIMBURSEMENT PLAN.]

Subdivision 1. [ESTABLISHMENT.] There is established the health care reimbursement plan for state employees covered under chapter 3A, 352, 352B, 352D, or 490. This plan must meet qualification requirements under the Internal Revenue Code, section 401(h), to ensure that both contributions and benefit payments are tax free.

Subd. 2. [STATE EMPLOYEES COVERED.] Every state employee contributing to a plan under chapter 3A, 352, 352B, 352D, or 490 on or after July 1, 2000, is covered by the health care reimbursement plan. Acceptance of state employment or continuance in state service in which contributions are made under chapter 3A, 352, 352B, 352D, or 490 is deemed consent to have deductions made from salary for deposit to the credit of the account of the state employee in the health care reimbursement plan.

## Sec. 3. [352G.03] [COVERAGE TERMINATION.]

Coverage of any person under the health care reimbursement plan ends when the person ceases to be a state employee or is no longer covered by a pension plan under chapter 3A, 352, 352B, 352D, or 490.

## Sec. 4. [352G.04] [APPEALS PROCEDURE.]

A decision by the executive director may be appealed in the manner provided in section 352.031.

## Sec. 5. [352G.05] [STATE EMPLOYEES HEALTH CARE REIMBURSEMENT FUND.]

Subdivision 1. [FUND CREATED.] There is created in the state treasury a special account to be known as the state employees health care reimbursement fund. Employee contributions, employer contributions, investment returns, and any other receipts authorized by law must be deposited in the state treasury and credited to the account.

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund equals .5 percent of salary. The contribution must be made by deduction from salary as provided in section 352.04, subdivision 4.

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund equals .5 percent of salary. The contribution must be made under section 352.04, subdivisions 5 and 6.

Subd. 4. [OMITTED SALARY DEDUCTIONS.] If a department fails to take deductions from an employee's salary as provided in this section, the collection of omitted deductions must be made in accordance with section 352.04, subdivision 8, paragraphs (a), (b), and (c).

Subd. 5. [ERRONEOUS DEDUCTIONS; CANCELED WARRANTS.] Deductions taken from the salary of an employee for the health care reimbursement plan in error must, upon discovery and verification by the department making the deduction, be refunded to the employee in accordance with section 352.04, subdivision 9.

Subd. 6. [DISBURSEMENTS.] The expenses of the health care reimbursement plan and any benefits provided by law must be paid from the health care reimbursement fund.

Sec. 6. [352G.06] [TREASURER OF THE FUND.]

The state treasurer is ex officio treasurer of the health care reimbursement fund. The treasurer shall deliver to the executive director copies of all payroll abstracts of the state together with the commissioner of finance's warrants covering the deductions made on the payroll abstracts for the health care reimbursement plan. The executive director shall have a list made of the commissioner of finance's warrants. These warrants must then be deposited in the state treasury and credited to the health care reimbursement fund. The treasurer shall pay out of the fund only on warrants issued by the commissioner of finance, upon abstracts signed by the executive director, or by the finance officer designated by the executive director during the disability or the absence of the executive director. Abstracts for investments may be signed by the executive director of the state board of investment.

Sec. 7. [352G.07] [INVESTMENT BOARD TO INVEST FUND.]

The executive director shall, from time to time, certify to the state board of investment any portions of the health care reimbursement fund that in the judgment of the executive director are not required for immediate use. The state board of investment shall invest and reinvest sums so transferred, or certified, in securities that are duly authorized legal investments under section 11A.24. Assets of the health care reimbursement fund must be accounted for separately from the retirement funds invested by the investment board.

Sec. 8. [352G.08] [HEALTH CARE REIMBURSEMENT PLAN BENEFITS.]

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] After separation from state service, an employee who has attained the age of at least 60 years, who has at least 15 years of allowable service, and who is immediately eligible for retirement or disability benefits, or an employee who qualifies for the rule of 90 regardless of age, is entitled upon application to benefits from the health care reimbursement plan as long as the employee has not accepted a refund under section 352G.10, subdivisions 1 and 2, or has repaid all refunds to the health care reimbursement plan under section 352G.10, subdivision 4. Benefits are not payable to an eligible disabled employee who is no longer collecting disability or retirement benefits.

