

STATE OF MINNESOTA

Journal of the Senate

EIGHTIETH LEGISLATURE

FIFTIETH DAY

St. Paul, Minnesota, Wednesday, April 30, 1997

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Dr. John Eagen.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Janezich was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 29, 1997

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1342, 652, 1025, 465 and 1094.

Warmest regards,
Arne H. Carlson, Governor

April 30, 1997

The Honorable Phil Carruthers
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1997 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1997	Date Filed 1997
1342		Res. No. 4	2:30 p.m. April 29	April 29
	591	67	2:20 p.m. April 29	April 29
	1123	68	2:22 p.m. April 29	April 29
652		69	2:23 p.m. April 29	April 29
1025		70	2:25 p.m. April 29	April 29
465		71	2:27 p.m. April 29	April 29
	473	72	2:30 p.m. April 29	April 29
1094		73	2:34 p.m. April 29	April 29

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 839, 951, 1037, 1669, 36, 574, 890 and 1155.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 612: A bill for an act relating to Washington county; permitting the appointment of the recorder and auditor/treasurer.

Senate File No. 612 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

Mr. Wiger moved that the Senate do not concur in the amendments by the House to S.F. No. 612, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 512: A bill for an act relating to employment; making technical and administrative changes in the department of employee relations; modifying provisions governing state employment; modifying terms of certain pilot projects; requiring a study and report; amending Minnesota Statutes 1996, sections 13.67; 15.53, subdivision 2; 43A.04, subdivision 1; 43A.07, subdivision 5; 43A.08, subdivision 1; 43A.27, subdivision 3; and 43A.30, subdivisions 4 and 5; Laws 1993, chapter 301, section 1, subdivision 4; and Laws 1995, chapter 248, articles 12, section 2; and 13, sections 2, subdivisions 2, 5, and 6; and 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 15; and 43A; repealing Minnesota Statutes 1996, section 43A.182; and Laws 1995, chapter 248, article 10, section 12.

Senate File No. 512 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

CONCURRENCE AND REPASSAGE

Ms. Runbeck moved that the Senate concur in the amendments by the House to S.F. No. 512 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 512 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Higgins	Krentz	Ourada	Scheid
Belanger	Hottinger	Lesewski	Pappas	Spear
Berglin	Johnson, D.E.	Lessard	Piper	Stevens
Betzold	Johnson, D.H.	Limmer	Pogemiller	Terwilliger
Cohen	Johnson, D.J.	Lourey	Price	Vickerman
Day	Johnson, J.B.	Marty	Ranum	Wiener
Dille	Kelley, S.P.	Metzen	Robertson	Wiger
Fischbach	Kelly, R.C.	Moe, R.D.	Robling	
Flynn	Kiscaden	Murphy	Runbeck	
Foley	Kleis	Oliver	Sams	
Hanson	Knutson	Olson	Samuelson	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 351: A bill for an act relating to administrative rules; assigning responsibility for legislative review of administrative rules to the legislative coordinating commission; abolishing authority to suspend rules without enactment of a statute; amending Minnesota Statutes 1996, sections 3.841; 3.842, subdivisions 2 and 4a; 3.843; 14.05, subdivision 5; 14.131; 14.14, subdivision 1a; 14.15, subdivision 4; 14.18, subdivision 1; 14.19; 14.22, subdivision 1; 14.225; 14.23; 14.26, subdivisions 1 and 3; and 14.47, subdivision 6; repealing Minnesota Statutes 1996, sections 3.842, subdivisions 4, 5, 6, and 7; 3.844; 3.845; and 15.065.

Senate File No. 351 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

CONCURRENCE AND REPASSAGE

Mr. Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 351 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 351 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 457: A bill for an act relating to professions; modifying provisions relating to the board of social work; providing civil penalties; amending Minnesota Statutes 1996, sections 13.99, subdivision 50; 148B.01, subdivisions 4 and 7; 148B.03; 148B.04, subdivisions 2, 3, and 4; 148B.06, subdivision 3; 148B.07; 148B.08, subdivision 2; 148B.18, subdivisions 4, 5, 11, and by adding subdivisions; 148B.19, subdivisions 1, 2, and 4; 148B.20, subdivision 1, and by adding a subdivision; 148B.21, subdivisions 3, 4, 5, 6, 7, and by adding a subdivision; 148B.215; 148B.22, by adding a subdivision; 148B.26, subdivision 1, and by adding a subdivision; 148B.27, subdivisions 1 and 2; and 148B.28, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1996, sections 148B.01, subdivision 3; 148B.18, subdivisions 6 and 7; 148B.19, subdivision 3; and 148B.23.

Senate File No. 457 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

Mr. Betzold moved that the Senate do not concur in the amendments by the House to S.F. No. 457, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 950: A bill for an act relating to education; adopting working group recommendations for conducting teacher background checks; amending Minnesota Statutes 1996, section 120.1045.

Senate File No. 950 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

CONCURRENCE AND REPASSAGE

Mr. Kelly, R.C. moved that the Senate concur in the amendments by the House to S.F. No. 950 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 950 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Olson	Samuelson
Beckman	Higgins	Laidig	Ourada	Scheevel
Belanger	Hottinger	Langseth	Pappas	Scheid
Berg	Johnson, D.E.	Larson	Pariseau	Solon
Berglin	Johnson, D.H.	Lesewski	Piper	Spear
Betzold	Johnson, D.J.	Limmer	Pogemiller	Stevens
Cohen	Johnson, J.B.	Lourey	Price	Ten Eyck
Day	Junge	Marty	Ranum	Terwilliger
Dille	Kelley, S.P.	Metzen	Robertson	Vickerman
Fischbach	Kelly, R.C.	Moe, R.D.	Robling	Wiener
Flynn	Kleis	Murphy	Runbeck	Wiger
Frederickson	Knutson	Oliver	Sams	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 526: A bill for an act relating to agriculture; providing for food handler certification; proposing coding for new law in Minnesota Statutes, chapter 31.

There has been appointed as such committee on the part of the House:

Juhnke, Wenzel and Gunther.

Senate File No. 526 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1888: A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; prescribing changes in certain financial assistance programs; establishing educational savings plan accounts; clarifying duties of the higher education services office; providing for appropriations for certain enrollments; defining the mission for the Minnesota state colleges and universities system; clarifying the common numbering and credit transfer requirements; making technical corrections relating to the post-secondary merger; modifying the higher education facilities authority revenue bond authority; modifying certain capital improvement projects; placing a condition on referendums by campus student associations; establishing the Minnesota Virtual University and a roundtable on vocational technical education; amending Minnesota Statutes 1996, sections 16A.69, subdivision 2; 125.1385, subdivision 2; 126.56, subdivisions 2, 4a, and 7; 135A.031, subdivision 2; 135A.052, subdivision 1; 135A.08, subdivision 2; 136A.01, subdivision 2, and by adding a subdivision; 136A.03; 136A.121, subdivisions 5, 7, and 9a; 136A.125, subdivisions 3 and 4; 136A.136, subdivision 2; 136A.15, by adding a subdivision; 136A.16, subdivisions 1, 2, 8, and by adding subdivisions; 136A.171; 136A.173, subdivisions 1, 3, and 5; 136A.174; 136A.175, subdivisions 1 and 2; 136A.233, subdivisions 1 and 2; 136A.29, subdivision 9; 136F.05; 216C.27, subdivision 7; Laws 1994, chapter 643, sections 10, subdivision 10, as amended; and 19, subdivision 9, as amended; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Laws 1995, chapter 212, article 4, section 34; and Laws 1995, First Special Session chapter 2, article 1, sections 35 and 36.

There has been appointed as such committee on the part of the House:

Pelowski; Carlson; Johnson, R.; Leppik and Bettermann.

Senate File No. 1888 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 29, 1997

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 257:

H.F. No. 257: A bill for an act relating to health; establishing licensing requirements for the provision of ambulance service; establishing registration requirements for first responders; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1996, section 144.802, subdivisions 1, 2, 3, 3b, 4, 5, and 6.

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

Dorn, Greiling and Davids have been appointed as such committee on the part of the House.

House File No. 257 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1997

Mrs. Lourey moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 257, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 282:

H.F. No. 282: A bill for an act relating to the metropolitan council; providing for appointment, discharge, and discipline of metropolitan transit police peace officers; amending Minnesota Statutes 1996, sections 473.125; 473.407, subdivision 4; and 626.84, subdivision 1.

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

Stanek, Mahon and Skoglund have been appointed as such committee on the part of the House.

House File No. 282 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1997

Mr. Wiger moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 282, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1684:

H.F. No. 1684: A bill for an act relating to education; kindergarten through grade 12; providing for general education; special programs; lifework development; education organization, cooperation, and facilities; education excellence; academic performance; education policy issues; libraries; technology; state agencies; conforming and technical amendments; school bus safety; appropriating money; amending Minnesota Statutes 1996, sections 16A.11, by adding a subdivision; 120.062, subdivisions 7 and 9; 120.0621, subdivisions 5a, 5b, 6, and by adding a subdivision; 120.064, subdivisions 3, 4, 4a, 5, 8, 11, 20a, and by adding subdivisions; 120.101, subdivision 5c, and by adding a subdivision; 120.17, subdivision 3a; 120.181; 121.11, subdivision 7c, and by adding a subdivision; 121.1115, by adding subdivisions; 121.15, by adding subdivisions; 121.155, by adding a subdivision; 121.602, subdivisions 1, 2, and 4; 121.611; 121.615, subdivisions 2, 3, 5, 6, 7, 8, 9, and 10; 121.703, subdivision 3; 121.904, subdivision 4a; 123.34, by adding a subdivision; 123.3514, subdivisions 4, 4a, 4c, 4e, 6c, 8, and by adding subdivisions; 123.39, subdivision 6; 123.799, subdivision 1; 123.7991, subdivisions 1 and 2; 123.935, subdivision 7; 124.155, subdivision 1; 124.17, subdivision 4, and by adding a subdivision; 124.193; 124.195, subdivisions 2, 7, 10, 11, and by adding a subdivision; 124.225, subdivisions 1, 3a, 7b, 7d, 7f, 8a, 10, 13, 14, 15, and 17; 124.226, subdivisions 4, 9, and 10; 124.2445; 124.2455; 124.248, subdivisions 1 and 3; 124.2613, subdivisions 3 and 6; 124.2727, subdivisions 6a, 6c, and 6d; 124.273, subdivisions 1d, 1e, 1f, and 5; 124.312, subdivisions 4 and 5; 124.313; 124.314, subdivisions 1 and 2; 124.3201, subdivisions 1, 2, 3, and 4; 124.321, subdivision 1; 124.323, subdivisions 1 and 2; 124.42, subdivision 4; 124.431, subdivisions 2 and

