

STATE OF MINNESOTA

Journal of the Senate

EIGHTIETH LEGISLATURE

ONE HUNDRED FIFTH DAY

St. Paul, Minnesota, Friday, April 3, 1998

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Bishop John F. Kinney.

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

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

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

Ms. Olson, Messrs. Stevens and Wiger were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 1, 1998

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 1998 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 1998	Date Filed 1998
2040		338	10:54 a.m. March 31	March 31
2267		339	10:55 a.m. March 31	March 31
	2308	340	10:46 a.m. March 31	March 31
	3297	341	10:48 a.m. March 31	March 31
	113	342	10:50 a.m. March 31	March 31
2966		343	10:58 a.m. March 31	March 31
2489		344	11:00 a.m. March 31	March 31
	3042	345	10:52 a.m. March 31	March 31

Sincerely,
Joan Anderson Growe
Secretary of State

April 2, 1998

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. 2445, 2302 and 3397.

Warmest regards,
Arne H. Carlson, Governor

April 2, 1998

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

I have vetoed and am returning Chapter 352, Senate File Number 2148, a bill which would amend current law pertaining to the use of absentee ballots.

This bill is very similar to one I vetoed during the 1997 session. I indicated then that I did not have major objections to the provision of the bill which required voters to simply indicate on absentee ballot applications why it is they are unable to vote in person, rather than being limited to a specific set of reasons. My position on this matter has not changed.

Nonetheless, I am vetoing this bill for the very reason I vetoed last year's legislation: Significant changes to election laws such as those proposed in this bill are too important to be entirely one-sided and lacking in bipartisanship. This is the same reason why I vetoed two other election law bills this session. The fact that only one Republican member of the House, and scant more in the Senate, supported this bill suggests to me that the deep-seated concerns of a number of legislators were not adequately addressed. Changes should have at least modest support from both sides of the aisle before being signed into law, and certainly not the vociferous opposition that accompanied this and other election law bills. This position is entirely consistent with my previous communications to the legislature and the Secretary of State's Office.

Warmest regards,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 2148 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2099: A bill for an act relating to crimes; lowering alcohol concentration limit for repeat DWI offenders operating a motor vehicle or hunting from 0.10 to 0.08; providing for an alcohol concentration limit of 0.08 for all offenders if a federal law is enacted requiring the 0.08 limit; amending Minnesota Statutes 1996, sections 97B.065, subdivision 1; 97B.066, subdivision 1; 169.123, subdivisions 2 and 5a; 192A.555; and 609.21, subdivisions 1, 2, 2a, 2b, 3, 4, 4a, and 5; Minnesota Statutes 1997 Supplement, sections 169.121, subdivisions 1, 2, 3, and 3b; 169.1217, subdivision 1; and 169.123, subdivisions 1, 4, and 6.

Senate File No. 2099 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1998

Mr. Foley moved that S.F. No. 2099 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2118, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2118: A bill for an act relating to elections; authorizing experimental balloting procedures in Hennepin county; amending Minnesota Statutes 1996, section 203B.02, by adding a subdivision.

Senate File No. 2118 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1998

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2751, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2751: A bill for an act relating to employment; requiring an accommodation to certain nursing mothers; providing that breast-feeding is excepted from the crime of indecent exposure; amending Minnesota Statutes 1996, section 617.23; proposing coding for new law in Minnesota Statutes, chapter 181.

Senate File No. 2751 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1998

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1378, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1378: A bill for an act relating to government data practices; modifying the Data Practices Act; providing for data privacy for certain audit information; classifying certain law enforcement data; providing for the classification of and access to government data; providing that certain documents may be classified as nonpublic data until negotiations with vendors and best and final offers are received; making technical and clarifying changes to tax disclosure provisions; amending Minnesota Statutes 1996, sections 13.794, subdivision 1; 13.82, by adding subdivisions; 13.85, subdivision 2; 13.99, by adding subdivisions; 171.12, subdivision 1; 270B.02, subdivision 3; 270B.03, subdivision 6; 270B.12, subdivision 6; and 629.341, subdivision 4; Minnesota Statutes 1997 Supplement, sections 13.46, subdivision 2; 260.161, subdivision 1; 268.19; 270B.01, subdivision 8; 299C.095, subdivision 2; and 471A.03, subdivision 3; repealing Minnesota Statutes 1996, section 270.10, subdivision 3.

Senate File No. 1378 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1998

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 3298, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 3298: A bill for an act relating to the organization and operation of state government; appropriating money for transportation, public safety, and other purposes; redistributing five percent of highway user tax distribution fund; creating flexible highway, town road, and town bridge accounts; exempting air ambulance aircraft from registration and tax; establishing midtown planning and coordination board; establishing dealer licensing and motor vehicle registration enforcement task force; requiring vehicle registration and insurance study; amending Minnesota Statutes 1996, sections 161.081, subdivision 1, and by adding a subdivision; 161.082, subdivisions 1 and 2a; 162.081, subdivision 1; 169.733, subdivision 1; 169.825, subdivision 8; and 360.653; Laws 1997, chapter 159, article 1, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.

Senate File No. 3298 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1998

REPORTS OF COMMITTEES

Ms. Ranum from the Committee on Judiciary, to which were referred the following appointments as reported in the Journal for March 17, 1998:

BOARD ON JUDICIAL STANDARDS

Verna Kelly
Suzanne White

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

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

MOTIONS AND RESOLUTIONS

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Beckman, Hottinger and Vickerman introduced--

S.F. No. 3415: A bill for an act relating to tornado relief; providing relief for housing infrastructure and economic development damages caused by the March 29, 1998, tornadoes; appropriating money; amending Minnesota Statutes 1996, section 462A.202, by adding a subdivision.

Referred to the Committee on State Government Finance.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Junge moved that S.F. No. 2050 be taken from the table. The motion prevailed.

S.F. No. 2050: A bill for an act relating to health; modifying provisions governing advance health care directives; combining laws governing living wills and durable power of attorney for health care; amending Minnesota Statutes 1996, sections 144.335, subdivision 1; 145C.01, subdivisions 2, 3, 4, 8, and by adding subdivisions; 145C.02; 145C.03; 145C.04; 145C.05, subdivisions 1 and 2; 145C.06; 145C.07; 145C.08; 145C.09; 145C.10; 145C.11; 145C.12; 145C.13, subdivision 1; 145C.15; 525.55, subdivisions 1 and 2; 525.551, subdivisions 1 and 5; 525.9212; and 609.215, subdivision 3; Minnesota Statutes 1997 Supplement, sections 149A.80, subdivision 2; 253B.04, subdivision 1a; 253B.07, subdivision 1; and 253B.092, subdivisions 2 and 6; proposing coding for new law in Minnesota Statutes, chapters 145B; and 145C.

Ms. Junge moved that the Senate do not concur in the amendments by the House to S.F. No. 2050, 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.

Ms. Junge moved that S.F. No. 2926, No. 8 on General Orders, be stricken and re-referred to the Committee on Crime Prevention. The motion prevailed.

SPECIAL ORDERS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately.

H.F. No. 3654 and S.F. No. 2592.

SPECIAL ORDER

H.F. No. 3654: A bill for an act relating to utilities; modifying the membership of the legislative electric energy task force; requiring comprehensive study of electric industry restructuring; amending Minnesota Statutes 1997 Supplement, section 216C.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson

Beckman

Berg

Berglin

Betzold

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2592: A bill for an act relating to transportation; authorizing advance payment when required by federal government for transportation project; permitting transfer or extinguishment of access rights; regulating snow fence easements, highway closures, and signs; providing payment for certain culverts; changing distributions from the highway user tax distribution fund; providing for the costs of town highways and bridges; permitting conveyances to public bodies; requiring owners to inventory and inspect certain bridges; providing for the revision of the state transportation plan; regulating charges for air transportation services; modifying contractor bond requirements for certain transportation projects; authorizing conveyance of certain tax-forfeited and acquired land; making technical changes; removing a route from the trunk highway system; amending Minnesota Statutes 1996, sections 84.63; 117.21; 160.18, subdivision 1; 160.296, subdivision 1; 160.80, subdivision 1, and by adding a subdivision; 161.081, subdivision 1, and by adding a subdivision; 161.082, subdivisions 1 and 2a; 161.115, subdivisions 38 and 87; 161.44, subdivision 1; 162.081, subdivision 1; 165.03; 169.26, subdivision 1; 174.03, subdivisions 1a and 2; 174A.06; 221.034, subdivisions 1 and 5; 222.63, subdivision 4; 270.077; 360.024; and 574.26, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1996, section 161.115, subdivision 57.

Ms. Johnson, J.B. moved to amend S.F. No. 2592 as follows:

Page 5, delete lines 18 and 19

Page 5, line 20, delete "food" and insert "people; serve meals prepared on the premises"

Page 5, line 21, after the period, insert "Reheated, prepackaged, ready-to-eat food is not "food prepared on the premises.""

Page 6, delete lines 21 to 25 and insert:

"(k) If there is insufficient space on a logo sign panel to display all eligible businesses for a specific type of service, the businesses closest to the interchange have priority over businesses farther away from the interchange."

Page 7, line 13, after "the" insert "county state-aid highway fund in the"

Page 10, after line 32, insert:

"Sec. 15. Minnesota Statutes 1996, section 162.081, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT CREATED.] A town road account is created in the county state-aid highway fund, ~~consisting of the amounts transferred from the county turnback account as provided in section 161.082.~~"

Page 13, delete section 16

Page 18, line 1, after "future" insert "trail and"

Page 20, line 4, after "57," insert "which describes legislative route No. 126,"

Page 20, line 6, delete "of a portion"

Page 20, line 7, after "288" insert "is"

Page 20, line 13, after "28" insert ", paragraph (b),"

Page 20, line 28, delete everything after "30."

Page 20, delete lines 29 to 35

Page 20, line 36, delete the paragraph coding and delete "Subd. 2."