Subd. 2. [BENEFIT SCHEDULE.] Those meeting the eligibility requirements in subdivision 1 will be entitled to the following monthly benefits:

<u>Retirement Date</u>	<u>Monthly Benefits</u>
<u>July 1, 2000 - June 30, 2002</u>	<u>\$55</u>
<u>July 1, 2002 - June 30, 2003</u>	<u>\$64</u>
<u>July 1, 2003 - June 30, 2004</u>	<u>\$73</u>
<u>July 1, 2004 - June 30, 2005</u>	<u>\$82</u>
<u>July 1, 2005 - June 30, 2006</u>	<u>\$92</u>

<u>July 1, 2006 - June 30, 2007</u>	<u>\$102</u>
<u>July 1, 2007 - June 30, 2008</u>	<u>\$113</u>
<u>July 1, 2008 - June 30, 2009</u>	<u>\$123</u>
<u>July 1, 2009 - June 30, 2010</u>	<u>\$134</u>
<u>July 1, 2010 - June 30, 2011</u>	<u>\$146</u>
<u>July 1, 2011 - and after</u>	<u>\$158</u>

Subd. 3. [PAYMENTS.] The first monthly payment will begin on July 1, 2002, and will be based on the schedule above. No monthly payments will be made before July 1, 2002. Payments will be paid directly to the eligible retired employee, but only upon providing documentation that the money will be used to offset health insurance premiums or any other health expenses to meet the requirements under the Internal Revenue Code, section 401(h). At the discretion of the executive director, payments may be added to the monthly retirement checks received by the eligible retired employee.

Subd. 4. [TERMINATION OF BENEFITS.] Monthly benefits will terminate upon the death of the member and will not continue to a survivor or designated beneficiary.

Sec. 9. [352G.09] [ANNUAL INCREASES, CALCULATION OF HEALTH INSURANCE PLAN INFLATION ADJUSTMENT.]

(a) Annually, following June 30, the Minnesota state retirement system shall use the procedures in paragraph (b) to determine whether an inflation adjustment is payable and to determine the amount of the adjustment.

(b) If the medical inflation index increases from June 30 of the preceding year to June 30 of the current year, the Minnesota state retirement system shall certify the percentage increase. The amount certified is the lesser of the medical inflation index or five percent. The board, at its discretion, may decrease the adjustment in any year in order to maintain the financial integrity of the health insurance plan, which includes avoiding projected unfunded liability. The board will seek advice from an approved actuary in determining whether the inflation adjustment should be lowered.

(c) If an increase is payable, it will occur the following January 1. An eligible retired employee who has been receiving health insurance reimbursement benefits for at least 12 months as of the current June 30 is eligible to receive a full insurance plan inflation adjustment. An eligible retired employee who has been receiving a health insurance benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial inflation adjustment as follows:

<u>Month Retired</u>	<u>Fraction of the Increase</u>
<u>July</u>	<u>11/12</u>
<u>August</u>	<u>10/12</u>
<u>September</u>	<u>9/12</u>
<u>October</u>	<u>8/12</u>
<u>November</u>	<u>7/12</u>
<u>December</u>	<u>6/12</u>
<u>January</u>	<u>5/12</u>
<u>February</u>	<u>4/12</u>
<u>March</u>	<u>3/12</u>
<u>April</u>	<u>2/12</u>
<u>May</u>	<u>1/12</u>

Sec. 10. [352G.10] [REFUND OF EMPLOYEE CONTRIBUTIONS.]

Subdivision 1. [REFUND.] An ineligible terminated employee, an eligible retired employee who has not yet begun collecting benefits, or an employee who moves to a state position no longer covered by chapter 3A, 352, 352B, 352D, or 490 may apply for a refund provided in subdivision 2. Application for a refund may be made after the termination of state service if the applicant has not again become a state employee required to be covered by the plan.

Subd. 2. [AMOUNT OF REFUND.] The refund payable to a person defined in subdivision 1 is an amount equal to employee contributions plus interest at a rate of five percent per year compounded annually. The amount of the refund must be paid from contributions under section 352G.05 before the contributions are credited to the health care reimbursement fund.