11; 124.45; 124.481; 124.573, subdivision 2f; 124.574, subdivisions 1, 2d, 2f, 5, 6, and 9; 124.646, subdivision 1; 124.83, subdivisions 1 and 2; 124.86, subdivision 2, and by adding a subdivision; 124.91, subdivisions 1 and 5; 124.912, subdivisions 1, 2, and 3; 124.916, subdivisions 1, 2, and 3; 124.918, subdivision 6; 124.95, subdivision 2; 124.961; 124A.03, subdivision 1c; 124A.036, subdivisions 5 and 6; 124A.04, subdivision 2; 124A.22, subdivisions 1, 2, as amended, 3, 6, 6a, 10, 11, 13b, and by adding a subdivision; 124A.225, subdivisions 1 and 4; 124A.23, subdivisions 1 and 3; 124A.26, subdivision 1; 124A.28; 124C.45, subdivision 1a; 124C.46, subdivisions 1 and 2; 124C.498, subdivision 2; 125.05, subdivisions 1c and 2; 125.12, subdivision 14; 126.22, subdivision 2; 126.23, subdivision 1; 126.77, subdivision 1; 126.82; 127.27, subdivision 10; 127.282; 128C.02, subdivision 2; 128C.08, subdivision 5; 134.155, subdivisions 2 and 3; 134.34, subdivision 4; 136A.233, by adding a subdivision; 169.01, subdivision 6; 169.447, subdivision 6; 169.4501, subdivisions 1 and 2; 169.4502, subdivisions 2, 7, 11, and by adding subdivisions; 169.4503, subdivisions 1, 2, 10, 13, 14, 17, 19, 23, 24, and by adding a subdivision; 169.4504, subdivision 1, and by adding a subdivision; 169.452; and 171.3215, subdivision 4; Laws 1991, chapter 265, article 1, section 30, as amended; Laws 1992, chapter 499, article 7, section 31; Laws 1995, First Special Session chapter 3, article 1, section 56; article 2, section 52; article 3, section 11, subdivisions 1, 2, and 5; article 11, section 21, subdivision 3; article 12, section 7, subdivision 1; Laws 1996, chapter 412, article 4, section 34, subdivision 4; and article 12, sections 8 and 11; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 124; 126; and 127; proposing coding for new law as Minnesota Statutes, chapter 256J; repealing Minnesota Statutes 1996, sections 121.904, subdivision 4d; 124.177; 124.225, subdivisions 13, 14, 15, 16, and 17; 124.226, subdivisions 1, 3, 3a, 6, and 10; 124.3201, subdivisions 2a and 2b; 124A.22, subdivisions 2a, 13, and 13a; 124A.697; 124A.698; 124A.70; 124A.71; 124A.711; 124A.72; 124A.73; 126.113; 128B.10; 134.34, subdivision 4a; 134.46; 169.4502, subdivisions 6 and 9; 169.4503, subdivisions 3, 8, 9, 11, 12, and 22; and 169.454, subdivision 11; Laws 1993, chapter 146, article 5, section 20; Laws 1994, chapter 647, article 7, section 18; and Laws 1995, First Special Session chapter 3, article 12, section 8.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kelso, Solberg, Entenza, Greiling and Koppendrayner have been appointed as such committee on the part of the House.

House File No. 1684 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1997

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1684, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 244, 254, 1863 and 2179.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 29, 1997

FIRST READING OF HOUSE BILLS

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

H.F. No. 244: A bill for an act relating to the environment; modifying requirements relating to individual sewage treatment systems; amending Minnesota Statutes 1996, section 115.55, subdivisions 2, 3, 5, 6, 7, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 389, now on General Orders.

H.F. No. 254: A bill for an act relating to courts; providing for open juvenile court hearings in certain proceedings; providing certain juvenile records are open to public inspection as provided by the rules of juvenile court; amending Minnesota Statutes 1996, sections 260.155, subdivision 1; and 260.161, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 855, now on General Orders.

H.F. No. 1863: A bill for an act relating to agriculture; establishing task force to make recommendations on modifications to the agricultural marketing and bargaining law.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1630, now on General Orders.

H.F. No. 2179: A bill for an act relating to education; formulating statewide testing and reporting system; requiring the state board of education to amend certain educational testing rules; proposing coding for new law in Minnesota Statutes, chapter 121.

Ms. Junge moved that H.F. No. 2179 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mrs. Robling introduced--

Senate Resolution No. 49: A Senate resolution congratulating Paul Brian Talendar of Chaska, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

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

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as it relates to the Committee Report on S.F. No. 1934. The motion prevailed.

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

Ms. Piper, Messrs. Pogemiller and Stumpf from the Committee on Children, Families and Learning, to which was referred

S.F. No. 1934: A bill for an act relating to education; formulating statewide testing and reporting system; proposing coding for new law in Minnesota Statutes, chapter 121.

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

Delete everything after the enacting clause and insert:

"Section 1. [121.1113] [STATEWIDE TESTING AND REPORTING SYSTEM.]

Subdivision 1. [STATEWIDE TESTING.] (a) The commissioner, with advice from experts and stakeholders with appropriate technical qualifications and experience, shall adopt a comprehensive assessment system with, for each grade level to be tested, a single statewide norm-referenced or criterion-referenced test, or a combination of a norm-referenced and a criterion-referenced test, which shall be highly correlated with the state's graduation standards and administered annually to all students in the third, fifth, and eighth grades. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. The Minnesota basic skills tests in reading and mathematics shall be used to fulfill students' eighth grade testing requirements.

(b) The comprehensive assessment system shall include an evaluation of school site and school district performance levels during the 1997-1998 school year and thereafter using an established performance baseline developed from students' test scores under this section that records, at a minimum, students' unweighted mean test scores in each tested subject, a second performance baseline that reports, at a minimum, the same unweighted mean test scores of only those students enrolled in the school by January 1 of the previous school year, and a third performance baseline that reports the same unweighted test scores of all students except those students receiving limited English proficiency instruction. The evaluation also shall record separately, in proximity to the performance baselines, the percentages of students who are eligible to receive a free or reduced price school meal, demonstrate limited English proficiency, or are eligible to receive special education services.

(c) In addition to the testing and reporting requirements under paragraphs (a) and (b), the commissioner, in consultation with the state board of education, shall include the following components in the statewide educational accountability and public reporting system:

(1) uniform statewide testing of all third, fifth, and eighth grade students with exemptions, only with parent or guardian approval, from the testing requirement only for those students for whom the student's individual education plan team under section 120.17, subdivision 2, determines that the student is incapable of taking a statewide test, or a limited English proficiency student, if the student has been in the United States for less than one year and for whom special language barriers exist, such as the student's native language does not have a written form or the district does not have access to interpreter services for the student's language;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis;

(3) students' scores on the American College Test;

(4) participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement; and

(5) basic skills and advanced competencies connecting teaching and learning to high academic standards, assessment, and transitions to citizenship and employment.

(d) Districts must report exemptions under paragraph (c), clause (1), to the commissioner consistent with a format provided by the commissioner.

Subd. 2. [REPORTING.] The commissioner shall report test data publicly and to stakeholders, including performance baselines developed from students' unweighted mean test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

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

Joint Rule 2.03 suspended. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1934 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Johnson, J.B. moved that H.F. No. 457, No. 9 on General Orders, be stricken and laid on the table. The motion prevailed.

Ms. Flynn moved the H.F. No. 454, No. 34 on General Orders, be stricken and laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 2179 be taken from the table. The motion prevailed.

H.F. No. 2179: A bill for an act relating to education; formulating statewide testing and reporting system; requiring the state board of education to amend certain educational testing rules; proposing coding for new law in Minnesota Statutes, chapter 121.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2179 and that the rules of the Senate be so far suspended as to give H.F. No. 2179 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2179 was read the second time.

Mr. Pogemiller moved to amend H.F. No. 2179 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2179, and insert the language after the enacting clause, and the title, of S.F. No. 1934, the first engrossment.

The motion prevailed. So the amendment was adopted.

Ms. Junge moved to amend H.F. No. 2179, as amended by the Senate April 30, 1997, as follows:

(The text of the amended House File is identical to S.F. No. 1934.)

Page 2, line 26, delete "and" and insert "or"

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

Ms. Ranum moved to amend H.F. No. 2179, as amended by the Senate April 30, 1997, as follows:

(The text of the amended House File is identical to S.F. No. 1934.)

Page 2, line 29, before "interpreter" insert "appropriate"

The motion prevailed. So the amendment was adopted.

H.F. No. 2179 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that S.F. No. 1934, No. 1 on the Consent Calendar, be stricken and laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1208 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1208: A bill for an act relating to MinnesotaCare; eliminating the health care commission; modifying the regional coordinating boards; eliminating integrated service networks; modifying the health technology advisory committee; expanding the eligibility of the MinnesotaCare program; modifying general assistance medical care; modifying the enforcement mechanisms for the provider tax pass-through; modifying mandatory Medicare assignment; making technical, policy, and administrative changes and connections to MinnesotaCare taxes; providing grants for MinnesotaCare outreach; appropriating money; amending Minnesota Statutes 1996, sections 60A.15, subdivision 1; 60A.951, subdivision 5; 62A.61; 62J.017; 62J.06; 62J.07, subdivisions 1 and 3; 62J.09, subdivision 1; 62J.15, subdivision 1; 62J.152, subdivisions 1, 2, 4, and 5; 62J.17, subdivision 6a; 62J.22; 62J.25; 62J.2914, subdivision 1; 62J.2915; 62J.2916, subdivision 1; 62J.2917, subdivision 2; 62J.2921, subdivision 2; 62J.451, subdivision 6b; 62M.02, subdivision 21; 62N.01, subdivision 1; 62N.22; 62N.23; 62N.25, subdivision 5; 62N.26; 62N.40; 62Q.01, subdivisions 3, 4, and 5; 62Q.03, subdivision 5a; 62Q.106; 62Q.19, subdivision 1; 62Q.33, subdivision 2; 62Q.45, subdivision 2; 136A.1355; 144.147, subdivisions 1, 2, 3, and 4; 144.1484, subdivision 1; 256.9352, subdivision 3; 256.9353, subdivisions 1, 3, and 7; 256.9354, subdivisions 4, 5, 6, 7, and by adding a subdivision; 256.9355, subdivisions 1, 4, and by adding a subdivision; 256.9357, subdivision 3; 256.9359, subdivision 2; 256.9363, subdivisions 1 and 5; 256.9657, subdivision 3; 256B.04, by adding a subdivision; 256D.03, subdivision 3; 295.50, subdivisions 3, 4, 6, 7, 13, and 14; 295.51, subdivision 1; 295.52, subdivision 4, and by adding a subdivision; 295.53, subdivisions 1, 3, and 4; 295.54, subdivisions 1 and 2; 295.55, subdivision 2; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 16A; 144; and 256; repealing Minnesota Statutes 1996, sections 62J.04, subdivisions 4 and 7; 62J.05; 62J.051; 62J.09, subdivision 3a; 62J.37; 62N.01, subdivision 2; 62N.02, subdivisions 2, 3, 4b, 4c, 6, 7, 8, 9, 10, and 12; 62N.03; 62N.04; 62N.05; 62N.06; 62N.065; 62N.071; 62N.072; 62N.073; 62N.074; 62N.076; 62N.077; 62N.078; 62N.10; 62N.11; 62N.12; 62N.13; 62N.14; 62N.15; 62N.17; 62N.18; 62N.24; 62N.38; 62Q.165, subdivision 3; 62Q.25; 62Q.29; 62Q.41; 147.01, subdivision 6; 295.52,

subdivision 1b; and 295.53, subdivision 5; Laws 1993, chapter 247, article 4, section 8; Laws 1994, chapter 625, article 5, section 5, as amended; Laws 1995, chapter 96, section 2; and Laws 1995, First Special Session chapter 3, article 13, section 2.

Ms. Berglin moved to amend S.F. No. 1208 as follows:

Page 16, line 35, after "alternative" insert "premium" and after "and" insert "of"

Page 16, line 36, after "certain" insert "low-income"

Page 66, line 16, before the period, insert "to a patient or consumer who is not a Minnesota resident"

Page 66, line 17, delete everything after "services"

Page 66, line 18, delete everything before the colon

Page 67, line 2, before the period, insert "to a patient or consumer who is a Minnesota resident"

Page 67, line 3, strike "provided to a patient or consumer" and delete the new language

Page 67, line 4, delete the new language

Page 68, lines 10, 16, and 22, delete "equal to"

Page 77, line 33, delete "paragraphs (a) and (f), are" and insert "paragraph (f), is"

Page 92, line 36, before "The" insert "[SENIOR CITIZEN DRUG PROGRAM.]"

Page 92, line 44, after the period, insert "The premiums from the program shall be deposited in the general fund and appropriated to the commissioner for the administration and operation of the senior citizen drug program."

The motion prevailed. So the amendment was adopted.

Ms. Berglin then moved to amend S.F. No. 1208 as follows:

Page 58, after line 26, insert:

"Sec. 49. [MCHA STANDARDS.]