Page 21, line 1, delete "12" and insert "13"

Page 21, line 2, delete "the old route" and insert "route no. 156"

Page 21, delete lines 7 to 12

Page 21, delete lines 14 to 16 and insert:

"Sections 1, 6, and 7 are effective the day following final enactment. Sections 4, 25, and 26 are effective July 1, 1998. Sections 8 to 10 and 15 are effective July 1, 1999. Section 11 is effective July 1, 1998, except for paragraphs (a), (b), (e), and (f), which are effective July 1, 1999."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend S.F. No. 2592 as follows:

Page 15, after line 36, insert:

"Sec. 21. Minnesota Statutes 1996, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451 and the transportation of children or parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected and certified under section 169.451;

(b) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.011, subdivision 31;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances; and tow trucks equipped with proper and legal warning devices when picking up and transporting (1) disabled or wrecked motor vehicles or (2) vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete

blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) the transportation of property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a ~~25-mile~~ 100-mile radius from the person's home post office and the carrier may transport other commodities within the ~~25-mile~~ 100-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the metropolitan council;

(o) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less; and

(p) transportation of potatoes from the field of production, or a storage site owned or otherwise controlled by the producer, to the first place of processing.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 22. Minnesota Statutes 1996, section 221.0314, subdivision 9a, is amended to read:

Subd. 9a. [HOURS OF SERVICE EXEMPTION.] The federal regulations incorporated in subdivision 9 for maximum driving and on-duty time do not apply to drivers engaged in the interstate or intrastate transportation of:

(1) agricultural commodities or farm supplies for agricultural purposes in Minnesota during the planting and harvesting seasons from March 15 to December 15 of each year; or

(2) sugar beets during the harvesting season for sugar beets from September 1 to March 15 of each year

if the transportation is limited to an area within a 100-air-mile radius from the source of the commodities or the distribution point for the farm supplies."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.H. moved to amend S.F. No. 2592 as follows:

Page 21, after line 12, insert:

"Sec. 31. [TRANSFER OF LAND IN HENNEPIN COUNTY.]

(a) The metropolitan airports commission shall, for \$1 and other consideration, convey all its right, title, and interest in the land described in paragraph (c) to the state of Minnesota acting through its commissioner of transportation.

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

(c) The land to be conveyed is located in Hennepin county and is described as:

All of Lots 1 through 7 and 17 through 23, Block 2, NEW FORD TOWN, according to the recorded plot thereof, together with those parts of Blocks 3, 9, 10, 16, and 17 of said plot lying westerly of line "A" described below. Also those parts of 19th Avenue, 64th Street, and 65th Street lying within the above described parcel.

Line "A"

Commencing at the Northwest corner of Section 25, Township 28 North, Range 24, west of the Fifth Principal meridian: thence 86 degrees 48 minutes 50 seconds, assumed azimuth, along the north line of the northwest quarter of said section 25, a distance of 138.175 meters (453.33') to the point of beginning of the line to be described: thence on an azimuth of 169 degrees 25 minutes 51 seconds to the south line of the northwest quarter of said section 25, said line there terminating."

Page 21, line 14, delete "Section 1 is" and insert "Sections 1 and 31 are"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2592 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Foley moved that S.F. No. 2099 be taken from the table. The motion prevailed.

S.F. No. 2099: A bill for an act relating to crimes; lowering alcohol concentration limit for repeat DWI offenders operating a motor vehicle or hunting from 0.10 to 0.08; providing for an alcohol concentration limit of 0.08 for all offenders if a federal law is enacted requiring the 0.08 limit; amending Minnesota Statutes 1996, sections 97B.065, subdivision 1; 97B.066, subdivision 1; 169.123, subdivisions 2 and 5a; 192A.555; and 609.21, subdivisions 1, 2, 2a, 2b, 3, 4, 4a, and 5;

Minnesota Statutes 1997 Supplement, sections 169.121, subdivisions 1, 2, 3, and 3b; 169.1217, subdivision 1; and 169.123, subdivisions 1, 4, and 6.

Mr. Foley moved that the Senate concur in the amendments by the House to S.F. No. 2099 and that the bill be placed on its repassage as amended.

Mr. Novak moved that the Senate do not concur in the amendments by the House to S.F. No. 2099, 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 to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Foley imposed a call of the Senate for the balance of the proceedings on S.F. No. 2099. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Novak motion.

The roll was called, and there were yeas 37 and nays 26, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Langseth	Novak	Samuelson
Berg	Johnson, D.E.	Larson	Ourada	Scheevel
Betzold	Johnson, D.H.	Lesewski	Pappas	Solon
Day	Johnson, D.J.	Lessard	Pariseau	Stumpf
Fischbach	Kelly, R.C.	Metzen	Pogemiller	Vickerman
Frederickson	Kiscaden	Moe, R.D.	Robertson	
Hanson	Kleis	Murphy	Runbeck	
Higgins	Laidig	Neuville	Sams	

Those who voted in the negative were:

Anderson	Foley	Krentz	Piper	Terwilliger
Belanger	Hottinger	Limmer	Price	Wiener
Berglin	Johnson, J.B.	Lourey	Ranum	
Cohen	Junge	Marty	Robling	
Dille	Kelley, S.P.	Morse	Scheid	
Flynn	Knutson	Oliver	Ten Eyck	

The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2928.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1998

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2708, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2708 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 3, 1998

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2708

A bill for an act relating to agriculture; providing for associations of producers; setting dispute resolution procedures; establishing an advisory committee; amending Minnesota Statutes 1996, sections 17.692; 17.693, subdivisions 1, 2, and 6; 17.694, subdivisions 1, 2, 3, 6, and 7; 17.696, subdivision 2; 17.697; 17.698; 17.70, subdivisions 1, 2, and 3; 17.701; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1996, section 17.699.

March 25, 1998

The Honorable Phil Carruthers
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2708, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

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

House Conferees: (Signed) Al Juhnke, Ruth Johnson, Howard Swenson

Senate Conferees: (Signed) Dennis R. Frederickson, Tracy L. Beckman, Jim Vickerman

Mr. Frederickson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2708 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2708 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Vickerman moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Hottinger be shown as chief author to S.F. No. 3411. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Stumpf; Moe, R.D.; Johnson, D.J.; Knutson and Day introduced--

S.F. No. 3416: A bill for an act relating to civil actions; clarifying provisions governing actions for fraud under the uniform commercial code; amending Minnesota Statutes 1996, section 336.2-721.

Referred to the Committee on Judiciary.

MOTIONS AND RESOLUTIONS - CONTINUED

CALL OF THE SENATE

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Moe, R.D. moved that the vote whereby the Novak motion to S.F. No. 2099 was passed by the Senate on April 3, 1998, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the Novak motion.

The roll was called, and there were yeas 34 and nays 28, as follows:

Those who voted in the affirmative were:

Berg	Janezich	Langseth	Neuville	Sams
Betzold	Johnson, D.H.	Larson	Novak	Samuelson
Day	Johnson, D.J.	Lesewski	Ourada	Scheevel
Fischbach	Kelly, R.C.	Lessard	Pariseau	Solon
Frederickson	Kiscaden	Metzen	Pogemiller	Stumpf
Hanson	Kleis	Moe, R.D.	Robertson	Vickerman
Higgins	Laidig	Murphy	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Knutson	Oliver	Scheid
Beckman	Foley	Krentz	Pappas	Ten Eyck
Belanger	Hottinger	Limmer	Piper	Terwilliger
Berglin	Johnson, J.B.	Lourey	Price	Wiener
Cohen	Junge	Marty	Ranum	
Dille	Kelley, S.P.	Morse	Robling	

The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:30 p.m. The motion prevailed. The hour of 1:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Beckman moved that S.F. No. 3415 be withdrawn from the Committee on State Government Finance and re-referred to the Committee on Human Resources Finance. The motion prevailed.

S.F. No. 3353 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3353

A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; providing for regulation of certain activities and practices; amending Minnesota Statutes 1996, sections 3.737, subdivisions 1, 4, and by adding a subdivision; 41A.09, subdivision 1a; 84.83, subdivision 3; 84.871; 84.943, subdivision 3; 86B.415, by adding a subdivision; 97A.037, subdivision 1; 97A.245; 103C.315, subdivision 4; 103F.155, subdivision 2; 103F.161, subdivision 2; 103G.271, subdivision 6; 115B.175, subdivision 3; and 116.07, subdivision 4h; 116.49, by adding a subdivision; Minnesota Statutes 1997 Supplement, sections 17.101, subdivision 5; 41A.09, subdivision 3a; 84.8205; 84.86, subdivision 1; and 97A.485, subdivision 6; repealing Minnesota Statutes 1997 Supplement, section 85.015, subdivision 1c; Laws 1991, chapter 275, section 3.

April 3, 1998

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 3353, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3353 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.]

The sums in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act to be available for the fiscal years indicated for each purpose. The figures "1998" and "1999," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1998, or June 30, 1999, respectively.

SUMMARY BY FUND

1998

1999

6356	JOURNAL OF THE SENATE	[105TH DAY
General Fund	\$5,294,000	\$12,498,000
Natural Resources Fund	-0-	500,000
Total	5,294,000	12,998,000

APPROPRIATIONS
Available for the Year
Ending June 30
1998 1999

Sec. 2. POLLUTION CONTROL
AGENCY

180,000 1,210,000

\$350,000 in fiscal year 1999 is added to the appropriation for county feedlot program grants in Laws 1997, chapter 216, section 2, subdivision 2. In fiscal year 1999 delegated counties shall be eligible to receive a grant of either: \$40 multiplied by the number of livestock or poultry farms with sales greater than \$10,000, as reported in the 1992 Census of Agriculture, published by the United States Bureau of Census; or \$50 multiplied by the number of feedlots with greater than ten animal units, as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the Feedlot Inventory Guidebook published by the board of water and soil resources, dated June 1991.

\$50,000 in fiscal year 1999 is for the bioaccumulative residues research program at the University of Minnesota-Duluth to analyze fish contaminants, including researching the presence of selenium in fish samples. As a condition of this grant, the University of Minnesota-Duluth must submit a work program and submit semiannual progress reports as provided in Minnesota Statutes, section 116P.05, subdivision 2, paragraph (c). This is a one-time appropriation.

\$180,000 in fiscal year 1998 is for the cost of administering the wastewater infrastructure program. This appropriation is available until June 30, 2002.

\$50,000 in fiscal year 1999 is for a scoping study for a cost-benefit model to analyze the costs of water quality standards. This is a one-time appropriation.

\$375,000 in fiscal year 1999 is for acceleration of research being conducted on deformities and possible causes found in amphibians. The funding must be shared with the departments of agriculture, natural resources, and health and with the appropriate University of Minnesota departments. \$39,000 of the appropriation must

be shared with Hamline University for its friends of the frog program. The money must be used for research and monitoring of amphibian deformities, including, but not limited to, a possible groundwater surface water interconnection. The money may be used as a match for any federal dollars available. This is a one-time appropriation.

\$300,000 in fiscal year 1999 is for expansion of permitting activities under the federal Clean Water Act that affect feedlots in excess of 1,000 animal units.

The availability of the appropriation in Laws 1997, chapter 216, section 15, subdivision 14, paragraph (c), to monitor and research the effects of endocrine disrupting chemicals in surface waters is extended to June 30, 2000.

\$85,000 in fiscal year 1999 is for a grant to Benton county to pay the principal amount due in fiscal year 1999 on bonds issued by the county to pay part of a final order or settlement of a lawsuit for environmental response costs at a mixed municipal solid waste facility. This money and any future money appropriated for this purpose must be apportioned by Benton county among the local units of government that were parties to the final order or settlement in the same proportion that the local units of government agreed to as their share of the liability. This is a one-time appropriation.