Subd. 3. [TERMINATION OF RIGHTS.] When an ineligible terminated employee or an eligible retired employee accepts a refund as provided in subdivision 2, all existing service and all rights and benefits to which the employee was entitled before accepting the refund terminate.

Subd. 4. [REPAYMENT OF REFUND.] An included participant may repay a refund paid under subdivision 2 by paying the amount refunded plus 8.5 percent interest compounded annually. All refunds must be paid before termination or within one month following termination of state service.

Sec. 11. [352G.11] [PAYMENTS UPON THE DEATH OF AN INCLUDED PARTICIPANT.]

Upon the death of an included participant or a person not yet collecting monthly benefits under this section, the designated beneficiary is entitled to a refund of contributions plus five percent interest, compounded annually.

Sec. 12. [352G.12] [PAYMENT UPON THE DEATH OF AN ELIGIBLE RETIRED EMPLOYEE.]

Upon the death of an eligible retired employee who has started collecting monthly benefits, the designated beneficiary is entitled to a refund of the eligible retired employee's contributions plus five percent interest compounded annually until the date of termination of state service, less the monthly benefits that have been paid.

Sec. 13. [352G.13] [UNLIMITED RIGHT TO AMEND.]

Notwithstanding any other provision of the health care reimbursement plan or the Internal Revenue Code, the health care reimbursement plan may be amended at any time and in any manner for any reason whatsoever. This right to amend includes, but is not limited to, the right to reduce or eliminate prospectively or retroactively any or all health benefits under the health care reimbursement plan for any or all persons who may be members, retirees, and other recipients or otherwise may be entitled to health benefits under the plan. Benefits may be reduced or eliminated for any or all persons including members, retirees, and other recipients even if they are then entitled to or are receiving health benefits.

Sec. 14. [CURRENT RETIREES AND DISABLED EMPLOYEES.]

Any current retiree or disabled employee receiving monthly benefits under Minnesota Statutes, chapter 3A, 352, 352B, 352D, or 490, who has 15 or more years of service and is age 60 or who qualified for the rule of 90 at the time of termination of public employment must be paid an additional \$55 per month. This additional payment must be added to the retired or disabled employee's monthly retirement check and is eligible for future postretirement adjustments under Minnesota Statutes, section 11A.18, subdivision 9. The present value necessary to provide this benefit increase to retired and disabled employees must be transferred to the postretirement fund under Minnesota Statutes, section 11A.18, subdivision 6, from the retirement fund the person is currently receiving the benefits. If the retired or disabled employee is receiving payments from more than one retirement plan meeting qualifications under this subdivision, the required reserves must be transferred from the plan with the most service credit.

Sec. 15. [RETIREEES AND DISABLED EMPLOYEES UNDER AGE 60.]

A retired or disabled employee who has 15 or more years of service, but has not yet reached age 60 must be paid an additional \$55 per month upon attainment of age 60. The present value necessary to provide the benefit increase to those who become eligible later must be transferred to the postretirement fund when they reach age 60.

Sec. 16. [FIRST INCREASE.]

An eligible or retired eligible employee is first eligible for an increase under section 14 or 15 on January 1, 2003. The required reserves to support the payment must be transferred on July 1, 2001.

Sec. 17. [POSTRETIREMENT HEALTH CARE TASK FORCE.]

(a) The commissioner of employee relations shall convene a task force on postretirement health care. The task force shall identify strategies for providing postretirement health care coverage for public employees and make recommendations regarding the most appropriate and efficient manner for providing postretirement health care.

(b) The task force shall include, but not be limited to, the following:

(1) a representative of the department of employee relations;

(2) a representative of the Minnesota state retirement system;

(3) a representative of the teachers retirement association;

(4) a representative of the public employees retirement association;

(5) a representative of the first class city teacher retirement fund associations;

(6) a representative of the first class city police and fire department relief associations;

(7) a representative of the Minneapolis employees retirement fund;

(8) a representative of the legislative coordinating commission subcommittee on employee relations;

(9) one representative each from the Minnesota school boards association, the association of Minnesota counties, the Minnesota association of townships, and the league of Minnesota cities;

(10) exclusive representatives of affected public employees; and

(11) representatives of major public employers.