The commissioner of commerce, in consultation with the commissioner of health, shall establish a comprehensive set of eligibility standards for coverage under the Minnesota comprehensive health association and shall make recommendations for guaranteed issuance in the individual market for individuals who do not meet the eligibility standards for coverage under the Minnesota comprehensive health association. The standards and recommendations shall be reported to the legislature by January 15, 1998."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Wiener moved to amend the second Berglin amendment to S.F. No. 1208 as follows:

Page 1, line 3, after "STANDARDS" insert "STUDY"

Page 1, line 5, delete "establish" and insert "study and make recommendations regarding the feasibility of establishing"

Page 1, lines 7 and 8, delete "shall make recommendations for" and insert "on"

Page 1, line 10, delete "standards and"

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

The question recurred on the adoption of the second Berglin amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Stevens moved to amend S.F. No. 1208 as follows:

Page 9, after line 18, insert:

"Sec. 12. Minnesota Statutes 1996, section 256.9357, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] Families and individuals who enroll on or after October 1, 1992, are eligible for subsidized premium payments based on a sliding scale under section 256.9358 only if the family or individual meets the requirements in subdivisions 2 and 3. Children already enrolled in the children's health plan as of September 30, 1992, eligible under section 256.9354, subdivision 1, paragraph (a), children who enroll in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who enroll under section 256.9354, subdivision 4a, are eligible for subsidized premium payments without meeting these requirements, as long as they maintain continuous coverage in the MinnesotaCare plan or medical assistance.

Families and individuals who initially enrolled in MinnesotaCare under section 256.9354 or 256.9366, and whose income increases above the limits established in ~~section~~ sections 256.9358 and 256.9366, may continue enrollment and pay the full cost of coverage are no longer eligible for the program and shall be disenrolled by the commissioner. MinnesotaCare coverage terminates the last day of the calendar month following the month in which the department determines that the income of a family or individual, determined over a four-month period as required by section 256.9358, exceeds program income limits."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "requiring ineligibility for MinnesotaCare enrollees who exceed income guidelines;"

Page 1, line 32, delete "subdivision 3" and insert "subdivisions 1 and 3"

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 1208. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Kiscaden	Lesewski	Ourada	Scheevel
Berg	Kleis	Limmer	Pariseau	Stevens
Day	Knutson	Neuville	Robertson	Terwilliger
Fischbach	Laidig	Oliver	Robling	
Frederickson	Larson	Olson	Runbeck	

Those who voted in the negative were:

Anderson	Higgins	Krentz	Piper	Spear
Berglin	Hottinger	Lessard	Pogemiller	Stumpf
Betzold	Johnson, D.H.	Lourey	Price	Ten Eyck
Cohen	Johnson, D.J.	Metzen	Ranum	Vickerman
Dille	Johnson, J.B.	Morse	Sams	Wiener
Flynn	Junge	Murphy	Samuelson	Wiger
Foley	Kelley, S.P.	Novak	Scheid	
Hanson	Kelley, R.C.	Pappas	Solon	

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

Mr. Sams moved to amend S.F. No. 1208 as follows:

Page 92, delete lines 46 and 47 and insert:

"Health Care Access Fund	11,302,000	11,401,000	22,703,000"
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Page 92, line 49, delete "\$4,200,000" and insert "\$4,075,000"

Page 93, delete lines 2 and 3 and insert:

"Health Care Access Fund	2,482,000	2,482,000	4,964,000
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[PRIMARY CARE EDUCATION INITIATIVES.] Of this appropriation, \$125,000 in each fiscal year shall be disbursed to the board of regents for primary care physician education and training under Minnesota Statutes, sections 137.38 to 137.40. This appropriation is available only if matched by \$1 of nonstate money for each \$1 of the appropriation. This appropriation is in addition to the current base appropriation for these activities and shall become part of the base appropriation for the fiscal year 2000-2001 biennium."

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend S.F. No. 1208 as follows:

Page 2, line 28, delete "175" and insert "135"

Page 4, line 24, delete "175" and insert "135"

Page 6, lines 2 to 9, reinstate the stricken language

Page 6, lines 22 to 27, delete the new language

Page 7, delete section 7

Page 11, delete section 15

Page 11, lines 27 and 28, delete the new language

Page 12, lines 13, 14, and 16, reinstate the stricken language

Page 12, line 17, delete the new language and reinstate the stricken language

Page 12, line 18, delete the new language

Page 12, lines 19 and 20, reinstate the stricken language

Page 12, delete lines 35 and 36

Page 13, lines 1 to 9, delete the new language

Page 13, lines 10 and 11, reinstate the stricken language

Page 13, line 12, delete the new language and reinstate the stricken language

Page 13, lines 13 to 36, delete the new language

Page 14, lines 1 to 9, delete the new language

Page 14, lines 22 to 27, delete the new language

Page 15, line 35, reinstate the stricken language and delete the new language

Page 16, after line 36, insert:

"Sec. 16. [PROVISION TO SUPERSEDE.]

Notwithstanding Minnesota Statutes, section 645.26, subdivision 3, or any other law to the contrary, if a bill styled as S.F. No. 1908 is enacted by the legislature at its 1997 session, any provision in that bill that transfers funds from the health care access fund to the general fund in an amount equal to the projected savings to general assistance medical care (GAMC) that would result from the transition of GAMC parents and adults without children to the MinnesotaCare program, is superseded by this provision, and no transfer shall take effect."

Pages 59 and 60, delete section 1

Page 60, lines 32 and 33, reinstate the stricken language

Page 60, line 34, delete the new language and reinstate the stricken language

Page 60, line 35, delete the new language

Page 61, lines 13 to 36, delete the new language

Page 62, lines 1 to 4, delete the new language

Page 62, line 7, strike "The commissioner"

Page 62, lines 8 and 9, strike the old language

Page 62, line 10, delete the new language

Page 62, line 11, delete the new language and strike the period

Page 62, line 14, strike ", including" and delete "the"

Page 62, line 15, strike "reserve requirements" and delete " described in section 16A.76" and strike the comma

Pages 63 and 64, delete section 4

Pages 66 and 67, delete sections 8 and 9

Page 68, line 9, strike "two" and insert "one" and delete "from"

Page 68, lines 10 and 11, delete the new language

Page 68, line 15, strike "two" and insert "one" and delete " from"

Page 68, lines 16 and 17, delete the new language

Page 68, line 21, strike "two" and insert "one" and delete " from"

Page 68, lines 22 and 23, delete the new language

Page 68, line 29, strike "two" and insert "one"

Page 69, delete section 18

Page 71, lines 31 and 33, strike "two" and insert "one"

Page 74, line 31, strike "two" and insert "one"

Page 76, lines 2 and 4, strike "two" and insert "one"

Page 77, delete section 26

Page 93, delete lines 19 to 35

Page 93, line 36, delete "6" and insert "5"

Renumber the sections in sequence and correct the internal references

Correct the subdivision and section totals and the summaries by fund accordingly

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Lesewski	Oliver	Robling
Berg	Kleis	Lessard	Olson	Runbeck
Cohen	Knutson	Limmer	Ourada	Scheevel
Fischbach	Laidig	Metzen	Pariseau	Terwilliger
Frederickson	Larson	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Higgins	Krentz	Piper	Stumpf
Berglin	Hottinger	Langseth	Pogemiller	Ten Eyck
Betzold	Johnson, D.H.	Lourey	Price	Vickerman
Day	Johnson, D.J.	Marty	Ranum	Wiener
Dille	Johnson, J.B.	Moe, R.D.	Sams	Wiger
Flynn	Junge	Morse	Scheid	
Foley	Kelley, S.P.	Novak	Solon	
Hanson	Kiscaden	Pappas	Spear	

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

Mr. Neuville moved to amend S.F. No. 1208 as follows:

Page 68, lines 9, 15, 21, and 29, strike "two" and insert "1.5"

Page 68, after line 23, insert:

"Sec. 16. Minnesota Statutes 1996, section 295.52, subdivision 3, is amended to read:

Subd. 3. [WHOLESALE DRUG DISTRIBUTOR TAX.] A tax is imposed on each wholesale drug distributor equal to ~~two~~ 1.5 percent of its gross revenues."

Page 69, delete section 18 and insert:

"Sec. 19. Minnesota Statutes 1996, section 295.52, is amended by adding a subdivision to read:

Subd. 7. [DETERMINATION OF THE TAX IMPOSED.] The commissioner of finance shall determine the balance of the health care access fund on September 1 of each year beginning September 1, 1997. If the balance of the health care access fund after reserves is \$100,000,000 or less, the tax imposed under this section shall equal 1.75 percent of gross revenues received on or after January 1 of the following year. If the balance of the fund after reserves is greater than \$100,000,000, then the tax imposed under this section shall equal 1.5 percent of gross revenues received on or after January 1 of the following year. The commissioner of finance shall publish in the State Register by October 1 of each year the tax to be imposed for the following calendar year for gross revenues received in that year."

Page 71, lines 31 and 33, strike "two" and insert "1.5"

Page 74, line 31, strike "two" and insert "1.5"

Page 76, lines 2 and 4, strike "two" and insert "1.5"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Frederickson	Larson	Olson	Runbeck
Berg	Johnson, D.E.	Lesewski	Ourada	Scheevel
Day	Kleis	Limmer	Pariseau	Stevens
Dille	Knutson	Neuville	Robertson	Terwilliger
Fischbach	Laidig	Oliver	Robling	Wiger

Those who voted in the negative were:

Anderson	Hottinger	Krentz	Pappas	Solon
Beckman	Johnson, D.H.	Lourey	Piper	Spear
Berglin	Johnson, D.J.	Marty	Pogemiller	Stumpf
Betzold	Johnson, J.B.	Metzen	Price	Ten Eyck
Cohen	Junge	Moe, R.D.	Ranum	Vickerman
Flynn	Kelley, S.P.	Morse	Sams	Wiener
Foley	Kelly, R.C.	Murphy	Samuelson	
Hanson	Kiscaden	Novak	Scheid	

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

Ms. Berglin moved that S.F. No. 1208 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2163: Mr. Johnson, D.J.; Ms. Pappas, Messrs. Hottinger, Belanger and Vickerman.

S.F. No. 612: Messrs. Wiger; Kelly, R.C. and Ms. Lesewski.

H.F. No. 257: Mrs. Lourey, Messrs. Dille and Betzold.

H.F. No. 282: Messrs. Wiger; Johnson, D.H. and Ms. Robertson.

S.F. No. 457: Messrs. Betzold, Ten Eyck and Ms. Runbeck.

H.F. No. 1684: Messrs. Pogemiller, Janezich, Mrs. Scheid, Meses. Robertson and Olson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 1208 be taken from the table. The motion prevailed.

Mrs. Pariseau moved to amend S.F. No. 1208 as follows:

Page 68, line 21, before "equal" insert "except dentists"

Page 68, line 23, after the period, insert "A tax is imposed on each dentist, equal to one percent of its gross revenues from resident and nonresident patient services."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Beckman	Frederickson	Lessard	Ourada	Stevens
Belanger	Johnson, D.E.	Limmer	Pariseau	Stumpf
Berg	Kleis	Metzen	Robertson	Ten Eyck
Cohen	Knutson	Neuville	Robling	Terwilliger
Day	Laidig	Novak	Runbeck	Wiger
Dille	Larson	Oliver	Scheevel	
Fischbach	Lesewski	Olson	Solon	

Those who voted in the negative were:

Anderson	Hottinger	Kiscaden	Murphy	Samuelson
Berglin	Johnson, D.H.	Krentz	Pappas	Scheid
Betzold	Johnson, D.J.	Langseth	Piper	Spear
Flynn	Johnson, J.B.	Lourey	Pogemiller	Vickerman
Foley	Junge	Marty	Price	Wiener
Hanson	Kelley, S.P.	Moe, R.D.	Ranum	
Higgins	Kelly, R.C.	Morse	Sams	

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

Mrs. Pariseau then moved to amend S.F. No. 1208 as follows:

Pages 2 and 3, delete section 1

Page 4, line 18, reinstate the stricken "and"

Page 4, lines 19 to 27, delete the new language

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Larson	Olson	Runbeck
Berg	Kiscaden	Lesewski	Ourada	Scheevel
Day	Kleis	Limmer	Pariseau	Stevens
Fischbach	Knutson	Neuville	Robertson	Terwilliger
Frederickson	Laidig	Oliver	Robling	Wiger

Those who voted in the negative were:

Anderson	Dille	Hottinger	Kelley, S.P.	Marty
Beckman	Flynn	Johnson, D.H.	Kelly, R.C.	Metzen
Berglin	Foley	Johnson, D.J.	Krentz	Moe, R.D.
Betzold	Hanson	Johnson, J.B.	Lessard	Morse
Cohen	Higgins	Junge	Lourey	Murphy

Novak
Pappas
Piper

Pogemiller
Price
Ranum

Scheid
Solon
Spear

Stumpf
Ten Eyck
Vickerman

Wiener

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

Ms. Kiscaden moved to amend S.F. No. 1208 as follows:

Page 91, after line 21, insert:

"ARTICLE 5

COMMUNITY PURCHASING ARRANGEMENTS

Section 1. [62S.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms in this section have the meanings given.