Sec. 3. ZOOLOGICAL BOARD	1,500,000	-0-
--------------------------	-----------	-----

\$1,500,000 is for zoo operations. This is a one-time supplemental appropriation. By September 1, 1998, the board shall report to the governor, the chair of the senate environment and agriculture budget division, and the chair of the house environment, natural resources and agriculture finance committee on recommendations to internally manage the effects of lowered attendance projections and methods for improving attendance forecasting.

Sec. 4. NATURAL RESOURCES	2,974,000	7,717,000
---------------------------	-----------	-----------

Summary by Fund

General Fund	2,974,000	7,267,000
Natural Resources Fund	-0-	450,000

\$1,504,000 in fiscal year 1999 is for flood-related activities in the division of waters. \$200,000 of this appropriation is for alternative flood control measures beneficial to the environment, such as culvert downsizing on

man-made waterways and wetland restoration. \$10,000 of this appropriation is for a grant to the Marine-on-St. Croix watershed management organization for engineering analysis of flooding problems along Twin lake. Notwithstanding Minnesota Statutes, section 103F.161, subdivision 2, paragraph (c), this appropriation may be combined with a flood hazard mitigation grant previously awarded to the watershed management organization. \$75,000 of this appropriation is for a grant under Minnesota Statutes, section 103F.161, to Swift county for improvements at Lake Oliver. \$30,000 of this appropriation is for a grant under Minnesota Statutes, section 103F.161, to the Chisago Lake improvement district for improvements to the outlet project. The portion of this appropriation to be included in the department's base is \$1,189,000 for each fiscal year.

\$150,000 in fiscal year 1999 is for transfer to the Minnesota forest resources council for implementation of the Sustainable Forest Resources Act pursuant to Minnesota Statutes, chapter 89A. This a one-time appropriation.

\$476,000 in fiscal year 1998 is for sealing inactive wells on state-owned land. The commissioner shall determine project priorities as appropriate based upon need. This appropriation is available until June 30, 2002.

\$430,000 in fiscal year 1999 is for operations at Fort Snelling park and for statewide resource protection. The portion of this appropriation to be included in the department's base is \$200,000 in each fiscal year.

\$250,000 in fiscal year 1999 is for population and habitat objectives of the nongame wildlife management program.

\$180,000 in fiscal year 1998 and \$120,000 in fiscal year 1999 are for increased public involvement in white pine management planning and to accelerate white pine management on state forest lands. Any amount of this appropriation not used in fiscal year 1998 is available in fiscal year 1999.

\$370,000 in fiscal year 1998 and \$230,000 in fiscal year 1999 are for improvement of camper safety and security in state forest campgrounds and to make repairs to selected state forest campgrounds.

\$450,000 in fiscal year 1999 is from the water recreation account in the natural resources fund for enforcement of personal watercraft laws. At

least one-half of the conservation officers hired pursuant to this item must be from the protected classes. \$225,000 of this appropriation is for grants to counties where there is significant use of personal watercraft on waters in and bordering the counties. The grants must be used for personal watercraft safety education and law enforcement, pursuant to Minnesota Statutes, section 86B.415, subdivision 7a.

\$250,000 in fiscal year 1999 is for operational costs related to wildlife management at the area level.

\$470,000 in fiscal year 1998 and \$250,000 in fiscal year 1999 are for the interpretation, management, and monitoring of scientific and natural areas.

\$340,000 in fiscal year 1999 is for technical assistance and grants to assist local government units and organizations in the metropolitan area to acquire and develop natural areas and greenways.

\$300,000 in fiscal year 1999 is for state trail maintenance and amenities.

\$250,000 in fiscal year 1999 is for a grant to the city of North St. Paul for improvements including trail connections, lighting, and landscaping related to the trail bridge over Highway 36 in North St. Paul. This is a one-time appropriation.

\$500,000 in fiscal year 1999 is for further work to develop protected water flow recommendations on Minnesota streams and for support of river restoration expertise and its application to the Whitewater river and Sandy river. \$300,000 of this amount is a one-time appropriation for stream protection on Brown's creek in Washington county.

\$53,000 in fiscal year 1999 is for minerals cooperative environmental research. \$26,500 is available only as matched by \$1 of nonstate money for each \$1 of state money. This appropriation is added to the appropriation in Laws 1997, chapter 216, section 5, subdivision 2.

\$75,000 in fiscal year 1998 is to repair state forest land in Morrison, Mille Lacs, Kanabec, and Crow Wing counties.

\$100,000 in fiscal year 1998 is for development and maintenance of habitat and facilities, and data management system development at Swan lake wildlife management area.

\$1,175,000 in fiscal year 1999 is for wildlife habitat improvement, wildlife population surveys, monitoring, private lands cost-sharing for wildlife habitat and forest stewardship, and project grants to local governments and private organizations to enhance fish, wildlife, and native plant habitats. Of this amount, \$375,000 is for brush land and forest habitat renewal for sharp-tailed grouse and other species of birds dependent on open brush lands in forest areas by providing financial and technical assistance to landowners as well as brush land renewal on public lands; \$300,000 is for wildlife habitat improvements through cost-sharing and technical assistance to private landowners; \$300,000 is for forest stewardship improvements through cost-sharing and technical assistance to private landowners; and \$200,000 is for wildlife population surveys, monitoring, evaluation, and constituent surveys. The portion of this appropriation to be included in the department's base is \$1,075,000 in each fiscal year. The base amounts for each specific item are \$325,000, \$275,000, \$275,000, and \$200,000, respectively.

\$100,000 in fiscal year 1998 is for engineering and hydraulic studies in conjunction with the proposed development of an urban whitewater trail along the Mississippi river in the lower St. Anthony Falls area below the stone arch bridge in Minneapolis and to examine the economic impact, market use potential, public safety concerns, environmental considerations, and land and water use impacts of the proposed Mississippi Whitewater trail. The commissioner must coordinate and work with affected local, state, and federal governments and interested citizen groups, including, but not limited to, the National Park Service, the United States Army Corps of Engineers, the University of Minnesota, the Minnesota historical society, the metropolitan parks and open space commission, the Minneapolis park board, and the Mississippi Whitewater Park Development Corporation. The commissioner must report to the senate environment and agriculture budget division and the house environment, natural resources, and agriculture finance committee by November 1, 1999, on the findings from the studies required under this item. This appropriation is available until June 30, 1999.

\$100,000 in fiscal year 1998 is for a grant to the township of Linwood in Anoka county to construct a surface water drainage system to control water pollution. This appropriation is

available until expended. Expenses incurred by Linwood township related to the proposed project, prior to this appropriation, may be considered as part of the total project cost for purposes of satisfying the requirements of Minnesota Statutes, section 103F.161, subdivision 2, paragraph (c).

\$200,000 in fiscal year 1998 is added to the appropriation in Laws 1997, chapter 216, section 15, subdivision 4, paragraph (c), clause (4), for the statewide conservation partners program.

\$215,000 in fiscal year 1998 and \$250,000 in fiscal year 1999 are to enhance customer service and data access through the collaborative use of technology, to improve communication with citizens and stakeholders, to provide technical assistance and data delivery to citizens and local government, and for the Minnesota Environmental/Natural Resource Electronic Library (MENREL) to accelerate the development of integrated and indexed environmental and geographic data catalogs, cross-agency search and retrieval, and content-rich libraries of environmental data and information.

\$350,000 in fiscal year 1998 is to serve as the state match to federal money to remove surplus sediment along the east bank of the Mississippi river at Little Falls. The commissioner must coordinate and work with the United States Army Corps of Engineers on this project. This appropriation is available until expended.

\$203,000 in fiscal year 1998 is for a forestry information management system to improve the timber sale program, forest development model, and fire management.

\$35,000 in fiscal year 1998 and \$115,000 in fiscal year 1999 are for expansion of the "Becoming an Outdoors Woman Program," and for a position to coordinate shooting range development on a statewide basis. Of this amount, \$35,000 in fiscal year 1998 is available until June 30, 1999, to match an equal amount of nonstate money for shooting range partnership agreements and is a one-time appropriation.

\$50,000 in fiscal year 1998 is for ecosystem-based management workshops for teams of local officials, natural resource managers, and citizens.

\$200,000 in fiscal year 1999 is for aquatic plant restoration.

\$125,000 in fiscal year 1999 is for local initiatives grants program administration.

\$150,000 in fiscal year 1999 is for long-term monitoring of lake ecosystems.

The appropriations in Laws 1996, chapter 407, section 3, for the Iron Range off-highway vehicle recreation area are available until June 30, 2000.

\$100,000 in fiscal year 1999 is for an enhanced lake classification system to provide comprehensive lake descriptions. This appropriation is added to the base in fiscal year 2000 only.

\$200,000 in fiscal year 1999 is to identify lake watershed boundaries for lakes greater than 100 acres in a geographic information system format. This appropriation is added to the base in fiscal year 2000 only.

\$150,000 in fiscal year 1999 is to develop methodologies to assess the cumulative effects of development on lakes. This appropriation is added to the base in fiscal year 2000 only.

\$100,000 in fiscal year 1999 is for a grant to the Upper Swede Hollow Association for improvements in and around Swede Hollow Park. The appropriation must be used for plantings, improvements to railway trestles, trail repair, reconstruction of the pond outlet, and other trail improvements. This is a one-time appropriation.

\$50,000 in fiscal year 1998 and \$50,000 in fiscal year 1999 are for an agreement with the University of Minnesota College of Architecture and Landscape Architecture to develop environmental brownfields mitigation strategies. This is a one-time appropriation.

The appropriation in Laws 1997, chapter 216, section 5, subdivision 4, for grants to local community forest ecosystem health programs is available until June 30, 2000.

\$25,000 in fiscal year 1999 is for promotion and enhanced public awareness of the RIM critical habitat license plate program.

Sec. 5. BOARD OF WATER AND SOIL RESOURCES

300,000

1,100,000

\$200,000 in fiscal year 1998 is for a grant to the Faribault county soil and water conservation district for the quad-lakes restoration project in Faribault and Blue Earth counties and is available until expended.

\$1,000,000 in fiscal year 1999 is for grants to soil and water conservation districts for cost-sharing contracts for water quality management on feedlots. Priority must be given to feedlot operators who have received a notice of violation and for feedlots in counties that are conducting or have completed a level 2 or level 3 feedlot inventory.

\$100,000 in fiscal year 1998 is for a grant to the University of Minnesota extension service to improve existing Minnesota extension shoreland guidance and other related guidebooks. This is a one-time appropriation, available until expended.