(c) The task force shall report its findings and recommendations to the legislature by November 15, 2000. The report shall address:

(1) alternative methods of providing and paying for postretirement health care;

(2) the estimated cost of providing postretirement health care under various alternatives; and

(3) the most efficient administrative structure for providing for postretirement health care.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. [TRANSFER TO COVER RETIREES AND DISABLED EMPLOYEES.] A sum sufficient to make the transfers required by sections 14 and 15 is appropriated from the respective retirement funds.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] A sum sufficient to pay the employer contribution required by section 5, subdivision 3, for the fiscal year ending June 30, 2001, is appropriated from the various funds in the state treasury from which salaries are paid. The legislature estimates the cost to the general fund will be \$4,408,000. The commissioner of finance, in consultation with the commissioner of employee relations, shall determine the amounts needed, make the necessary transfers to the various appropriation accounts from which salaries are paid, and report the amounts transferred to the chairs of the senate finance committees and the house ways and means committee.

Subd. 3. [POSTRETIREMENT HEALTH CARE STUDY.] \$232,000 is appropriated from the general fund to the commissioner of employee relations to pay the costs of conducting the



postretirement health care study and preparing the report required by section 17, to be available until June 30, 2001.

Sec. 19. [EFFECTIVE DATE.]

This act is effective July 1, 2000."

Delete the title and insert:

"A bill for an act relating to retirement; establishing a health care reimbursement plan for retirees of retirement funds administered by the Minnesota state retirement system; establishing a task force to study postretirement health care for all public employees; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 352G."

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

**Senator Hottinger from the Committee on Health and Family Security, to which was re-referred**

**S.F. No. 3055:** A bill for an act relating to health plans; regulating contract stacking; providing a remedy; amending Minnesota Statutes 1999 Supplement, section 62Q.74, subdivision 1.

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

Page 1, line 21, delete "and" and before the period, insert "; or a hospital licensed under chapter 144"

Page 2, after line 3, insert:

"Sec. 2. [PREMIUM COST STUDY.]

The commissioner of health, in cooperation with other state agencies, shall determine whether the implementation of Minnesota Statutes, section 62Q.74, increased premium costs for health-related coverage, and if so, by how much. The commissioner shall also determine whether the implementation of Minnesota Statutes, section 62Q.74, as limited the ability of employers to purchase managed care plans. The commissioner shall report the findings to the legislature by January 15, 2002."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "expanding the scope of provisions regulating network shadow contracting; requiring the commissioner of health to study the impact of regulating shadow contracting;"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 3290, 3586, 3699, 619, 3203, 2753, 2830, 2770, 887, 3046, 2289, 2749, 3145, 1231, 3006, 3259, 1495, 3272 and 3055 were read the second time.

## MOTIONS AND RESOLUTIONS

Senator Ranum moved that her name be stricken as a co-author to S.F. No. 751. The motion prevailed.

Senator Wiger moved that the name of Senator Laidig be added as a co-author to S.F. No. 2326. The motion prevailed.

Senator Hottinger moved that the names of Senators Stumpf and Belanger be added as co-authors to S.F. No. 3768. The motion prevailed.

Senator Robertson moved that S.F. No. 2289, on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

Senator Kelley, S.P. moved that S.F. No. 3346, No. 103 on General Orders, be stricken and re-referred to the Committee on Rules and Administration. The motion prevailed.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

#### **Senator Wiger introduced--**

**S.F. No. 3773:** A bill for an act relating to taxation; income; modifying marriage penalty credit; amending Minnesota Statutes 1999 Supplement, section 290.0675, subdivisions 1 and 3.

Referred to the Committee on Taxes.

#### **Senator Krentz introduced--**

**S.F. No. 3774:** A bill for an act relating to capital improvements; authorizing state bonds and appropriating money for improvements designed to minimize lifetime building costs for capital projects of statewide significance.

Referred to the Committee on Governmental Operations and Veterans.

#### **Senator Murphy introduced--**

**S.F. No. 3775:** A bill for an act relating to capital improvements; appropriating money for the Great River Ridge trail; authorizing state bonds.