Subd. 2. [HEALTH CARE PURCHASING ALLIANCE.] "Health care purchasing alliance" means a business organization created under this chapter to negotiate the purchase of health care services for employees of its members and their dependents. Nothing in this chapter shall be deemed to regulate or impose any requirements on a self-insured employer or labor union. A health care purchasing alliance may include a grouping of:

(1) businesses, including small businesses with one employee. The businesses may or may not be organized under section 62Q.17, as a purchasing pool;

(2) trade association members or church organizations under section 60A.02, or union members who are not in a self-insured benefit plan;

(3) multiple employer welfare associations under chapter 62H;

(4) municipalities or counties;

(5) other government entities; or

(6) any combination of clauses (1) to (5).

The alliance may determine the definition of a business of one employee, but must adhere to its definition and show no bias in selection of members, based on that definition.

Subd. 3. [ACCOUNTABLE PROVIDER NETWORK.] "Accountable provider network" means a group of health care providers organized to market health care services on a risk-sharing or nonrisk-sharing basis with a health care purchasing alliance. Accountable provider networks shall operate as not-for-profit entities or as health care cooperatives, as allowed under chapter 62R.

Subd. 4. [APPLICABILITY.] This chapter only applies when an accountable provider network is marketing and selling services and benefits to the employees of businesses as authorized in section 4.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Sec. 2. [62S.02] [APPLICATION OF OTHER LAWS.]

An accountable provider network is subject to all requirements applicable to a health plan company licensed in the state, except as otherwise noted in this chapter. A contracting arrangement between a health care purchasing alliance and an accountable provider network for provision of health care benefits must provide consumer protection functions comparable to those currently required of a health plan company licensed under section 62N.25, and other statutes referenced in that section, except for modifications and waivers permitted under this chapter.

Sec. 3. [62S.03] [COMPLAINT SYSTEM.]

Every accountable provider network shall establish a complaint system and may contract with the health care purchasing alliance or a vendor for operation of this system. The system must be composed of at least an internal review and discussion within 14 days of submission of a complaint and, if not resolved, a formal appeal to a neutral party using an approach that is confidential, customized to the problem being considered, and completed within 30 days of appeal of the internal review.

Sec. 4. [62S.04] [BENEFITS.]

An accountable provider network may offer and sell any benefits permitted to be offered and sold by health plan companies under Minnesota law.

Sec. 5. [62S.05] [WAIVERS.]

Subdivision 1. [AUTHORIZATION.] The commissioner may grant waivers from the requirements of law for the contracting arrangement between a health care purchasing alliance and an accountable provider network in the areas listed in subdivisions 2 to 4. The commissioner may not waive the following state consumer protection and quality assurance laws:

(1) laws requiring that enrollees be informed of any restrictions, requirements, or limitations on coverage, services, or access to specialists and other providers;

(2) laws allowing consumers to complain to or appeal to a state regulatory agency if denied benefits or services;

(3) laws prohibiting gag clauses and other restrictions on communication between a patient and their physician or provider;

(4) laws allowing consumers to obtain information on provider financial incentives, which may affect treatment;

(5) laws requiring the submission of information needed to monitor quality of care and enrollee rights;

(6) laws protecting enrollee privacy and confidentiality of records;

(7) minimum standards for adequate provider network capacity and geographic access to services;

(8) laws assuring continuity of care when a patient must change providers;

(9) laws governing coverage of emergency services;

(10) laws prohibiting excessive or unreasonable administrative fees or expenses; and

(11) other laws or rules that are directly related to quality of care, consumer protection, and due process rights.

Subd. 2. [SOLVENCY PROTECTION.] (a) The commissioner may waive the requirements of sections 62N.27 to 62N.32, and may substitute capital and surplus requirements that are reduced from the levels required of other risk-bearing entities in order to reflect its reduced risk exposure. If risk is being underwritten, the underwriter cannot have more than 25 percent of the representation on the governing board of the accountable provider network. The reduced requirements must include at least the following levels of capital and surplus: (i) a deposit of \$500,000 plus (ii) the greater of an estimated 15 percent of gross premium revenues or twice the net retained annual risk up to \$750,000 on a single enrollee. Net retained annual risk may be, for example, the lowest annual deductible under a provider stop-loss insurance policy that covers all costs above the deductible. Assets supporting the deposit must meet the standards for deposits referenced in section 62N.32. Assets supporting the capital must meet the investment guidelines referenced in section 62N.27.

(b) An accountable provider network may propose a method of reporting income, expenses,

claims payments, and other financial information in a manner which adequately demonstrates ongoing compliance with the standards for capital, surplus, and claims reserves agreed to under this waiver.

(c) An accountable provider network may demonstrate ability to continue to deliver the contracted health care services to the purchasing alliance through arrangements which ensure that, subject to 60 days' notice of intent to discontinue the contracting arrangement, provider participants will continue to meet their obligation to provide health care services to enrollees for a period of 60 days.

Subd. 3. [MARKETING AND DISCLOSURE.] The accountable provider network, in conjunction with the health care purchasing alliance, may propose alternative methods to present marketing and disclosure information which assure the accountability to consumers who are offered and who receive their services.

Subd. 4. [QUALITY ASSURANCE.] The accountable provider network may propose an alternative quality assurance program which incorporates effective methods for reviewing and evaluating data related to quality of care and ways to identify and correct quality problems.

Sec. 6. [62S.06] [CRITERIA FOR GRANTING WAIVERS.]

The commissioner shall approve a request for waiver under section 62S.05 if the applicant demonstrates that the contracting arrangement between a health care purchasing alliance and an accountable provider network will meet both of the following criteria:

(a) The arrangement would be likely to result in:

(1) more choice in benefits and prices;

(2) lower costs;

(3) increased access to health care coverage by small businesses;

(4) increased access to providers who have demonstrated a long-term commitment to the community being serviced; or

(5) increased quality of health care than would otherwise occur under the existing market conditions. In the event that a proposed arrangement appears likely to improve one or two of the criteria at the expense of another one or two of the criteria, the commissioner shall not approve the waiver.

(b) The proposed alternative methods would provide equal or improved results in consumer protection than would result under the existing consumer protections requirements.

Sec. 7. [62S.07] [SUPERVISION AND REVOCATION OF WAIVERS.]

(a) The commissioner shall appropriately supervise and monitor approved waivers.

(b) The commissioner may revoke approval of a waiver if the contracting arrangement no longer satisfies the criteria in section 62S.06, paragraphs (a) and (b).

Sec. 8. [62S.08] [MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION.]

A health care purchasing alliance must pay the assessment required of contributing members pursuant to section 62E.11.

Sec. 9. [62S.09] [MINNESOTACARE TAX.]

An accountable provider network is subject to the one percent premium tax established in section 60A.15 and must pay installments as described in section 60A.15, subdivision 1, paragraph (d).

Sec. 10. [62S.10] [DUTIES OF COMMISSIONER.]

(a) By July 1, 1997, the commissioner shall make available application forms for licensure as an accountable provider network. The accountable provider network may begin doing business after application has been approved.

(b) Upon receipt of an application for a certificate of authority, the commissioner shall grant or deny licensure and waivers requested within 90 days of receipt of a complete application if all requirements are substantially met. If no written response has been received within 90 days, the application is approved. When the commissioner denies an application or waiver request, the commissioner shall notify the applicant in writing specifically stating the grounds for the denial and specific suggestions for how to remedy the denial. The commissioner will entertain reconsiderations. Within 90 days after the denial, the applicant may file a written request for an administrative hearing and review of the commissioner's determination. The hearing is subject to judicial review as provided by chapter 14.

(c) All monitoring, enforcement, and rulemaking powers available under chapter 62N are granted to the commissioner to assure continued compliance with provisions of this chapter.

(d) The commissioner may contract with other entities as necessary to carry out the responsibilities in this chapter.

Sec. 11. [62S.11] [FEES.]

Every accountable provider network subject to this chapter shall pay to the commissioner fees as prescribed by the commissioner pursuant to section 144.122. The initial fees are:

- (1) filing an application for licensure, \$500;
- (2) filing an amendment to a license, \$90;
- (3) filing an annual report, \$200;
- (4) filing of renewal of licensure based on a fee of \$1,000 per 1,000 enrollees, with renewal every three years; and
- (5) other filing fees as specified by rule.

Sec. 12. [62S.12] [ENROLLMENT.]

An accountable provider network created under this chapter is limited to a maximum enrollment of 30,000 persons."

Page 91, line 22, delete "5" and insert "6"

Amend the title as follows:

Page 1, line 13, after the first semicolon, insert "regulating community purchasing arrangements;"

Page 1, line 42, after the third semicolon, insert "proposing coding for new law as Minnesota Statutes, chapter 62S;"

Ms. Berglin moved to amend the Kiscaden amendment to S.F. No. 1208 as follows:

Page 2, line 9, after the period, insert "An accountable provider network must comply with all requirements of chapter 62L."

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

Mrs. Lourey moved to amend the Kiscaden amendment to S.F. No. 1208 as follows:

Page 4, line 29, delete "shall" and insert "may"

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

The question recurred on the Kiscaden amendment, as amended.

The roll was called, and there were yeas 55 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Knutson	Oliver	Sams
Beckman	Frederickson	Krentz	Olson	Samuelson
Belanger	Hanson	Laidig	Ourada	Scheevel
Berg	Higgins	Langseth	Pappas	Scheid
Berglin	Johnson, D.E.	Larson	Pariseau	Spear
Betzold	Johnson, D.J.	Lesewski	Pogemiller	Stevens
Cohen	Johnson, J.B.	Lessard	Price	Stumpf
Day	Junge	Limmer	Ranum	Ten Eyck
Dille	Kelly, R.C.	Lourey	Robertson	Terwilliger
Fischbach	Kiscaden	Morse	Robling	Vickerman
Flynn	Kleis	Neuville	Runbeck	Wiger

Those who voted in the negative were:

Hottinger	Kelley, S.P.	Metzen	Piper	Wiener
Johnson, D.H.	Marty	Murphy	Solon	

The motion prevailed. So the Kiscaden amendment, as amended, was adopted.

Mr. Stevens moved to amend S.F. No. 1208 as follows:

Page 11, after line 19, insert:

"Sec. 16. [256.937] [ASSET REQUIREMENT FOR MINNESOTACARE.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply.

(a) "Asset" means cash and other personal property, as well as any real property, that a family or individual owns which has monetary value.

(b) "Homestead" means the home that is owned by, and is the usual residence of, the family or individual, together with the surrounding property which is not separated from the home by intervening property owned by others. Public rights-of-way, such as roads that run through the surrounding property and separate it from the home, will not affect the exemption of the property. "Usual residence" includes the home from which the family or individual is temporarily absent due to illness, employment, or education, or because the home is temporarily not habitable due to casualty or natural disaster.

(c) "Net asset" means the asset's fair market value minus any encumbrances including, but not limited to, liens and mortgages.