\$100,000 in fiscal year 1999 is for a pilot grant program to soil and water conservation districts for cost-sharing contracts with landowners to establish and maintain plantings of trees, shrubs, and grass strips that are native species of a local ecotype for the primary purpose of controlling snow deposition for the benefit of public transportation. The board, in consultation with the Minnesota Association of Soil and Water Conservation Districts, shall select at least five districts for participation in the pilot program. Up to 20 percent of the appropriation may be used for the technical and administrative expenses of soil and water conservation districts to implement this item. The board shall enter into grant agreements to accomplish the transfer of funds to soil and water conservation districts and to establish guidelines to implement this item. Cost-sharing contracts between soil and water conservation districts and landowners may provide for annual payments to landowners for maintenance. This appropriation is available until spent.

Sec. 6. AGRICULTURE

310,000

2,169,000

\$110,000 in fiscal year 1998 and \$250,000 in fiscal year 1999 are for expansion of efforts to prevent the establishment and spread of gypsy moths in Minnesota.

\$25,000 in fiscal year 1998 and \$325,000 in fiscal year 1999 are for a state meat inspection program.

\$75,000 in fiscal year 1999 is for additional matching funds for the WIC coupon program.

\$25,000 in fiscal year 1999 is for additional livestock depredation payments pursuant to Minnesota Statutes, section 3.737.

\$50,000 in fiscal year 1999 is added to the appropriation in Laws 1997, chapter 216, section

7, subdivision 4, for beaver damage control grants. This is a one-time appropriation.

Any unencumbered balance from the appropriation in Laws 1997, chapter 216, section 7, subdivision 4, for beaver damage control grants for the first year of the biennium is available for the second year of the biennium.

\$100,000 in fiscal year 1998 is added to the appropriation in Laws 1997, chapter 216, section 7, subdivision 4, to accomplish reform of the federal milk market order system and for legal actions opposing the Northeast Dairy Compact. This appropriation is available until June 30, 1999.

\$500,000 in fiscal year 1999 is added to the appropriation for dairy diagnostic teams in Laws 1997, chapter 216, section 7, subdivision 2, and is added to the department's base.

\$267,000 in fiscal year 1999 is for a pilot program to expand the concept of the Minnesota grown program. The program is to assist low-income families in accessing nutritious and affordable food and to promote economic development by creating new markets and food distribution systems. \$17,000 of this appropriation is for costs of administration. \$87,000 of this appropriation is for payment to the Sustainable Resources Center for the purposes of this appropriation. \$163,000 of this appropriation is for food coupons. The coupons shall be distributed and administered according to this section, subject to the approval of the commissioner of agriculture. The portion of this appropriation to be included in the department's base for fiscal year 2001 is \$200,000, which may only be used for food coupons.

The Sustainable Resources Center, in conjunction with the Minnesota Food Association, and subject to the approval of the commissioner of agriculture, shall select up to two urban and up to two rural communities as locations for activities that will serve as models for sustainable community food systems. These activities shall include but are not limited to:

- (1) conducting food system assessments in each community to identify assets and needs;
- (2) supporting the creation of producer distribution networks to establish direct links to low-income consumers; and
- (3) working with food processing plants in the selected community to develop the support

services needed to make entry-level jobs accessible to low-income people.

During each fiscal year beginning in fiscal year 1999, the commissioner of agriculture, within the funds available, shall provide coupons to the Sustainable Resources Center for distribution to participating eligible individuals. The coupons must be issued in two allocations each fiscal year. Eligible individuals may receive up to \$100 in coupons per year, subject to the limitation that additional eligible individuals who reside in the same household may receive up to \$20 in coupons per year, up to a maximum of \$200 per household per year. Eligible individuals include individuals who are residents of the communities in the pilot project and are eligible for the Minnesota grown coupons under this section. Eligible individuals include:

- (1) individuals who are in a state-verified income program; and
- (2) individuals who are selected by the Sustainable Resources Center based on guidelines targeting specific populations within the pilot communities.

The amount of the Minnesota grown coupons must be excluded as income under the AFDC, refugee cash assistance, general assistance, MFIP, MFIP-R, MFIP-S, food stamp programs, state housing subsidy programs, low-income energy assistance programs, and other programs that do not count food stamps as income.

The coupons must be clearly labeled as redeemable only for products licensed to use the Minnesota grown logo or labeling statement under Minnesota Statutes, section 17.102. Coupons may be redeemed by farmers, custom meat processors, community-supported agriculture farms, and other entities approved by the commissioner of agriculture. The person accepting the coupon is responsible for its redemption only on products licensed to use the Minnesota grown logo or labeling statement. The commissioner must receive and reimburse all valid coupons redeemed pursuant to this section.

The commissioner may establish criteria for vendor eligibility and may enforce the Minnesota grown coupon program according to Minnesota Statutes, sections 17.982 to 17.984.

\$160,000 in fiscal year 1999 is for value-added agricultural product processing and marketing grants under Minnesota Statutes, section 17.101, subdivision 5. This appropriation and the

appropriation in Laws 1997, chapter 216, section 7, subdivision 3, for grants under Minnesota Statutes, section 17.101, subdivision 5, are available until June 30, 2001.

\$125,000 in fiscal year 1999 is for a grant to the Market Champ, Inc. board. This is a one-time appropriation.

\$25,000 in fiscal year 1999 is for the Passing on the Farm Center established in Minnesota Statutes, section 17.985. This is a one-time appropriation.

\$200,000 in fiscal year 1999 is to expand the shared savings loan program under Minnesota Statutes, section 17.115, to include a program of revolving loans for demonstration projects of farm manure digester technology. Notwithstanding the limitations of Minnesota Statutes, section 17.115, subdivision 2, paragraphs (b) and (c), loans under this program are no-interest loans in principal amounts not to exceed \$200,000 and may be made to any resident of this state. Loans for one or more projects must be made only after the commissioner seeks applications. Loans under this program may be used as a match for federal loans or grants. Money repaid from loans must be returned to the revolving fund for future projects. This is a one-time appropriation.

\$50,000 in fiscal year 1998 is for a grant to the University of Minnesota for investigation, screening, and a survey of existing research into the design and development of low-cost alternatives to pasteurization that provide comparable bacteria count reduction in fruit juice. The commissioner must report to the chair of the house environment, natural resources, and agriculture finance committee and the chair of the senate environment and agriculture budget division by January 15, 1999, regarding the results of the research and with a recommendation for further action.

\$25,000 in fiscal year 1998 is for a grant to the University of Minnesota to study factors associated with farms that experience varying levels of livestock depredation caused by timber wolves. The university shall make recommendations to the commissioner to assist in the development of best management practices to prevent timber wolf depredation on livestock farms. This appropriation is available until June 30, 1999.

\$60,000 in fiscal year 1999 is for payment of

attorney general and other costs of assisting local government units in the process of adoption, review, or modification of ordinances relating to animal feedlots. This appropriation is available until June 30, 1999.

\$107,000 in fiscal year 1999 is for development of the program under Minnesota Statutes, section 18C.430. This is a one-time appropriation.

As a condition of receiving state funds, the ethanol production plant in St. Paul must provide year-round public access to the well that was publicly accessible when the plant was a brewery.

Sec. 7. UNIVERSITY OF MINNESOTA

-0- 292,000

For alternative and sustainable hog production facilities and programs. \$125,000 of this appropriation is for a grant to the Minnesota Institute for Sustainable Agriculture to extend funding for the Alternative Swine Production Systems Task Force and coordinator. \$30,000 of this appropriation is for a grant to the Minnesota Institute for Sustainable Agriculture for alternative and sustainable hog production programs and program support, including on-farm systems research. \$137,000 of this appropriation is to establish a faculty position in agricultural and community sociology at the University of Minnesota-Morris, focusing on the sustainability of agricultural systems and rural communities. The position shall be defined by the Alternative Swine Production Systems Task Force. This is a one-time appropriation.

Sec. 8. BOARD OF ANIMAL HEALTH

30,000 160,000

\$30,000 in fiscal year 1998 and \$160,000 in fiscal year 1999 is for expansion of the program for the control of paratuberculosis ("Johne's disease") in domestic bovine herds. These appropriations are in addition to the appropriations for the same purposes in Laws 1997, chapter 216, section 8.

Sec. 9. ADMINISTRATION

-0- 350,000

Summary by Fund

General Fund	-0-	300,000
Natural Resources Fund	-0-	50,000

\$50,000 is from the water recreation account in the natural resources fund for a study by a qualified consultant to determine the actual percentage of all gasoline received in and produced or brought into the state, except

gasoline used for aviation purposes, that is being used as fuel for watercraft in this state. The study must include a determination of the amount of gasoline consumed by vehicles in the course of transporting watercraft on the highways of this state. The commissioner shall consult with the commissioners of revenue, transportation, and natural resources in preparing the request for proposals for the study and in selecting the consultant to perform the study. The commissioner shall report to the chairs of the senate and house environment and natural resources committees, the senate environment and agriculture budget division, the house environment, natural resources, and agriculture finance committee, the senate transportation committee, and the house transportation and transit committee on the results of the study by February 1, 1999. This is a one-time appropriation.

\$300,000 is for modifications of department of natural resources business systems to address year 2000 changes. This appropriation is added to the appropriation for technology management in Laws 1997, chapter 202, article 1, section 12, subdivision 7. This is a one-time appropriation.

Sec. 10. ETHANOL DEVELOPMENT FUND TRANSFER

As cash flow in the ethanol development fund under Minnesota Statutes, section 41B.044, permits, but no later than June 30, 1999, the commissioner of finance, in consultation with the commissioner of agriculture, shall transfer \$400,000 from the unencumbered balance in the fund to the general fund. This transfer is in addition to the transfer required by Laws 1997, chapter 216, section 17.

Sec. 11. Minnesota Statutes 1996, section 3.737, subdivision 1, is amended to read:

Subdivision 1. [COMPENSATION REQUIRED.] (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a timber wolf or is so crippled so by a timber wolf that it must be destroyed by an animal classified as endangered under the federal Endangered Species Act of 1973. The owner is entitled to the fair market value of the destroyed livestock, not to exceed \$400 \$750 per animal destroyed, as determined by the commissioner, upon recommendation of the county a university extension agent for the owner's county and a conservation officer.

(b) Either the agent or the conservation officer must make a personal inspection of the site. The agent or the conservation officer must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the agent and conservation officer, shall determine whether the livestock was destroyed by an animal described in this subdivision a timber wolf and any deficiencies in the owner's adoption of the best management practices developed in

subdivision 5. The commissioner may authorize payment of claims only if the agent and the conservation officer have recommended payment. The owner shall file a claim on forms provided by the commissioner and available at the county university extension agent's office.

Sec. 12. Minnesota Statutes 1996, section 3.737, subdivision 4, is amended to read:

Subd. 4. [PAYMENT, DENIAL OF COMPENSATION.] (a) If the commissioner finds that the livestock owner has shown that the loss of the livestock was likely caused more probably than not by an animal classified as an endangered species a timber wolf, the commissioner shall pay compensation as provided in this section and in the rules of the department.