Referred to the Committee on Environment and Natural Resources.

#### **Senator Kelley, S.P. introduced--**

**S.F. No. 3776:** A bill for an act relating to health care; eliminating the medical assistance surcharge; amending Minnesota Statutes 1998, sections 62J.041, subdivision 1; 144A.071, subdivision 4a; and 256B.74, subdivision 7; Minnesota Statutes 1999 Supplement, section 256B.431, subdivision 2i; repealing Minnesota Statutes 1998, sections 256.9656; 256.9657; and 256B.19, subdivision 1b.

Referred to the Committee on Health and Family Security.

#### **Senators Betzold, Scheid, Cohen and Runbeck introduced--**

**S.F. No. 3777:** A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; providing for a grant to the city of Brooklyn Park for sound abatement measures for the Minnesota orchestra outdoor performing arts center; authorizing issuance of bonds; appropriating money.

Referred to the Committee on Governmental Operations and Veterans.

**Senator Terwilliger introduced--**

**S.F. No. 3778:** A bill for an act relating to education; permitting independent school district No. 272, Eden Prairie, to exceed the total levy limit; amending Laws 1999, chapter 241, article 1, section 61.

Referred to the Committee on Children, Families and Learning.

**Senators Knutson and Neuville introduced--**

**S.F. No. 3779:** A bill for an act relating to income taxes; modifying the education credit; amending Minnesota Statutes 1999 Supplement, section 290.0674, subdivision 2.

Referred to the Committee on Taxes.

**Senator Pariseau introduced--**

**S.F. No. 3780:** A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for the Lakeville Area Arts Center.

Referred to the Committee on Governmental Operations and Veterans.

**Senators Frederickson, Stumpf, Kinkel and Berg introduced--**

**S.F. No. 3781:** A bill for an act relating to health; establishing a rural hospital capital improvement grant and loan program; appropriating money.

Referred to the Committee on Health and Family Security.

**Senator Pogemiller introduced--**

**S.F. No. 3782:** A bill for an act relating to education; increasing the general education formula; reserving revenue for telecommunications access; providing for telecommunications access revenue; appropriating money; amending Minnesota Statutes 1999 Supplement, section 126C.10, subdivision 2; Laws 1999, chapter 241, article 8, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 125B.

Referred to the Committee on Children, Families and Learning.

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

**S.F. No. 3783:** A bill for an act relating to education; providing for a fund transfer between independent school district Nos. 604, Mentor, and 2609, Win-E-Mac.

Referred to the Committee on Children, Families and Learning.

**Senators Price, Frederickson, Betzold, Metzen and Cohen introduced--**

**S.F. No. 3784:** A bill for an act relating to appropriations; making supplemental appropriations and reductions; imposing certain conditions; amending Minnesota Statutes 1998, sections 16A.11, subdivision 3; 16A.126, subdivision 2; 16B.052; 16B.121; 16B.48, subdivision 4; 16B.485; 16E.01, as amended; 16E.04, as amended; 16E.05; 16E.06; 16E.07, subdivisions 2, 5, 6, 7, 8, 9, 10, and 11; and 422A.101, subdivision 3; Minnesota Statutes 1999 Supplement, sections 16A.129, subdivision 3; 16E.02, subdivision 1; and 16E.08; Laws 1999, chapter 250, article 1, sections 11; 12, subdivision 8; 14, subdivision 3; and 18; repealing Laws 1999, chapter 250, article 1, section 15, subdivision 4.

Referred to the Committee on State Government Finance.

**MEMBERS EXCUSED**

Senator Olson was excused from the Session of today from 9:00 to 9:25 a.m. Senator Fischbach was excused from the Session of today from 9:00 to 9:30 a.m. Senator Wiener was excused from the Session of today from 9:00 to 10:30 a.m. Senator Novak was excused from the Session of today at 11:45 a.m.

**ADJOURNMENT**

Senator Junge moved that the Senate do now adjourn until 9:00 a.m., Tuesday, March 14, 2000. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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Monday, March 13, 2000

## REPORTS OF COMMITTEES AND SECOND READINGS

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