Subd. 2. [LIMIT ON TOTAL ASSETS.] (a) Effective April 1, 1997, or upon federal approval, whichever is later, in order to be eligible for the MinnesotaCare program, a household of two or more persons must not own more than \$30,000 in total net assets, and a household of one person must not own more than \$15,000 in total net assets.

(b) For purposes of this subdivision, total net assets include all assets, with the following exceptions:

(1) a homestead is not considered;

(2) household goods and personal effects are not considered; and

(3) capital and operating assets of a trade or business up to \$200,000 in net assets are not considered.

(c) If an asset excluded under paragraph (b) has a negative value, the negative value shall be subtracted from the total net assets under paragraph (a).

Subd. 3. [DOCUMENTATION.] (a) The commissioner of human services shall require individuals and families, at the time of application or renewal, to indicate on a checkoff form developed by the commissioner whether they satisfy the MinnesotaCare asset requirement. This form must include the following or similar language: "To be eligible for MinnesotaCare, individuals and families must not own net assets in excess of \$30,000 for a household of two or more persons or \$15,000 for a household of one person, not including a homestead, household goods and personal effects, and capital and operating assets of a trade or business up to \$200,000. Do you and your household own net assets in excess of these limits?"

(b) The commissioner may require individuals and families to provide any information the commissioner determines necessary to verify compliance with the asset requirement, if the commissioner determines that there is reason to believe that an individual or family has assets that exceed the program limit.

Subd. 4. [PENALTIES.] Individuals or families who are found to have knowingly misreported the amount of their assets as described in this section shall be subject to the penalties in section 256.98. The commissioner shall present recommendations on additional penalties to the 1998 legislature.

Sec. 17. [256.9371] [PENALTIES.]

Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by the intentional withholding or concealment of a material fact, or by impersonation, or other fraudulent device:

(1) benefits under the MinnesotaCare program to which the person is not entitled; or

(2) benefits under the MinnesotaCare program greater than that to which the person is reasonably entitled;

shall be considered to have violated section 256.98, and shall be subject to both the criminal and civil penalties provided under that section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin moved to amend the Stevens amendment to S.F. No. 1208 as follows:

Page 1, line 32, delete "and" and insert:

"(3) any assets owned by children;

(4) a household's vehicle used for employment;

(5) court ordered settlements;

(6) individual retirement accounts of up to \$10,000 in value; and"

Page 1, line 33, delete "(3)" and insert "(7)"

Page 2, line 11, before the first "and" insert "assets owned by children, a household's vehicle used for employment, court ordered settlements, individual retirement accounts of up to \$10,000 in value,"

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

The question recurred on the adoption of the Stevens amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mrs. Fischbach moved to amend S.F. No. 1208 as follows:

Page 21, after line 30, insert:

"Sec. 10. Minnesota Statutes 1996, section 62J.152, is amended by adding a subdivision to read:

Subd. 1a. [LEGISLATIVE ACTION.] Nothing in subdivision 1 shall be construed to:

(1) require the legislature to postpone hearings or legislative action on a proposed benefit mandate; or

(2) require the legislature to act in accordance with any recommendations of the health technology advisory committee."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Runbeck moved to amend S.F. No. 1208 as follows:

Page 64, line 36, reinstate the stricken "or"

Page 65, lines 1 to 3, reinstate the stricken language and delete the new language

Pages 68 to 69, delete section 17

Page 71, lines 6 and 7, reinstate the stricken language and delete the new language

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Lesewski	Pariseau	Stevens
Berg	Kelly, R.C.	Limmer	Robertson	Terwilliger
Day	Kleis	Neuville	Robling	Vickerman
Dille	Knutson	Oliver	Runbeck	Wiger
Fischbach	Laidig	Olson	Samuelson	
Frederickson	Larson	Ourada	Scheevel	

Those who voted in the negative were:

Anderson	Higgins	Langseth	Pappas	Spear
Beckman	Hottinger	Lessard	Piper	Stumpf
Berglin	Johnson, D.H.	Lourey	Pogemiller	Ten Eyck
Betzold	Johnson, J.B.	Marty	Price	Wiener
Cohen	Junge	Metzen	Ranum	
Flynn	Kelley, S.P.	Moe, R.D.	Sams	
Foley	Kiscaden	Morse	Scheid	
Hanson	Krentz	Murphy	Solon	

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

Ms. Berglin moved to amend S.F. No. 1208 as follows:

Page 58, line 34, after "62J.37;" insert "62E.11, subdivision 12;"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1208 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 42 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Pappas	Stumpf
Beckman	Johnson, D.E.	Langseth	Piper	Ten Eyck
Berglin	Johnson, D.H.	Lessard	Pogemiller	Terwilliger
Betzold	Johnson, D.J.	Lourey	Price	Vickerman
Cohen	Johnson, J.B.	Marty	Ranum	Wiener
Dille	Junge	Metzen	Sams	Wiger
Flynn	Kelley, S.P.	Moe, R.D.	Scheid	
Foley	Kelly, R.C.	Morse	Solon	
Higgins	Kiscaden	Murphy	Spear	

Those who voted in the negative were:

Belanger	Hanson	Lesewski	Ourada	Scheevel
Berg	Kleis	Limmer	Pariseau	Stevens
Day	Knutson	Neuville	Robertson	
Fischbach	Laidig	Oliver	Robling	
Frederickson	Larson	Olson	Runbeck	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1908: A bill for an act relating to the operation of state government services; appropriating money for the operation of the departments of human services and health, the veterans home board, the health related boards, the disability council, the ombudsman for families, and the ombudsman for mental health and mental retardation; including provisions for agency management; children's programs; basic health care programs; medical assistance and general assistance medical care; long-term care; state-operated services; mental health and developmentally disabled; MinnesotaCare; child support enforcement; assistance to families; health department; amending Minnesota Statutes 1996, sections 13.99, by adding a subdivision; 16A.124, subdivision 4b; 62D.04, subdivision 5; 62E.02, subdivision 13; 62E.14, by adding a subdivision; 103I.101, subdivision 6; 103I.208; 103I.401, subdivision 1; 144.0721, subdivision 3; 144.121, subdivision 1, and by adding subdivisions; 144.125; 144.2215; 144.226, subdivision 1, and by adding a subdivision; 144.3351; 144.394; 144A.071, subdivisions 1, 2, and 4a; 144A.073, subdivision 2; 145.925, subdivision 9; 153A.17; 157.15, by adding subdivisions; 157.16, subdivision 3; 245.03, subdivision 2; 245.4882, subdivision 5; 245.493, subdivision 1, and by adding a subdivision; 245.652, subdivisions 1 and 2; 245.98, by adding a subdivision; 246.02, subdivision 2; 252.025, subdivisions 1, 4, and by adding a subdivision; 252.28, by adding a subdivision; 252.32, subdivisions 1a, 3, 3a, 3c, and 5; 254.04; 254B.02, subdivisions 1 and 3; 254B.04, subdivision 1; 254B.09, subdivisions 4, 5, and 7; 256.01, subdivision 2, and by adding a subdivision; 256.025, subdivisions 2 and 4; 256.045, subdivisions 3, 3b, 4, 5, 7, 8, and 10; 256.476, subdivisions 2, 3, 4, and 5; 256.82, subdivision 1, and by adding a subdivision; 256.871, subdivision 6; 256.935; 256.969, subdivision 1; 256.9695, subdivision 1; 256B.037, subdivision

1a; 256B.04, by adding a subdivision; 256B.056, subdivisions 4, 5, and 8; 256B.0625, subdivisions 13 and 15; 256B.0626; 256B.0627, subdivision 5, and by adding a subdivision; 256B.064, subdivisions 1a, 1c, and 2; 256B.0911, subdivisions 2 and 7; 256B.0912, by adding a subdivision; 256B.0913, subdivisions 10, 14, 15, and by adding a subdivision; 256B.0915, subdivision 3, and by adding a subdivision; 256B.19, subdivisions 1, 2a, and 2b; 256B.421, subdivision 1; 256B.431, subdivision 25, and by adding a subdivision; 256B.433, by adding a subdivision; 256B.434, subdivisions 2, 3, 4, 9, and 10; 256B.48, subdivision 6; 256B.49, subdivision 1, and by adding a subdivision; 256B.69, subdivisions 2, 3a, 5, 5b, and by adding subdivisions; 256D.03, subdivisions 2, 2a, 3b, and 6; 256D.36; 256F.11, subdivision 2; 256G.02, subdivision 6; 256G.05, subdivision 2; 256I.05, subdivision 1a, and by adding a subdivision; 256J.50, by adding a subdivision; 326.37, subdivision 1; 393.07, subdivision 2; 466.01, subdivision 1; 469.155, subdivision 4; 471.59, subdivision 11; 626.556, subdivisions 10b, 10d, 10e, 10f, 11c, and by adding a subdivision; 626.558, subdivisions 1 and 2; and 626.559, subdivision 5; Laws 1995, chapter 207, articles 6, section 115; and 8, section 41, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 145A; 157; 252; 256B; and 257; repealing Minnesota Statutes 1996, sections 145.9256; 256.026; 256.82, subdivision 1; 256B.041, subdivision 5; 256B.0625, subdivision 13b; 256B.19, subdivision 1a; and 469.154, subdivision 6; Minnesota Rules, part 9505.1000.

There has been appointed as such committee on the part of the House:

Greenfield, Dorn, Huntley, Bradley and Vickerman.

Senate File No. 1908 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 30, 1997

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1880: A bill for an act relating to the organization and operation of state government; appropriating money for the judicial branch, public safety, public defense, corrections, criminal justice, crime prevention programs, and other related purposes; implementing, clarifying, and modifying certain criminal and juvenile provisions; prescribing, clarifying, and modifying certain penalty provisions; modifying and enacting various arson provisions; making various changes to the data privacy laws; establishing, modifying, and expanding permanent programs, pilot programs, grant programs, studies, offices, strike forces, task forces, councils, committees, and working groups; requiring reports; providing for an adjustment to the soft body armor reimbursement fund; authorizing the board on judicial standards to award attorneys fees; changing the name of the "superintendent" of the bureau of criminal apprehension to the "director" of the bureau of criminal apprehension; authorizing testing for HIV or Hepatitis B under certain circumstances; requiring employers of law enforcement officers to adopt a protocol; permitting the sale of ten or fewer unused hypodermic needles or syringes without a prescription; requiring employers of disabled or killed peace officers or firefighters to continue health benefits in certain instances; requiring the state to reimburse those employers; providing for statewide arson training courses; creating a criminal gang investigative data system; requiring the department of corrections to submit an annual performance report; expanding the commissioner of corrections' authority to release inmates on conditional medical release and the commissioner's authority related to rules and guidelines; requiring the department of corrections to amend a rule; ending the state's operation of the Minnesota correctional facility-Sauk Centre; requiring the commissioner of administration to issue a request for proposals and select a vendor to operate the facility; requiring the commissioner of corrections to charge counties for juveniles placed at the Minnesota correctional facility-Red Wing and to develop admissions criteria for the facility; striking the requirement that the Minnesota correctional facility-Red Wing accept all juveniles; establishing a state policy discouraging the out-of-state placement of juveniles; lowering the per se standard for alcohol concentration from 0.10 to 0.08 for driving motor vehicles, snowmobiles, all-terrain