(b) For a timber wolf depredation claim submitted by a livestock owner after September 1, 1999, the commissioner shall, based on the report from the university extension agent and conservation officer, evaluate the claim for conformance with the best management practices developed by the commissioner in subdivision 5. The commissioner must provide to the livestock owner an itemized list of any deficiencies in the livestock owner's adoption of best management practices that were noted in the university extension agent's or conservation officer's report.

(c) If the commissioner denies compensation claimed by an owner under this section, the commissioner shall issue a written decision based upon the available evidence. It shall include specification of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision shall be mailed to the owner.

(d) A decision to deny compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator shall mail a copy to the commissioner and set a time for hearing within 90 days of the filing.

Sec. 13. Minnesota Statutes 1996, section 3.737, is amended by adding a subdivision to read:

Subd. 5. [TIMBER WOLF BEST MANAGEMENT PRACTICES.] By September 1, 1999, the commissioner must develop best management practices to prevent timber wolf depredation on livestock farms. The commissioner shall periodically update the best management practices when new practices are found by the commissioner to prevent timber wolf depredation on livestock farms. The commissioner must provide an updated copy of the best management practices for timber wolf depredation to all livestock owners who are still engaged in livestock farming and have previously submitted livestock claims under this section.

Sec. 14. Minnesota Statutes 1997 Supplement, section 17.101, subdivision 5, is amended to read:

Subd. 5. [VALUE-ADDED AGRICULTURAL LIVESTOCK PRODUCT PROCESSING AND MARKETING GRANT PROGRAM.] (a) For purposes of this section,:

(1) "livestock or dairy agricultural commodity" means a material produced for use in or as food, feed, seed, or fiber and includes crops for fiber, food, oilseeds, seeds, livestock, livestock products, dairy, dairy products, poultry, poultry products, and other products or by-products of the farm produced for the same or similar use, except ethanol; and

(2) "agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agricultural livestock or dairy commodities produced in Minnesota.

(b) The commissioner shall establish and implement a value-added agricultural livestock and dairy product processing and marketing grant program to help farmers finance new cooperatives that organize for the purposes of operating livestock and dairy agricultural product processing facilities and for marketing activities related to the sale and distribution of processed livestock and dairy agricultural products.

(c) To be eligible for this program a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all of the control and equity in the cooperative is from farmers as defined in section 500.24, subdivision 2, who are actively engaged in ~~livestock or dairy~~ agricultural commodity production;

(3) be operated primarily for the processing of ~~livestock or dairy~~ agricultural commodities produced in Minnesota;

(4) receive ~~livestock or dairy~~ agricultural commodities produced primarily by shareholders or members of the cooperative; and

(5) have no direct or indirect involvement in the production of ~~livestock and dairy~~ agricultural commodities.

(d) The commissioner may receive applications from and make grants up to \$50,000 for feasibility, marketing analysis, and predesign of facilities to eligible cooperatives. The commissioner shall give priority to applicants who use the grants for planning costs related to an application for financial assistance from the United States Department of Agriculture, Rural Business - Cooperative Service.

Sec. 15. [17.987] [MARKET CHAMP, INC; ACCESS TO QUALITY GENETICS BY FAMILY FARMERS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] Market Champ, Inc. is established as a nonprofit public corporation under chapter 317A and is subject to the provisions of that chapter. The corporation is neither a state agency nor an entity within the University of Minnesota. The purpose of the corporation is to transfer high quality swine genetic material from the University of Minnesota to the family farmers of the state in order to enhance the state's economic growth and the competitiveness of family farmers. Market Champ, Inc. shall assist Minnesota swine producers in understanding genetic technologies and developing improved animal genetic lines.

Subd. 2. [DUTIES.] Market Champ, Inc. shall:

(1) encourage family farmers to use the highest quality swine genetics;

(2) facilitate the transfer of the latest swine genetic research and technology information and materials from the University of Minnesota and other sources to family farmers;

(3) assist family farmers to market the swine they produce;

(4) develop a system for tracking family farmers' products through the processing, meat packing, and marketing system to determine the market value of the genetic technology;

(5) provide genetic testing, counseling, and assistance in genetic decisions to identify new market developments and capture value-added opportunities;

(6) provide centralized testing services with regional technology transfer specialists;

(7) secure access to new genetic tests and services for all Minnesota producers through licensing agreements; and

(8) assist family farmers who do not otherwise have access to high quality genetic technologies.

Subd. 3. [BOARD OF DIRECTORS.] (a) Market Champ, Inc. shall be governed by a board of directors consisting of 11 voting members, appointed by the governor.

(b) The members of the board shall be:

(1) two representatives of small family farmers with under 250 sows;

- (2) one representative of purebred swine producers;
- (3) one member of the Minnesota Pork Producers Association;
- (4) one representative of the pork industry;
- (5) one member of the meat packing industry;
- (6) one member representing the University of Minnesota;
- (7) one member representing Minnesota state colleges and universities;
- (8) the commissioner of agriculture;
- (9) the chair of the senate committee on agriculture and rural development, or the chair's designee; and
- (10) the chair of the house committee on agriculture, or the chair's designee.

Members listed in clauses (1) to (5) must be recommended by the president of the University of Minnesota or a designee of the president, in consultation with the chairs of the senate and house of representatives committees with jurisdiction over agricultural policy and finance issues.

(c) Meetings of the board are subject to section 471.705.

(d) Members of the board shall be compensated and reimbursed in the same manner as members of advisory councils under section 15.059, subdivision 3.

Subd. 4. [BYLAWS.] Bylaws of Market Champ, Inc. must provide for the qualification and removal of directors and for filling vacancies on the board in a manner not inconsistent with this section.

Subd. 5. [ARTICLES OF INCORPORATION.] The articles of incorporation of Market Champ, Inc. must be filed with the secretary of state under chapter 317A and must be consistent with this section.

Subd. 6. [AUDIT.] Market Champ, Inc. shall contract with the legislative auditor to perform audits and must report the results to the legislature.

Subd. 7. [REPORT.] The board of directors of Market Champ, Inc. shall submit an annual report on the activities of Market Champ, Inc. by January 15 of each year to the appropriations, finance, and agriculture committees of the legislature and to the governor. The report must include a description of the corporation's activities for the past year, a list of all contracts entered into by the corporation, and a financial report of revenues and expenditures of the corporation.

Subd. 8. [EXPIRATION.] The board of directors of Market Champ, Inc. expires on June 30, 2003.

Sec. 16. Minnesota Statutes 1996, section 18C.141, is amended to read:

18C.141 [SOIL AND MANURE TESTING LABORATORY CERTIFICATION.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish a program to certify the accuracy of analyses from soil and manure testing laboratories and promote standardization of soil and manure testing procedures and analytical results.

Subd. 2. [CHECK SAMPLE SYSTEM.] (a) The commissioner shall institute a system of check samples that requires a laboratory to be certified to analyze at least ~~four~~ two multiple soil or manure check samples during the calendar year. The samples must be supplied by the commissioner or by a person under contract with the commissioner to prepare and distribute the samples.

(b) Within 30 days after the laboratory receives check samples, the laboratory shall report to the commissioner the results of the analyses for all requested elements or compounds or for the elements or compounds the laboratory makes an analytical determination of as a service to others.

(c) The commissioner shall compile analytical data submitted by laboratories and provide laboratories submitting samples with a copy of the data without laboratory names or code numbers.

(d) The commissioner may conduct check samples on laboratories that are not certified.

Subd. 3. [ANALYSES REPORTING STANDARDS.] (a) The results obtained from soil, manure, or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

Subd. 4. [REVOCAION OF CERTIFICATION.] If the commissioner determines that analysis being performed by a laboratory is inaccurate as evidenced by check sample results, the commissioner may deny, suspend, or revoke certification.

Subd. 5. [CERTIFICATION FEES.] (a) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

Subd. 6. [RULES.] The commissioner shall adopt rules for the establishment of minimum standards for laboratories, equipment, procedures, and personnel used in soil and manure analysis and rules necessary to administer and enforce this section. The commissioner shall consult with representatives of the fertilizer industry, representatives of the laboratories doing business in this state, and with the University of Minnesota college of agriculture before proposing rules.

Sec. 17. [18C.430] [COMMERCIAL ANIMAL WASTE TECHNICIAN.]

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (c), after March 1, 2000, a person may not manage or apply animal wastes for hire without a valid commercial animal waste technician license. This section does not apply to a person managing or applying animal waste on land managed by the person's employer.

(b) A person managing or applying animal wastes for hire must have a valid license identification card when managing or applying animal wastes for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

(c) A person who is not a licensed commercial animal waste technician who has had at least two hours of training or experience in animal waste management may manage or apply animal waste for hire under the supervision of a commercial animal waste technician.

Subd. 2. [RESPONSIBILITY.] A person required to be licensed under this section who performs animal waste management or application for hire or who employs a person to perform animal waste management or application for compensation is responsible for proper management or application of the animal wastes.

Subd. 3. [LICENSE.] A commercial animal waste technician license:

(1) is valid for three years and expires on December 31 of the third year for which it is issued, unless suspended or revoked before that date;

(2) is not transferable to another person; and

(3) must be prominently displayed to the public in the commercial animal waste technician's place of business.

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a commercial animal waste technician license on forms and in the manner required by the commissioner and must include the application fee. The commissioner shall prescribe and administer an examination or equivalent measure to determine if the applicant is eligible for the commercial animal waste technician license.

(b) The commissioner of agriculture, in cooperation with the Minnesota extension service and appropriate educational institutions, shall establish and implement a program for training and licensing commercial animal waste technicians.

Subd. 5. [RENEWAL APPLICATION.] A person must apply to the commissioner of agriculture to renew a commercial animal waste technician license and must include the application fee. The commissioner may renew a commercial animal waste technician license, subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the animal waste technician with information regarding changing technology and to help ensure a continuing level of competence and ability to manage and apply animal wastes properly. The applicant may renew a commercial animal waste technician license within 12 months after expiration of the license without having to meet initial testing requirements. The commissioner may require additional demonstration of animal waste technician qualification if a person has had a license suspended or revoked or has had a history of violations of this section.

Subd. 6. [FINANCIAL RESPONSIBILITY.] (a) A commercial animal waste technician license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by (1) proof of net assets equal to or greater than \$50,000, or (2) a performance bond or insurance of the kind and in an amount determined by the commissioner of agriculture.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner shall immediately suspend the license of a person who fails to maintain the required bond or insurance.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under paragraph (b) must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 7. [APPLICATION FEE.] A person initially applying for or renewing a commercial animal waste technician license must pay a nonrefundable application fee of \$50 and a fee of \$10 for each additional identification card requested.