vehicles, and motorboats while impaired, as well as for criminal vehicular operation and hunting; providing orders for protection in the case of domestic abuse perpetrated by a minor; amending Minnesota Statutes 1996, sections 13.99, by adding a subdivision; 84.91, subdivision 1; 84.911, subdivision 1; 86B.331, subdivisions 1 and 4; 86B.335, subdivision 1; 97B.065, subdivision 1; 97B.066, subdivision 1; 119A.31, subdivision 1; 144.761, subdivisions 5 and 7; 144.762, subdivision 2, and by adding a subdivision; 144.765; 144.767, subdivision 1; 151.40; 152.01, subdivision 18; 152.021, subdivisions 1 and 2; 152.022, subdivisions 1 and 2; 152.023, subdivision 2; 169.121, subdivisions 1, 2, and 3; 169.123, subdivisions 1, 2, 4, 5a, and 6; 169.129; 171.29, subdivision 2; 241.01, subdivision 3b; 241.271; 242.19, subdivision 2; 242.32, by adding a subdivision; 242.55; 244.05, subdivision 8; 244.17, subdivision 2; 256E.03, subdivision 2; 257.071, subdivisions 3, 4, and by adding subdivisions; 257.072, subdivision 1; 259.41; 259.59, by adding a subdivision; 259.67, subdivision 2; 260.012; 260.015, subdivisions 2a and 29; 260.131, subdivisions 1 and 2; 260.155, subdivisions 1a, 2, 3, 4, and 8; 260.161, subdivisions 1, 1a, and by adding a subdivision; 260.165, subdivisions 1 and 3; 260.171, subdivision 2; 260.191, subdivisions 1, 3a, 3b, and 4; 260.192; 260.221, subdivisions 1 and 5; 260.241, subdivisions 1 and 3; 299A.38, subdivision 2, and by adding a subdivision; 299A.61, subdivision 1; 299C.065, subdivision 1; 299C.095; 299C.10, subdivisions 1 and 4; 299C.13; 299F.051; 299F.06, subdivisions 1 and 3; 326.3321, subdivision 1; 326.3386, subdivision 3, and by adding subdivisions; 357.021, subdivision 1a; 363.073, subdivision 1, and by adding a subdivision; 401.13; 609.035, subdivision 1, and by adding a subdivision; 609.10; 609.101, subdivision 5; 609.115, subdivision 1; 609.125; 609.135, subdivision 1; 609.152, subdivision 2a, and by adding a subdivision; 609.21; 609.221; 609.684, subdivision 4; 609.748, subdivision 1; 609.902, subdivision 4; 611A.038; 611A.675; 611A.71, subdivision 5; 611A.74, subdivisions 1, 3, and by adding a subdivision; 611A.75; 626.843, subdivision 1; Laws 1995, chapter 226, article 2, section 37, subdivision 2; article 3, section 60, subdivision 4, and by adding a subdivision; and Laws 1996, chapter 408, article 8, sections 21; 22, subdivision 1; and 24; proposing coding for new law in Minnesota Statutes, chapters 16A; 241; 242; 243; 257; 259; 299A; 299C; 299F; 609; 611A; and 626; repealing Minnesota Statutes 1996, sections 119A.30; 145.406; 242.51; 244.09, subdivision 11a; 259.33; 299F.07; and 609.684, subdivision 2.

There has been appointed as such committee on the part of the House:

Murphy; Skoglund; Pugh; Swenson, D. and Broecker.

Senate File No. 1880 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 30, 1997

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2179:

H.F. No. 2179: A bill for an act relating to education; formulating statewide testing and reporting system; requiring the state board of education to amend certain educational testing rules; proposing coding for new law in Minnesota Statutes, chapter 121.

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

Opatz, Carlson and Seagren have been appointed as such committee on the part of the House.

House File No. 2179 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 30, 1997

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference

Committee on H.F. No. 2179, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Cohen from the Committee on State Government Finance, to which was re-referred

S.F. No. 638: A bill for an act relating to the environment; petroleum release compensation fund; creating a petroleum tank upgrade assistance program; extending the authority of the commissioner of the pollution control agency to issue liability assurances in certain situations; extending the repealer of the program; amending Minnesota Statutes 1996, sections 115C.08, subdivision 4; 115C.09, subdivision 3; and 115C.13; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

PETROLEUM CONTAMINATION CLEANUP

Section 1. Minnesota Statutes 1996, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] (a) Money in the fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in this chapter;
 - (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;
 - (3) for costs of recovering expenses of corrective actions under section 115C.04;
 - (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
 - (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;
 - (6) for reimbursement of the harmful substance compensation account under subdivision 5 and section 115B.26, subdivision 4;
 - (7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter; and
 - (8) for corrective action performance audits under section 115C.093; and
 - (9) for contamination cleanup grants, as provided in paragraph (c).
- (b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) Until December 31, 1999, \$6,200,000 is annually appropriated from the fund to the commissioner of trade and economic development for contamination cleanup grants under section 116J.554, provided that money appropriated in this paragraph may be used only for cleanup costs attributable to petroleum contamination, as determined by the commissioner of the pollution control agency.

Sec. 2. Minnesota Statutes 1996, section 115C.09, is amended by adding a subdivision to read:

Subd. 3e. [REIMBURSEMENTS; SMALL GASOLINE RETAILERS.] (a) As used in this subdivision, "small gasoline retailer" means a responsible person who owns no more than one location where motor fuel was dispensed into motor vehicles or aircraft in the previous year.

(b) For eligible applicants who are small gasoline retailers that have dispensed less than 500,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location owned by the retailer, the board shall reimburse the applicant for 90 percent of the applicant's total reimbursable cost for tank removal projects started after January 1, 1997, including, but not limited to, closure in place, backfill, resurfacing, and utility service restoration costs, provided that the tank involved is a regulated underground storage tank.

(c) For eligible applicants who are small gasoline retailers that have dispensed less than 250,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location owned by the retailer, provided that the tank involved is a regulated underground storage tank, the board shall reimburse the applicant for 95 percent of the following costs:

- (1) tank removal costs described in paragraph (b);
- (2) installation and excavation costs incurred in conjunction with new tank installation; and
- (3) petroleum contamination cleanup as provided under subdivision 1.

Sec. 3. Minnesota Statutes 1996, section 115C.13, is amended to read:

115C.13 [REPEALER.]

Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05, 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.092, 115C.10, 115C.11, and 115C.12, are repealed effective June 30, 2000 2005. Section 115C.09, subdivision 3e, is repealed effective December 31, 1999.

Sec. 4. [116J.56] [UNDERGROUND PETROLEUM TANK REPLACEMENT LOAN PROGRAM.]

Subdivision 1. [LOAN PROGRAM.] (a) The commissioner shall establish and implement an underground petroleum tank replacement loan program to facilitate the continued operation of small gasoline retailers, as defined in section 115C.09, subdivision 3e, paragraph (a), in this state.

(b) The commissioner may make a direct loan for the cost of a replacement tank to a small gasoline retailer who has dispensed less than 500,000 gallons of motor fuel during the previous year who demonstrates an ability to repay the loan. The interest rate on the loan shall not exceed three percent per year, and the term of the loan may not exceed seven years. Loans made under this subdivision may not exceed \$10,000 or the total out-of-pocket expenses of the small gasoline retailer for tank replacement, whichever is less. Payments on the principal shall be credited to the petroleum tank fund under section 115C.08. The interest payments must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the underground petroleum tank replacement loan program.

Subd. 2. [APPROPRIATION.] An amount necessary is appropriated from the petroleum tank release cleanup fund to the commissioner of trade and economic development for the underground petroleum tank replacement loan program established under this section.

Subd. 3. [REPEALER.] This section is repealed effective December 31, 1999.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 4 are effective the day following enactment.

ARTICLE 2
CONTAMINATED SITE CLEANUP GRANTS

Section 1. Minnesota Statutes 1996, section 116J.551, is amended to read:

116J.551 [CREATION OF ACCOUNT; GRANTS AND REPAYMENT.]

A contaminated site cleanup and ~~development~~ predevelopment account is created in the general fund. Money in the account may be used, as appropriated by law, to make grants as provided in ~~section sections~~ 116J.554 and 116J.564 and to pay for the commissioner's costs in reviewing applications and making grants. Grants from the contaminated site cleanup and predevelopment account must be repaid without interest to the commissioner according to the formula in this section and deposited into the account. The grantee must repay an amount equal to the fair market value of the property multiplied by the percentage that the grant received for the property bears to the property's total cleanup and predevelopment costs; provided that in no event may the repayment exceed the amount of the grant. The fair market value shall be determined by the commissioner at the time the cleanup and predevelopment phases are completed and the property is ready to develop. The commissioner shall negotiate a payback schedule providing for payback over a period of up to three years beginning at the time the property is ready to develop.

Sec. 2. Minnesota Statutes 1996, section 116J.553, subdivision 2, is amended to read:

Subd. 2. [REQUIRED CONTENT.] (a) The commissioner shall prescribe and provide the application form. Except as provided in paragraph (b), the application must include at least the following information:

- (1) identification of the site;
- (2) an approved response action plan for the site, including the results of engineering and other tests showing the nature and extent of the release or threatened release of contaminants at the site;
- (3) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;
- (4) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser using accepted appraisal methodology;
- (5) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;
- (6) the manner in which the municipality will meet the local match requirement; and
- (7) any additional information or material that the commissioner prescribes.

(b) An application for a grant under section 116J.554, subdivision 1, paragraph (b), must include a detailed estimate of the cost of the actions for which the grant is sought, but need not include the information specified in paragraph (a), clauses (2) to (4), and (6).

Sec. 3. Minnesota Statutes 1996, section 116J.554, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] (a) The commissioner may make a grant to an applicant development authority to pay for up to 75 percent of the cleanup costs for a qualifying site, ~~except the grant may not exceed~~ or 50 percent of the project costs, whichever is greater.

(b) The commissioner may also make a grant to an applicant development authority to pay up to 75 percent or \$50,000, whichever is less, toward the cost of performing contaminant investigations and the development of a response action plan for a qualifying site.

(c) The determination of whether to make a grant for a qualifying site is within the sole

discretion of the commissioner, subject to the process provided by this section, and available unencumbered money in the appropriation. The commissioner's decisions and application of the priorities under section 116J.555 are not subject to judicial review, except for abuse of discretion.

(d) The total amount of money provided in grants under paragraph (b) may not exceed \$250,000 per fiscal year.

(e) In making grants under paragraph (b), the commissioner shall give priority to applicants that have not received a grant under paragraph (a) or section 473.252 during the year ending on the date of application.

Sec. 4. [116J.562] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 116J.562 to 116J.564, the following terms have the meanings given.

Subd. 2. [DEVELOPMENT AUTHORITY.] "Development authority" has the meaning given in section 116J.552, subdivision 4.

Subd. 3. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given in section 116J.552, subdivision 5.

Subd. 4. [MUNICIPALITY.] "Municipality" has the meaning given in section 116J.552, subdivision 6.

Subd. 5. [QUALIFYING SITE.] "Qualifying site" means:

- (1) a qualifying site under section 116J.564, subdivision 2; or
- (2) a site that would represent more than 50 percent of the remaining land in a city suitable for industrial development if it was properly filled.

Subd. 6. [PREDEVELOPMENT COSTS.] "Predevelopment costs" means costs of the following: property acquisition; demolition of existing improvements; relocation of persons or businesses; site preparation and grading.

Sec. 5. [116J.563] [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATION REQUIRED.] To obtain a predevelopment and job creation grant, a development authority shall apply to the commissioner.

Subd. 2. [REQUIRED CONTENT.] The commissioner shall prescribe and provide the application form. An application must include at least the following information:

- (1) identification of the site;
- (2) a detailed estimate, along with necessary supporting evidence, of the total predevelopment costs for the site;
- (3) an assessment of the development potential or likely use of the site, including any specific commitments from third parties to construct improvements on the site; and
- (4) any additional information or material that the commissioner prescribes.

Sec. 6. [116J.564] [GRANTS.]

Subdivision 1. [AUTHORITY.] The commissioner may make grants to development authorities for up to 75 percent of the predevelopment costs at qualifying sites. The determination of whether to make a grant for a qualifying site is within the sole discretion of the commissioner, subject to the process and criteria provided by this section and available appropriations. The commissioner's decisions and application of the priorities under subdivision 3 are not subject to judicial review, except for abuse of discretion.