Sec. 18. Minnesota Statutes 1996, section 35.82, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF CARCASSES.] (a) Except as provided in subdivision 1b and paragraph (d), every person owning or controlling any domestic animal that has died or been killed otherwise than by being slaughtered for human or animal consumption, shall as soon as reasonably possible bury the carcass ~~at least three feet deep~~ at a depth adequate to prevent scavenging by other animals in the ground or thoroughly burn it or dispose of it by another method approved by the board as being effective for the protection of public health and the control of livestock diseases. The board, through its executive secretary, may issue permits to owners of rendering plants located in Minnesota which are operated and conducted as required by law, to transport carcasses of domestic animals and fowl that have died, or have been killed otherwise than by being slaughtered for human or animal consumption, over the public highways to their plants for rendering purposes in accordance with the rules adopted by the board relative to transportation, rendering, and other provisions the board considers necessary to prevent the spread of disease. The

board may issue permits to owners of rendering plants located in an adjacent state with which a reciprocal agreement is in effect under subdivision 3.

(b) Carcasses collected by rendering plants under permit may be used for pet food or mink food if the owner or operator meets the requirements of subdivision 1b.

(c) An authorized employee or agent of the board may enter private or public property and inspect the carcass of any domestic animal that has died or has been killed other than by being slaughtered for human or animal consumption. Failure to dispose of the carcass of any domestic animal within the period specified by this subdivision is a public nuisance. The board may petition the district court of the county in which a carcass is located for a writ requiring the abatement of the public nuisance. A civil action commenced under this paragraph does not preclude a criminal prosecution under this section. No person may sell, offer to sell, give away, or convey along a public road or on land the person does not own, the carcass of a domestic animal when the animal died or was killed other than by being slaughtered for human or animal consumption unless it is done with a special permit pursuant to this section. The carcass or parts of a domestic animal that has died or has been killed other than by being slaughtered for human or animal consumption may be transported along a public road for a medical or scientific purpose if the carcass is enclosed in a leakproof container to prevent spillage or the dripping of liquid waste. The board may adopt rules relative to the transportation of the carcass of any domestic animal for a medical or scientific purpose. A carcass on a public thoroughfare may be transported for burial or other disposition in accordance with this section.

No person who owns or controls diseased animals shall negligently or willfully permit them to escape from that control or to run at large.

(d) A sheep producer may compost sheep carcasses owned by the producer on the producer's land without a permit and is exempt from compost facility specifications contained in rules of the board.

(e) The board shall develop best management practices for dead animal disposal and the pollution control agency feedlot program shall distribute them to livestock producers in the state.

Sec. 19. Minnesota Statutes 1996, section 41A.09, subdivision 1a, is amended to read:

Subd. 1a. [ETHANOL PRODUCTION GOAL.] It is a goal of the state that ethanol production plants in the state attain a total annual production level of ~~220,000,000~~ 240,000,000 gallons.

Sec. 20. Minnesota Statutes 1997 Supplement, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. [PAYMENTS.] (a) The commissioner of agriculture shall make cash payments to producers of ethanol, anhydrous alcohol, and wet alcohol located in the state. These payments shall apply only to ethanol, anhydrous alcohol, and wet alcohol fermented in the state and produced at plants that have begun production by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production is:

(1) except as provided in paragraph (b), for each gallon of ethanol or anhydrous alcohol produced on or before June 30, 2000, or ten years after the start of production, whichever is later, 20 cents per gallon; and

(2) for each gallon produced of wet alcohol on or before June 30, 2000, or ten years after the start of production, whichever is later, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon.

The producer payments for anhydrous alcohol and wet alcohol under this section may be paid to either the original producer of anhydrous alcohol or wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(b) If the level of production at an ethanol plant increases due to an increase in the production

capacity of the plant and the increased production begins by June 30, 2000, the payment under paragraph (a), clause (1), applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(c) The commissioner shall make payments to producers of ethanol or wet alcohol in the amount of 1.5 cents for each kilowatt hour of electricity generated using closed-loop biomass in a cogeneration facility at an ethanol plant located in the state. Payments under this paragraph shall be made only for electricity generated at cogeneration facilities that begin operation by June 30, 2000. The payments apply to electricity generated on or before the date ten years after the producer first qualifies for payment under this paragraph. Total payments under this paragraph in any fiscal year may not exceed \$750,000. For the purposes of this paragraph:

(1) "closed-loop biomass" means any organic material from a plant that is planted for the purpose of being used to generate electricity or for multiple purposes that include being used to generate electricity; and

(2) "cogeneration" means the combined generation of:

(i) electrical or mechanical power; and

(ii) steam or forms of useful energy, such as heat, that are used for industrial, commercial, heating, or cooling purposes.

(d) Except for new production capacity approved under paragraph (i), clause (1), the total payments under paragraphs (a) and (b) to all producers may not exceed \$34,000,000 in a fiscal year. Total payments under paragraphs (a) and (b) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol, anhydrous alcohol, and wet alcohol production during the preceding three calendar months. A producer with more than one plant shall file a separate claim for each plant. A producer shall file a separate claim for the original production capacity of each plant and for each additional increment of production that qualifies under paragraph (b). A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol, anhydrous alcohol, and wet alcohol production in Minnesota during the quarter covered by the claim, including anhydrous alcohol and wet alcohol produced or received from an outside source. A producer shall file a separate claim for any amount claimed under paragraph (c). For each claim and statement of total ethanol, anhydrous alcohol, and wet alcohol production filed under this subdivision, the volume of ethanol, anhydrous alcohol, and wet alcohol production or amounts of electricity generated using closed-loop biomass must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. The total quarterly payment to a producer under this paragraph, excluding amounts paid under paragraph (c), may not exceed \$750,000. Except for new production capacity approved under paragraph (i), clause (1), if the total amount for which all other producers are eligible in a quarter under paragraphs (a) and (b) exceeds \$8,500,000, the commissioner shall make payments for production capacity that is subject to this restriction in the order in which the portion of production capacity covered by each claim went into production. If the total amount of ethanol or wet alcohol production reported for a quarter under paragraph (e) equals or exceeds 55,000,000 gallons:

~~(1) payments under this subdivision do not apply to the amount produced in excess of 55,000,000 gallons;~~

~~(2) the commissioner shall make payments to producers in the order in which the portion of production capacity covered by each claim began production; and~~

~~(3) only those producers that receive payments for the quarter, or received payments under~~

~~paragraph (a) or (b) in an earlier quarter, will be eligible for future ethanol or wet alcohol production payments under this subdivision.~~

(g) If the total amount for which all producers are eligible in a quarter under paragraph (c) exceeds the amount available for payments, the commissioner shall make payments in the order in which the plants covered by the claims began generating electricity using closed-loop biomass.

(h) After July 1, 1997, new production capacity is only eligible for payment under this subdivision if the commissioner receives:

- (1) an application for approval of the new production capacity;
- (2) an appropriate letter of long-term financial commitment for construction of the new production capacity; and
- (3) copies of all necessary permits for construction of the new production capacity.

The commissioner may approve ~~the additional new production capacity~~ based on the order in which the applications are received. ~~The commissioner shall not approve production capacity in excess of the limitations in paragraph (f).~~

(i) After the effective date of this section, the commissioner may only approve: (1) up to 12,000,000 gallons of new production capacity at one plant that has not previously received approval or payment for any production capacity; or (2) new production capacity at existing plants ~~are not eligible for new capacity beyond~~ not to exceed planned expansions reported to the commissioner by February 1997. The commissioner may not approve any new production capacity after July 1, 1998.

(j) For the purposes of this subdivision "new production capacity" means annual ethanol production capacity that was not allowed under a permit issued by the pollution control agency prior to July 1, 1997, or for which construction did not begin prior to July 1, 1997.

Sec. 21. Minnesota Statutes 1997 Supplement, section 84.8205, is amended to read:

84.8205 [SNOWMOBILE STATE TRAIL PERMIT STICKER.]

Subdivision 1. [STICKER REQUIRED; FEE.] A person may not operate a snowmobile that is not registered in this state may not be operated on a state or grant-in-aid snowmobile trail unless a snowmobile state trail sticker is affixed to the snowmobile operator has in possession a snowmobile state trail permit. The commissioner of natural resources shall issue a permit sticker upon application and payment of a \$15 fee. The permit sticker is valid from November 1 through April 30. Fees collected under this section shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Subd. 2. [PLACEMENT OF STICKER.] The state trail sticker shall be permanently affixed to the forward half of the snowmobile directly above or below the headlight of the snowmobile.

Subd. 3. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of snowmobile state trail stickers. The commissioner may appoint other state agencies as agents for the sale of the stickers. A county auditor may appoint subagents within the county or within adjacent counties to sell stickers. Upon appointment of a subagent, the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent, and the commissioner may revoke the appointment of a state agency at any time. The commissioner may require an auditor to revoke a subagent's appointment. The auditor shall furnish stickers on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the stickers to be consigned to that subagent. A surety bond is not required for a state agency appointed by the commissioner. The county auditor shall be responsible for all stickers issued to and user fees received by agents except in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed by this section upon the county auditor are imposed upon the county. The commissioner may promulgate additional rules governing the accounting and procedures for handling state trail stickers as provided in section 97A.485, subdivision 11.

Any resident desiring to sell snowmobile state trail stickers may either purchase for cash or obtain on consignment stickers from a county auditor in groups of not less than ten individual stickers. In selling stickers, the resident shall be deemed a subagent of the county auditor and the commissioner, and shall observe all rules promulgated by the commissioner for accounting and handling of licenses and stickers pursuant to section 97A.485, subdivision 11.

The county auditor shall promptly deposit all money received from the sale of the stickers with the county treasurer and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price paid by each stickerholder, exclusive of the issuing fee, for each sticker sold or consigned by the auditor and subsequently sold to a stickerholder during the accounting period. The county auditor shall retain as a commission four percent of all sticker fees, excluding the issuing fee for stickers consigned to subagents and the issuing fee on stickers sold by the auditor to stickerholders.

Unsold stickers in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any stickers not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable.

Subd. 4. [DISTRIBUTION OF STICKERS.] The commissioner shall provide stickers to all agents authorized to issue stickers by the commissioner.

Subd. 5. [AGENT'S FEE.] The fee for a sticker shall be increased by the amount of an issuing fee of \$1 per sticker. The issuing fee may be retained by the seller of the sticker.

Sec. 22. Minnesota Statutes 1997 Supplement, section 84.86, subdivision 1, is amended to read:

Subdivision 1. With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) Registration of snowmobiles and display of registration numbers.
- (2) Use of snowmobiles insofar as game and fish resources are affected.
- (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails, including, but not limited to, the use of specified metal traction devices and nonmetal traction devices.
- (4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.
- (5) Specifications relating to snowmobile mufflers.
- (6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray a portion of the expenses of training and certifying snowmobile operators, the commissioner shall collect a fee of not to exceed \$5 from each person who receives the youth and young adult training and a fee established under chapter 16A from each person who receives the adult training. The commissioner shall deposit the fee in the snowmobile trails and enforcement account and the amount thereof is appropriated annually to the commissioner of natural resources for the administration of such programs. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.
- (7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of \$500

or more, shall forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days.