Subd. 2. [QUALIFYING SITES.] A site qualifies for a grant under this section if:

(1) the appraised value of the site, after adjusting for the effect on the value of the presence or possible presence of contaminants, using accepted appraisal methodology (i) is less than 50 percent of the estimated cleanup costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; or

(2) the site is a qualifying site under section 116J.562, subdivision 5, clause (2); and

(3) after completion of the grant-funded project, it is expected that the site will be further improved in a manner that complies with the conditions in subdivision 4.

Subd. 3. [PRIORITIES] (a) The legislature expects that applications for grants will exceed the available appropriations and the department will be able to provide grants to only some of the applicant development authorities.

(b) The agency shall make grants for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred and that meet all of the requirements provided by law. In making this judgment, the commissioner shall consider the following factors:

(1) the number of jobs expected to be created and retained after development of a qualified site and the average anticipated wage levels of such jobs;

(2) the total amount of the requested assistance in relation to the total full-time jobs which will result from the redevelopment on the qualified site;

(3) the proportion of the requested assistance to the estimated total predevelopment costs for a qualified site;

(4) the probability that a qualified site will be redeveloped without use of public money in the reasonably foreseeable future;

(5) the proportion of the estimated total costs of contamination cleanup at a qualified site to the estimated total of redevelopment costs;

(6) the availability of funds for contamination cleanup;

(7) the current unemployment rate in the municipality in which the qualified site is located;

(8) the level of reliance on public assistance in the municipality in which the qualified site is located, as measured by the applicable county welfare rolls; and

(9) the extent of poverty in the municipality in which the qualified site is located, as measured by percentage of population living below the poverty line, percentage of children under 18 years of age living below the poverty line, and percentage of ethnic minorities living below the poverty line.

(c) The factors in paragraph (b) are not listed in order of priority and the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The absence of a specific commitment from a third party to construct improvements on a site does not make the site ineligible for a grant. The commissioner shall provide a written statement of the supporting reasons for each grant.

Subd. 4. [GRANT CONDITIONS.] A grant awarded under this section is subject to the following conditions applicable to the use of the site when fully developed:

(1) the site must be used for industrial purposes;

(2) an average of 30 percent of the site must be covered by buildings;

(3) the buildings constructed on the site must have an average construction value of at least \$30 per square foot if the qualified site is located in the metropolitan area and \$20 per square foot if the qualified site is located outside of the metropolitan area;

(4) the site must provide at least one job for each 1,000 square feet of building space; and

(5) preference for employees hired to work at a business located at the site must be given to qualified residents of the municipality in which the site is located. If at least 60 percent of the employees hired to work at a business are not residents then the business must certify to the municipality that a sufficient number of qualified residents are not available and agree to fill vacant positions with qualified residents referred to the business by the municipality, until the 60 percent level is attained.

Subd. 5. [APPLICATION CYCLES; REPORTS.] (a) In making grants, the commissioner shall establish semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) The commissioner shall annually report to the legislature on the status of the predevelopment and job creation projects undertaken under grants made under this program. The commissioner shall include in the annual report information on the predevelopment and job creation activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 7. [APPROPRIATION.]

\$13,500,000 in fiscal year 1998 and \$8,500,000 in fiscal year 1999 is appropriated from the general fund to the commissioner of trade and economic development for transfer to the contaminated site cleanup and predevelopment account and is appropriated to the commissioner of the department of trade and economic development for the purposes specified in Minnesota Statutes, section 116J.551. Of this amount, \$7,000,000 for the biennium is included in the department's base.

ARTICLE 3

INDIVIDUAL SEWAGE AND WASTEWATER TREATMENT PROGRAMS

Section 1. Minnesota Statutes 1996, section 116.18, subdivision 3c, is amended to read:

Subd. 3c. [INDIVIDUAL ON-SITE TREATMENT SYSTEMS PROGRAM.] (a) Beginning in fiscal year 1989, up to ten percent of the money to be awarded as grants under subdivision 3a in any single fiscal year, up to a maximum of \$1,000,000, may be set aside for the award of grants by the authority agency to municipalities to reimburse owners of individual on-site wastewater treatment systems for a part of the costs of upgrading or replacing the systems.

(b) An individual on-site treatment system is:

(1) a wastewater treatment system, or part thereof, that uses soil treatment and disposal technology to treat 5,000 gallons or less of wastewater per day from dwellings or other establishments; or

(2) an alternative discharging sewage system serving one or more dwellings and other establishments that discharges less than 10,000 gallons of water per day and uses any treatment and disposal methods other than subsurface soil treatment and disposal.

(c) Municipalities may apply yearly for grants of up to 50 percent of the cost of replacing or upgrading individual on-site treatment systems within their jurisdiction. Before agency approval of the grant application, a municipality must certify that:

(1) it has adopted and is enforcing the requirements of Minnesota Rules governing individual sewage treatment systems;

(2) the existing systems for which application is made do not conform to those rules, were constructed prior to January 1, 1977 are at least 20 years old, do not serve seasonal residences, and were not constructed with state or federal funds; and

(3) the costs requested do not include administrative costs, costs for improvements or

replacements made before the application is submitted to the authority agency unless it pertains to the plan finally adopted, and planning and engineering costs other than those for the individual site evaluations and system design.

(d) The federal and state regulations regarding the award of state and federal wastewater treatment grants do not apply to municipalities or systems funded under this subdivision, except as provided in this subdivision.

~~(e) The authority shall award individual on-site wastewater treatment grants to municipalities selected by the state pollution control commissioner upon certification by the state pollution control commissioner that the municipalities' applications have been reviewed and approved in accordance with this subdivision and agency rules adopted under paragraph (f).~~

(f) The agency shall adopt permanent rules regarding priorities, distribution of funds, payments, inspections, procedures for administration of the agency's duties, and other matters that the agency finds necessary for proper administration of grants awarded under this subdivision.

~~(g) The commissioner of trade and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in paragraph (e).~~

Sec. 2. Minnesota Statutes 1996, section 446A.072, is amended by adding a subdivision to read:

Subd. 4a. [LOAN REPAYMENT; NEW DEVELOPMENT.] (a) For the purposes of this subdivision, "loan" includes a loan that has been forgiven under this section.

(b) A municipality that receives a supplemental assistance loan under this section that later extends sewer service to serve a residential, industrial, or commercial development that is completed on unplatted land after March 1, 1996, or that is on a lot whose plat was recorded after that date, must repay a portion of the loan to the authority prior to providing the sewer connection. The commissioner shall calculate the amount to be repaid by first determining the number of households included in the extension financed by the original loan. The commissioner must then determine the present value of the original loan amount. The interest rate used to calculate the present value must be equivalent to the interest rate on the loan made to the municipality under section 446A.07 at the time of the original supplemental assistance loan under this section. The commissioner must then divide the present value of the loan by the number of households included in the original loan. For an extension to a residential development, the repayment to the authority must be equal to the per household amount calculated for the original loan multiplied by the number of households in the proposed extension. For an extension to a commercial or industrial development, the commissioner shall determine the repayment to the authority by using the per household amount calculated for the original loan to calculate a proportionally equivalent amount based on the projected wastewater discharge from the proposed development. The total repayments to the authority under this paragraph may not exceed the original amount of the supplemental assistance loan. The repayment must be processed as provided in subdivision 7.

Sec. 3. [APPROPRIATION FOR COUNTYWIDE INDIVIDUAL SEWAGE TREATMENT SYSTEM LOAN PROGRAMS.]

\$10,000,000 in fiscal year 1998 and \$5,000,000 in fiscal year 1999 from the general fund is appropriated to the commissioner of agriculture to provide loans to counties for loans to property owners under Minnesota Statutes, section 115.57 or 17.117. Individual counties may elect to apply for and administer the loans pursuant to the agricultural best management loan practices program established in Minnesota Statutes, section 17.117, or under section 115.57. Regardless of the section a county applies under, the commissioner shall review and rank allocation requests from counties pursuant to the procedure and relevant criteria listed in Minnesota Statutes, section 17.117, subdivision 9. Loans made under Minnesota Statutes, section 17.117 with funds appropriated under this section must be used for site evaluation, design, installation, repair, and replacement of individual sewage treatment systems only. Notwithstanding the eligibility criteria in Minnesota Statutes, section 17.117, subdivision 1 and subdivision 4, paragraph (e), all private landowners in a county may apply for loans made under this section. Loans made under

Minnesota Statutes, section 115.57 may be used for any of the purposes specified in that section. Counties receiving funds under this section must use the funds to administer loan programs on a countywide basis. This biennial appropriation is a one-time appropriation and must not be included in the agency's base.

Sec. 4. [APPROPRIATION TO WASTEWATER INFRASTRUCTURE FUNDING PROGRAMS.]

\$12,500,000 is appropriated from the bond proceeds fund to the public facilities authority for loans to eligible municipalities under the wastewater infrastructure funding program established in Minnesota Statutes, section 446A.072.

Sec. 5. [BOND SALE.]

To provide the money appropriated in this act from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$12,500,000 in the manner, upon the terms, and with the effect presented by Minnesota Statutes, sections 16A.631 to 16A.675, the Minnesota Constitution, article XI, sections 4 to 7, and paragraph (b).

Sec. 6. [APPROPRIATION; INDIVIDUAL SEWAGE TREATMENT SYSTEM GRANTS.]

\$1,500,000 in fiscal year 1998 and \$1,500,000 in fiscal year 1999 from the general fund is appropriated to the commissioner of the pollution control agency for grants to municipalities for the purposes specified in Minnesota Statutes, section 116.18, subdivision 3c. Up to ten percent of this appropriation may be used for administration of the grants. This biennial appropriation is a one-time appropriation and must not be included in the agency's base.

ARTICLE 4

USED MOTOR OIL AND USED MOTOR OIL FILTER COLLECTION

Section 1. Minnesota Statutes 1996, section 325E.10, subdivision 2, is amended to read:

Subd. 2. "Motor oil" means petroleum-based oil used as a lubricant or hydraulics in a transmission or internal combustion engine motor vehicle as defined in section 168.011, subdivision 4.

Sec. 2. Minnesota Statutes 1996, section 325E.10, is amended by adding a subdivision to read:

Subd. 2a. "Motor oil filter" means any filter used in combination with motor oil.

Sec. 3. Minnesota Statutes 1996, section 325E.10, is amended by adding a subdivision to read:

Subd. 5. "Used motor oil filter" means a motor oil filter which through use, storage, or handling has become unsuitable for its original purpose due to the presence of impurities or loss of original properties.

Sec. 4. Minnesota Statutes 1996, section 325E.11, is amended to read:

325E.11 [COLLECTION FACILITIES; NOTICE.]

(a) Any person selling at retail or offering motor oil or motor oil filters for retail sale in this state shall:

(1) post a notice indicating the nearest location where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse, post a toll-free telephone number that may be called by the public to determine a convenient location, or post a listing of locations where used motor oil and used motor oil filters may be returned at no cost for recycling or reuse; or

(2) if the person is subject to section 325E.112, post a notice informing customers purchasing motor oil or motor oil filters of the location of the used motor oil and used motor oil filter collection site established by the retailer in accordance with section 325E.112 where used motor oil and used motor oil filters may be returned at no cost.

(b) A notice under paragraph (a) shall be posted on or adjacent to the motor oil and motor oil filter displays, be at least 8-1/2 inches by 11 inches in size, contain the universal recycling symbol with the following language:

- (1) "It is illegal to put used oil and used motor oil filters in the garbage.";
- (2) "Recycle your used oil and used motor oil filters."; and
- (3)(i) "There is a free collection site here for your used oil and used motor oil filters."; or
 - (ii) "There is a free collection site for used oil and used motor oil filters located at (name of business and street address).";
 - (iii) "For the location of a free collection site for used oil and used motor oil filters call (toll-free phone number)."; or
 - (iv) "Here is a list of free collection sites for used oil and used motor oil filters."

(c) The division of weights and measures under the department of public service shall enforce compliance with this section as provided in section 239.54. The pollution control agency shall enforce compliance with this section under sections 115.071 and 116.072 in coordination with the division of weights and measures.