Sec. 23. Minnesota Statutes 1996, section 84.871, is amended to read:

84.871 [~~MUFFLERS~~ EQUIPMENT REQUIREMENTS.]

Subdivision 1. [MUFFLERS.] Except as provided in this section, every snowmobile shall be equipped at all times with a muffler in good working order which blends the exhaust noise into the overall snowmobile noise and is in constant operation to prevent excessive or unusual noise. The exhaust system shall not emit or produce a sharp popping or crackling sound. This section does not apply to organized races or similar competitive events held on (1) private lands, with the permission of the owner, lessee, or custodian of the land; (2) public lands and water under the jurisdiction of the commissioner of natural resources, with the commissioner's permission; or (3) other public lands, with the consent of the public agency owning the land. No person shall have for sale, sell, or offer for sale on any new snowmobile any muffler that fails to comply with the specifications required by the rules of the commissioner after the effective date of the rules.

Subd. 2. [METAL TRACTION DEVICES ON SNOWMOBILE TRACKS.] Except as provided in this subdivision, a person may not operate a snowmobile with a track equipped with metal traction devices on public lands, roads, or trails, or public road or trail rights-of-way. Pursuant to section 84.86, the commissioner may adopt rules that: (1) limit the use of nonmetal traction devices; and (2) permit metal traction devices that meet certain specifications.

Sec. 24. [84.8715] [METAL TRACTION DEVICE STICKER.]

Subdivision 1. [STICKER REQUIRED; FEE.] A person may not operate a snowmobile with a track equipped with metal traction devices unless a metal traction device sticker is affixed to the snowmobile. The commissioner shall issue a metal traction device sticker upon application and payment of a \$50 fee. The sticker is valid for one year following June 30 in the year it is issued. Fees collected under this section shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund. Money deposited under this section must be used for repair of paved public trails except that any money not necessary for this purpose may be used for the grant-in-aid snowmobile trail system.

Subd. 2. [PLACEMENT OF STICKER.] The metal traction device sticker must be permanently affixed to the forward half of the snowmobile directly above or below the headlight of the snowmobile.

Subd. 3. [LICENSE AGENTS.] The commissioner shall sell metal traction device stickers through the process established under section 84.8205.

Subd. 4. [REPEALER.] This section is repealed on July 1, 1999.

Sec. 25. Minnesota Statutes 1997 Supplement, section 85.015, subdivision 1c, is amended to read:

Subd. 1c. [METAL TRACTION DEVICES; PROHIBITION ON PAVED TRAILS.] A person may not use a snowmobile with metal traction devices on any paved state public trail, except as otherwise provided by a local government with jurisdiction over a trail.

Sec. 26. [85.0156] [MISSISSIPPI WHITEWATER TRAIL.]

Subdivision 1. [CREATION.] An urban whitewater trail is created along the Mississippi river in the lower St. Anthony falls area below the stone arch bridge in Minneapolis. The trail must be primarily developed for whitewater rafters, canoers, and kayakers.

Subd. 2. [COMMISSIONER'S DUTIES.] (a) The commissioner of natural resources must coordinate the creation of the whitewater trail by placing designation signs near and along the river and must publicize the designation.

(b) In designating the Mississippi whitewater trail, the commissioner must work with other federal, state, and local agencies and private businesses and organizations interested in the trail.

Subd. 3. [GIFTS; DONATIONS.] The commissioner of natural resources is authorized to accept, on behalf of a nonprofit corporation, donations of land or easements in land for the whitewater trail and may seek and accept money for the trail from other public and private sources.

Sec. 27. Minnesota Statutes 1996, section 86B.101, subdivision 2, is amended to read:

Subd. 2. [YOUTH WATERCRAFT SAFETY COURSE.] (a) The commissioner shall establish an educational course and a testing program for personal watercraft and watercraft operators and for persons age 12 or older but younger than age 18 required to take the watercraft safety course. The commissioner shall prescribe a written test as part of the course. A personal watercraft educational course and testing program that emphasizes safe and legal operation must be required for persons age 13 or older but younger than age 18 operating personal watercraft.

(b) The commissioner shall issue a watercraft operator's permit to a person age 12 or older but younger than age 18 who successfully completes the educational program and the written test.

Sec. 28. Minnesota Statutes 1996, section 86B.415, subdivision 1, is amended to read:

Subdivision 1. [WATERCRAFT 19 FEET OR LESS.] The fee for a watercraft license for watercraft 19 feet or less in length is \$12 except:

(1) for watercraft, other than personal watercraft, 19 feet in length or less that is offered for rent or lease, the fee is \$6;

(2) for a canoe, kayak, sailboat, sailboard, paddle boat, or rowing shell 19 feet in length or less, the fee is \$7;

(3) for a watercraft 19 feet in length or less used by a nonprofit corporation for teaching boat and water safety, the fee is as provided in subdivision 4; and

(4) for a watercraft owned by a dealer under a dealer's license, the fee is as provided in subdivision 5.

Sec. 29. Minnesota Statutes 1996, section 86B.415, is amended by adding a subdivision to read:

Subd. 7a. [PERSONAL WATERCRAFT SURCHARGE.] A \$50 surcharge is placed on each personal watercraft licensed under subdivisions 1 to 5 for enforcement of personal watercraft laws and for personal watercraft safety education. The surcharge must be deposited in the state treasury and credited to the water recreation account in the natural resources fund. Any grants to counties from revenue collected under this subdivision must be proportional to the use of personal watercraft in each county. Grants made under this subdivision are subject to the applicable administrative, reporting, and auditing requirements in sections 86B.701 and 86B.705.

Sec. 30. Minnesota Statutes 1996, section 89A.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Minnesota forest resources council has 13 members appointed by the governor and one member appointed by the Indian affairs council. The council membership appointed by the governor must include ~~one representative from each of the following individuals:~~

(1) a representative from an organization representing environmental interests within the state;

(2) a representative from an organization representing the interests of management of game species;

(3) a representative from a conservation organization;

(4) a representative from an association representing forest products industry within the state;

- (5) a commercial logging contractor active in a forest product association;
- (6) a representative from a statewide association representing the resort and tourism industry;
- (7) a faculty or researcher of a Minnesota research or higher educational institution;
- (8) an owner of nonindustrial, private forest land of 40 acres or more;
- (9) an agricultural woodlot owner;
- (10) a representative from the department;
- (11) a county land commissioner who is a member of the Minnesota association of county land commissioners;
- (12) a representative from the United States Forest Service unit with land management responsibility in Minnesota; and
- (13) a representative from a labor organization with membership having an interest in forest resource issues.

Sec. 31. Minnesota Statutes 1996, section 90.193, is amended to read:

90.193 [EXTENSION OF TIMBER PERMITS.]

The commissioner may, in the case of an exceptional circumstance beyond the control of the timber permit holder which makes it unreasonable, impractical, and not feasible to complete cutting and removal under the permit within the time allowed, grant an extension of one year. A request for the extension must be received by the commissioner before the permit expires. The request must state the reason the extension is necessary and be signed by the permit holder. ~~The value of the timber remaining to be cut will be recalculated using current stumpage rates. Any timber cut during the period of extension or remaining uncut at the expiration of the extension shall be billed for at the stumpage rates determined at the time of extension provided that in no event shall stumpage rates be less than those in effect at the time of the original sale.~~ An interest rate of eight percent ~~will~~ may be charged for the period of extension.

Sec. 32. Minnesota Statutes 1996, section 93.002, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The mineral coordinating committee is established to plan for diversified mineral development. The mineral coordinating committee consists of the director of the minerals division of the department of natural resources, the deputy commissioner of the Minnesota pollution control agency, the director of United Steelworkers of America, district 11, or the director's designee, the commissioner of the iron range resources and rehabilitation board, the director of the Minnesota geological survey, the dean of the University of Minnesota institute of technology, and the director of the natural resources research institute, and three individuals appointed by the governor for a four-year term, one each representing the iron ore and taconite, the nonferrous metallic minerals, and the industrial minerals industries within the state. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place. The commissioner of natural resources shall provide staff and administrative services necessary for the committee's activities.

The mineral coordinating committee is encouraged to solicit and receive advice from representatives of ~~the United States Bureau of Mines,~~ the United States Geological Survey, and the United States Environmental Protection Agency.

Sec. 33. Minnesota Statutes 1996, section 97A.037, subdivision 1, is amended to read:

Subdivision 1. [INTERFERENCE WITH TAKING WILD ANIMALS PROHIBITED.] A person who has the intent to prevent, ~~or disrupt, or dissuade the taking of~~ another person from taking or preparing to take a wild animal or enjoyment of the out-of-doors ~~may~~ must not disturb or ~~interfere with another that person who~~ if that person is lawfully taking a ~~wild animal~~ or preparing

to take a wild animal. "Preparing to take a wild animal" includes travel, camping, and other acts that occur on land or water where the affected person has the right or privilege to take lawfully a wild animal.

Sec. 34. Minnesota Statutes 1996, section 97A.245, is amended to read:

97A.245 [REWARDS.]

The commissioner may pay rewards for information leading to the conviction of a person that has violated a provision of laws relating to wild animals or threatened or endangered species of wildlife. A reward may not exceed \$500, except a reward for information relating to big game or threatened or endangered species of wildlife, may be up to \$1,000 and a reward for information relating to timber wolves may be up to \$2,500. The rewards may only be paid from funds donated to the commissioner for these purposes and may not be paid to salaried conservation officers or peace officers.

Sec. 35. Minnesota Statutes 1996, section 103C.315, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] A supervisor shall receive compensation for services as the state board may determine, and may be reimbursed for expenses, including traveling expenses, necessarily incurred in the discharge of duties. A supervisor ~~shall~~ may be reimbursed for the use of the supervisor's own automobile in the performance of official duties at the a rate per mile prescribed for state officers and employees up to the maximum tax-deductible mileage rate permitted under the federal Internal Revenue Code.

Sec. 36. Minnesota Statutes 1996, section 103F.155, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER'S REVIEW.] (a) The commissioner shall review the plan and consult with the state office of civil defense and other appropriate state and federal agencies. Following the review, the commissioner shall accept, require modification, or reject the plan.

(b) If required modifications are not made, or if the plan is rejected, the commissioner shall order the removal of the emergency protection measures and shall not provide grant money under section 103F.161 until the plan is approved or the required modifications are made.