Sec. 5. Minnesota Statutes 1996, section 325E.112, subdivision 2, is amended to read:

Subd. 2. [REIMBURSEMENT PROGRAM.] A contaminated used motor oil reimbursement program is established to provide ~~partial~~ reimbursement of the costs of disposing of contaminated used motor oil. In order to receive reimbursement, persons who accept used motor oil from the public or parties that they have contracted with to accept used motor oil must provide to the commissioner of the pollution control agency proof of contamination, information on methods the person used to prevent the contamination of used motor oil at the site, a copy of the billing for disposal costs incurred because of the contamination and proof of payment, and a copy of the hazardous waste manifest or shipping paper used to transport the waste. The commissioner shall reimburse a recipient of contaminated used motor oil ~~90~~ 100 percent of the costs of properly disposing of the contaminated used motor oil. The commissioner may not reimburse persons who intentionally place contaminants or do not take precautions to prevent contaminants from being placed in used motor oil, or operate a private collection site that:

- (1) is not publicly promotable or listed with the agency;
- (2) does not accept a minimum of five gallons of used motor oil and five used motor oil filters per person per day without charging a fee; or
- (3) does not control access to the site during times when the site is closed.

A person operating a collection site may refuse to accept any used motor oil or used motor oil filter:

- (1) that is from a business;
- (2) that appears to be contaminated with antifreeze, hazardous waste, or other materials that may increase the cost of used motor oil management and disposal; or
- (3) when the storage equipment for that particular waste is temporarily filled.

Persons operating government collection sites are eligible for reimbursement of the costs of disposing of contaminated used motor oil. Reimbursements made under this subdivision are limited to the money available in the contaminated used motor oil reimbursement account.

Sec. 6. Laws 1996, chapter 351, section 2, is amended to read:

Sec. 2. [~~PLAN~~ RECYCLING GOALS AND ACTIONS.]

~~(a) By September 1, 1996, an industry group representing retailers and manufacturers in Minnesota that sell motor oil and motor oil filters shall submit a list to the commissioner of the pollution control agency of all existing current sites that collect used motor oil, used motor oil filters, or both, from the public, delineating which sites collect for free, that can be publicly promoted~~

~~(b) By September 1, 1996, an industry group representing retailers and manufacturers that sell motor oil and motor oil filters shall submit to the commissioner of the pollution control agency a plan for a collection and recycling system for used motor oil and used motor oil filters generated by the public under which:~~

~~(1) at least 90 percent of state residents outside the seven-county metropolitan area would have access to a free collection site for used motor oil and used motor oil filters within 25 miles of their residences;~~

~~(2) at least 90 percent of state residents within the seven-county metropolitan area and state residents of cities with populations of greater than 2,000 residents would have access to a free collection site for used motor oil and used motor oil filters within five miles of their residences; and~~

~~(3) at least one free collection site for used motor oil and used motor oil filters generated by the public would be located in each county~~

~~(c) The plan required in paragraph (b) must include:~~

~~(1) an explanation of the proposed system for collecting and recycling used motor oil and used motor oil filters;~~

~~(2) a clear assignment of responsibility and accountability for implementation;~~

~~(3) a strategy for educating the parties responsible for implementing the plan;~~

~~(4) a strategy for educating the public on how to recycle used motor oil and used motor oil filters;~~

~~(5) a description of government's role, if any; and~~

~~(6) recommendations for legislation, if necessary.~~

~~(d) The plan must be implemented by June 1, 1997, and the requirements in paragraph (b), clauses (1) to (3), must be met by December 31, 1997. The industry group must also submit a list of sites that collect used motor oil and used motor oil filters from the public, specifying those sites that collect used motor oil and used motor filters for free, to the pollution control agency by December 31, 1997. The agency must be informed by the industry group when sites begin and cease to collect, or charge for the collection of, used motor oil and used motor oil filters from the public, in order to allow the agency to provide the public with accurate information regarding collection sites.~~

~~(e) The industry group and the agency shall monitor the effects of the collection system set forth in the plan required in paragraph (b) to determine whether the requirements in clauses (1) to (3) of that paragraph have been met. By November 1, 1998, the industry group shall submit information to the agency on the amount of used oil and the number of used oil filters collected.~~

Subdivision 1. (a) The following recycling or reuse goals shall be considered met if the actions in this subdivision are initiated by the identified parties on or before September 1, 1997, and are fully completed by December 31, 1998. Additionally, the goals in paragraph (b) must be met in at least 50 percent of counties by December 31, 1997; 75 percent by June 1, 1998; and 100 percent by December 31, 1998.

(b) Motor oil and motor oil filter manufacturers and retailers shall ensure that:

(1) at least 90 percent of residents within the seven-county metropolitan area and residents of a

city or town with a population greater than 1,500 have access to a free nongovernment collection site for used motor oil and used motor oil filters within five miles of their residences; and

(2) at least one free nongovernment collection site for used motor oil and used motor oil filters generated by the public would be located in each county.

(c) Motor oil and motor oil filter manufacturers and retailers shall inform the public about environmental problems associated with improper disposal of used motor oil and used motor oil filters and proper disposal practices for used motor oil and used motor oil filters. At a minimum, this shall include public service announcements designed to reach residents of the state that generate used motor oil and used motor oil filters.

(d) The commissioner of the pollution control agency shall, by December 31, 1997, and at least annually thereafter or more frequently if deemed necessary, request motor oil and motor oil filter manufacturers and retailers, persons who haul used motor oil and used motor oil filters, and nongovernment persons who accept used motor oil and used motor oil filters from the public to provide an updated list of all existing sites that collect used motor oil, used motor oil filters, or both, from the public, delineating for public promotion which sites collect for free. The commissioner shall use this information to determine whether the parties identified in paragraph (b) have met the goals listed in that paragraph. A collection site operated by the state or a political subdivision, as defined in Minnesota Statutes, section 115A.03, subdivision 24, may be counted towards meeting recycling goals, provided that the parties responsible for meeting the goals of this subdivision voluntarily reimburse the state or political subdivision for all of the costs at that collection site that are associated with used motor oil and used motor oil filter recycling. Persons who accept used motor oil and used motor oil filters from the public shall cooperate with manufacturers and retailers of motor oil and motor oil filters to inform the agency within ten days of initiating or ceasing to collect used motor oil or used motor oil filters from the public. The information shall be provided in a form and manner prescribed by the commissioner.

(e) Motor oil filter manufacturers shall disclose to retailers whether lead has been intentionally introduced in manufacturing, and retailers shall not knowingly sell motor oil filters containing lead intentionally introduced in manufacturing.

Subd. 2. The commissioner of the pollution control agency may appoint an advisory group of diverse interests to assist the agency with experimentation with various approaches to public education, financial incentives, waste management, and other issues that might affect the effectiveness of recycling efforts. The commissioner may request parties responsible for meeting the recycling goals in subdivision 1 to voluntarily pay for some of the experimentation costs. The existence of this advisory group in no way relieves the parties identified in subdivision 1 of responsibility for meeting the goals listed in that subdivision. The commissioner of the pollution control agency shall appoint an advisory group chair.

(f) Subd. 3. By January 15, 1999, the commissioner of the pollution control agency shall report to the environment and natural resources committees of the senate and the house of representatives on the amount of used motor oil and used motor oil filters being recycled and whether the requirements goals in paragraph (b), clauses (1) to (3), subdivision 1 have been met and recommend whether the mandate for retailers of motor oil and filters described in Minnesota Statutes, section 325E.112, subdivision 1, is needed to achieve the recycling goals.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; appropriating money from the petroleum release compensation fund for additional petroleum contamination cleanup grants; providing reimbursements for small gasoline retailers; establishing an underground petroleum tank replacement loan program; modifying contaminated site cleanup grant provisions; transferring authority to administer individual on-site sewage treatment programs to the pollution control

agency; modifying sewer loan repayment provisions; authorizing a bond sale; revising the plan for the collection and recycling of used motor oil and filters; amending Minnesota Statutes 1996, sections 115C.08, subdivision 4; 115C.09, by adding a subdivision; 115C.13; 116.18, subdivision 3c; 116J.551; 116J.553, subdivision 2; 116J.554, subdivision 1; 325E.10, subdivision 2, and by adding subdivisions; 325E.11; and 325E.112, subdivision 2; 446A.072, by adding a subdivision; Laws 1996, chapter 351, section 2; proposing coding for new law in Minnesota Statutes, chapter 116J."

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

Mr. Cohen from the Committee on State Government Finance, to which was re-referred

H.F. No. 1755: A bill for an act relating to local government; providing for procedures between the county housing and redevelopment authority and certain municipalities and municipal authorities; amending Minnesota Statutes 1996, section 383B.77, subdivision 2.

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

Amend the report from the Committee on Local and Metropolitan Government, adopted by the Senate April 16, 1997, as follows:

Page 1, line 37, before "The" insert "Subdivision 1. [CONTAMINATION CLEANUP FUNDS.]"

Page 2, line 11, after "agreement" insert "as described in subdivision 2."

Subd. 2. [AGREEMENT BETWEEN HENNEPIN COUNTY AND CITY OF ST. LOUIS PARK.] To qualify for receipt of funds under subdivision 1, Hennepin county and the city of St. Louis Park must, after consultation and negotiation with representatives of affected neighborhoods along the impacted and proposed rail lines, enter into an agreement"

Page 2, line 15, delete everything after "for"

Page 2, delete line 16 and insert "transferring railroad traffic from the Canadian Pacific railroad line from Louisiana Avenue in St. Louis Park easterly to trunk highway 55/Hiawatha Avenue, commonly referred to as the 29th street depression, to the Canadian Pacific railroad line from the 29th street rail line northerly to the Burlington Northern connection, entirely within the city of St. Louis Park;"

Page 2, line 26, delete "and"

Page 2, after line 26, insert:

"(5) identification, and responsibility for costs, of reasonable measures necessary to mitigate noise or other adverse impacts of the railroad improvement on the adjacent neighborhoods within the city of St. Louis Park, and to provide reasonable safety and security measures; and"

Page 2, line 27, delete "(5)" and insert "(6)"

Page 2, line 29, before "The" insert "Subd. 3. [COMMISSIONER OF TRANSPORTATION.]"

Page 2, line 32, after the period, insert "The project shall proceed only if the city of St. Louis Park and the commissioner have entered into an agreement regarding responsibility for safety, security, and noise mitigation measures to be implemented or constructed on or adjacent to the the Canadian Pacific railroad line from the 29th street rail line northerly to the Burlington Northern connection, entirely within the city of St. Louis Park."

Page 2, after line 33, insert:

"Page 2, line 7, delete "Section 1 is" and insert "Sections 1 and 3 are"

Page 2, line 8, delete "officer" and insert "officers" and delete "complies" and insert "and the city of St. Louis Park comply"

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

SECOND READING OF SENATE BILLS

S.F. No. 638 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1755 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Sams moved that S.F. No. 429, No. 7 on General Orders, be stricken and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Stumpf moved that S.F. No. 1102, No. 27 on General Orders, be stricken and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Kelly, R.C. moved that S.F. No. 849, No. 26 on General Orders, be stricken and re-referred to the Committee on Transportation. The motion prevailed.

Mr. Johnson, D.J. moved that S.F. No. 1066, No. 23 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Morse moved that S.F. No. 880, No. 24 on General Orders, be stricken and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Mr. Cohen moved that S.F. No. 688, No. 16 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2179: Mr. Pogemiller, Ms. Krentz and Mr. Scheevel.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Johnson, D.E.; Stumpf and Moe, R.D. introduced--

S.F. No. 1937: A bill for an act relating to taxation; extending the due date for first half taxes on certain business property.

Referred to the Committee on Local and Metropolitan Government.

MEMBERS EXCUSED

Ms. Anderson was excused from the Session of today from 11:00 to 11:50 a.m. Mr. Beckman was excused from the Session of today from 12:50 to 1:00 p.m. Mr. Novak was excused from the Session of today from 11:00 a.m. to 12:05 and at 3:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Thursday, May 1, 1997. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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