Sec. 37. Minnesota Statutes 1996, section 103F.161, subdivision 2, is amended to read:

Subd. 2. [ACTION ON GRANT APPLICATIONS.] (a) A local government may apply to the commissioner for a grant on forms provided by the commissioner. The commissioner shall confer with the local government requesting the grant and may make a grant up to ~~\$75,000~~ \$150,000 based on the following considerations:

(1) the extent and effectiveness of mitigation measures already implemented by the local government requesting the grant;

(2) the feasibility, practicality, and effectiveness of the proposed mitigation measures and the associated nonflood related benefits and detriments;

(3) the level of grant assistance that should be provided to the local government, based on available facts regarding the nature, extent, and severity of flood problems;

(4) the frequency of occurrence of severe flooding that has resulted in declaration of the area as a flood disaster area by the President of the United States;

(5) the economic, social, and environmental benefits and detriments of the proposed mitigation measures;

(6) whether the floodplain management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner, the degree of enforcement of the ordinance or regulation, and whether the local government is complying with the ordinance or regulation;

(7) the degree to which the grant request is consistent with local water plans developed under chapters 103B and 103D;

(8) the financial capability of the local government to solve its flood hazard problems without financial assistance; and

(9) the estimated cost and method of financing of the proposed mitigation measures based on local money and federal and state financial assistance.

(b) If the amount of the grant requested is ~~\$75,000~~ \$150,000 or more, the commissioner shall determine, under the considerations in paragraph (a), whether any part of the grant should be awarded. The commissioner must submit an appropriation request to the governor and the legislature for funding consideration before each odd-numbered year, consisting of requests or parts of grant requests of ~~\$75,000~~ \$150,000 or more. The commissioner must prioritize the grant requests, under the considerations in paragraph (a), beginning with the projects the commissioner determines most deserving of financing.

(c) A grant may not exceed one-half the total cost of the proposed mitigation measures.

(d) After July 1, 1991, grants made under this section may be made to local governments whose grant requests are part of, or responsive to, a comprehensive local water plan prepared under chapter 103B or 103D.

Sec. 38. Minnesota Statutes 1996, section 103G.271, subdivision 6, is amended to read:

Subd. 6. [WATER USE PERMIT PROCESSING FEE.] (a) Except as described in paragraphs (b) to (f), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;
- (2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
- (3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year; and
- (4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
- (5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
- (6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
- (7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
- (8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and
- (9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) for nonprofit corporations and school districts:
 - (i) ~~5.0 cents per 1,000 gallons until December 31, 1991;~~
 - (ii) ~~10.0 cents per 1,000 gallons from January 1, 1992, until December 31, 1996; and~~
 - (iii) 15.0 cents per 1,000 gallons after January 1, 1997; and

(2) for all other users, 20 cents per 1,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$50.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed \$175,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$35,000 per year for an entity holding three or fewer permits;

(ii) \$50,000 per year for an entity holding four or five permits;

(iii) \$175,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year; and

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam; and

(5) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is \$10 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) For once-through systems fees payable after July 1, 1993, 75 percent of the fees must be credited to a special account and are appropriated to the Minnesota public facilities authority for loans under section 446A.21.

Sec. 39. Minnesota Statutes 1996, section 115.076, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] (a) The agency may refuse to issue or to authorize the transfer of:

(1) a hazardous waste facility permit or a solid waste facility permit to construct or operate a commercial waste facility as defined in section 115A.03, subdivision 6, if the agency determines that the permit applicant does not possess sufficient expertise and competence to operate the facility in conformance with the requirements of this chapter and chapters 114C and 116, or if other circumstances exist that demonstrate that the permit applicant may not operate the facility in conformance with the requirements of this chapter and chapters 114C and 116; or

(2) an animal feedlot facility permit, under section 116.07, subdivision 7, to construct or operate an animal feedlot facility, if the agency determines that the permit applicant does not possess sufficient expertise and competence to operate the feedlot facility in conformance with the requirements of this chapter and chapter 116 or if other circumstances exist that demonstrate that the permit applicant may not operate the feedlot facility in conformance with the requirements of this chapter and chapter 116.

(b) In making this a determination under paragraph (a), the agency may consider:

(1) the experience of the permit applicant in constructing or operating commercial waste facilities or animal feedlot facilities;

(2) the expertise of the permit applicant;

(3) the past record of the permit applicant in operating commercial waste facilities or animal feedlot facilities in Minnesota and other states;

(4) any criminal convictions of the permit applicant in state or federal court during the past five years that bear on the likelihood that the permit applicant will operate the facility in conformance with the applicable requirements of this chapter and chapters 114C and 116; and

(5) in the case of a corporation or business entity, any criminal convictions in state or federal court during the past five years of any of the permit applicant's officers, partners, or facility managers that bear on the likelihood that the facility will be operated in conformance with the applicable requirements of this chapter and chapters 114C and 116.

Sec. 40. Minnesota Statutes 1997 Supplement, section 115.55, subdivision 5a, is amended to read:

Subd. 5a. [INSPECTION CRITERIA FOR EXISTING SYSTEMS.] (a) An inspection of an existing system must evaluate the criteria in paragraphs (b) to (h).

(b) If the inspector finds one or more of the following conditions:

(1) sewage discharge to surface water;

(2) sewage discharge to ground surface;

(3) sewage backup; or

(4) a ~~cesspool~~; ~~or~~

(~~5~~) any other situation with the potential to immediately and adversely affect or threaten public health or safety,

then the system constitutes an imminent threat to public health or safety and, if not repaired, must be upgraded, replaced, or its use discontinued within ten months of receipt of the notice described in subdivision 5b, or within a shorter period of time if required by local ordinance.

(c) An existing system that has none of the conditions in paragraph (b), and has at least two feet of soil separation need not be upgraded, repaired, replaced, or its use discontinued, notwithstanding any local ordinance that is more restrictive.

(d) Paragraph (c) does not apply to systems in shoreland areas regulated under sections 103F.201 to 103F.221, wellhead protection areas as defined in section 103I.005, or those used in connection with food, beverage, and lodging establishments regulated under chapter 157.

(e) If the local unit of government with jurisdiction over the system has adopted an ordinance containing local standards pursuant to subdivision 7, the existing system must comply with the ordinance. If the system does not comply with the ordinance, it must be upgraded, replaced, or its use discontinued according to the ordinance.

(f) If a seepage pit, drywell, cesspool, or leaching pit exists and the local unit of government with jurisdiction over the system has not adopted local standards to the contrary, the system is failing and must be upgraded, replaced, or its use discontinued within the time required by subdivision 3 or local ordinance.

(g) If the system fails to provide sufficient groundwater protection, then the local unit of government or its agent shall order that the system be upgraded, replaced, or its use discontinued within the time required by rule or the local ordinance.

(h) The authority to find a threat to public health under section 145A.04, subdivision 8, is in addition to the authority to make a finding under paragraphs (b) to (d).

Sec. 41. Minnesota Statutes 1997 Supplement, section 116.07, subdivision 7, is amended to read:

Subd. 7. [COUNTIES; PROCESSING OF APPLICATIONS FOR ANIMAL LOT PERMITS.] Any Minnesota county board may, by resolution, with approval of the pollution control agency, assume responsibility for processing applications for permits required by the pollution control agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the pollution control agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the pollution control agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the pollution control agency. The pollution control agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The pollution control agency shall work with the Minnesota extension service, the department of agriculture, the board of water and soil resources, producer groups, local units of government, as well as with appropriate federal agencies such as the ~~Soil~~ Natural Resources Conservation Service and the ~~Agricultural Stabilization and Conservation Service~~ Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The pollution control agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. A feedlot permit is not required for livestock feedlots with more than ten but less than 50 animal units; provided they are not in shoreland areas. These rules apply both to permits issued by counties and to permits issued by the pollution control agency directly.

(h) The pollution control agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) After May 17, 1997, any new rules or amendments to existing rules proposed under the

authority granted in this subdivision, must be submitted to the members of legislative policy committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in pollution control agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

Sec. 42. Minnesota Statutes 1996, section 116.07, is amended by adding a subdivision to read:

Subd. 7b. [FEEDLOT INVENTORY NOTIFICATION AND PUBLIC MEETING REQUIREMENTS.] (a) Any state agency or local government unit conducting an inventory or survey of livestock feedlots under its jurisdiction must publicize notice of the inventory in a newspaper of general circulation in the affected area and in other media as appropriate. The notice must state the dates the inventory will be conducted, the information that will be requested in the inventory, and how the information collected will be provided to the public. The notice must also specify the date for a public meeting to provide information regarding the inventory.

(b) A local government unit conducting an inventory or survey of livestock feedlots under its jurisdiction must hold at least one public meeting within the boundaries of the jurisdiction of the local unit of government, prior to beginning the inventory. A state agency conducting a survey of livestock feedlots must hold at least four public meetings outside of the seven-county Twin Cities metropolitan area, prior to beginning the inventory. The public meeting must provide information concerning the dates the inventory will be conducted, the procedure the agency or local unit of government will use to request the information to be included in the inventory, and how the information collected will be provided to the public.

Sec. 43. Minnesota Statutes 1996, section 116.07, is amended by adding a subdivision to read:

Subd. 7c. [NPDES PERMITTING REQUIREMENTS.] (a) The agency must issue National Pollutant Discharge Elimination System permits for feedlots with 1,000 animal units or more based on the following schedule:

(1) for applications received after the effective date of this section, a permit for a newly constructed or expanded animal feedlot with 2,000 or more animal units must be issued as an individual permit;

(2) for applications received after January 1, 1999, a permit for a newly constructed or expanded animal feedlot with between 1,000 and 2,000 animal units that is identified as a priority by the commissioner, using criteria established under paragraph (e), must be issued as an individual permit; and

(3) after January 1, 2001, all existing feedlots with 1,000 or more animal units must be issued an individual or general National Pollutant Discharge Elimination System permit.

(b) By October 1, 1999, the agency must issue a general National Pollutant Discharge Elimination System permit for animal feedlots with between 1,000 and 2,000 animal units that are not identified under paragraph (a), clause (2).

(c) Prior to the issuance of a general National Pollutant Discharge Elimination System permit for a category of animal feedlot facility permittees, the agency must hold at least one public hearing on the permit issuance.

(d) To the extent practicable, the agency must include a public notice and comment period for an individual National Pollutant Discharge Elimination System permit concurrent with any public notice and comment for:

(1) the purpose of environmental review of the same facility under chapter 116D; or

(2) the purpose of obtaining a conditional use permit from a local unit of government where the local government unit is the responsible governmental unit for purposes of environmental review under chapter 116D.

(e) By January 1, 1999, the commissioner, in consultation with the feedlot and manure management advisory committee, created under section 17.136, and other interested parties must develop criteria for determining whether an individual National Pollutant Discharge Elimination System permit is required under paragraph (a), clause (2), for an animal feedlot with between 1,000 and 2,000 animal units. The criteria must be based on proximity to waters of the state, facility design, and other site-specific environmental factors.

(f) By January 1, 2000, the commissioner, in consultation with the feedlot and manure management advisory committee, created under section 17.136, and other interested parties must develop criteria for determining whether an individual National Pollutant Discharge Elimination System permit is required for an existing animal feedlot, under paragraph (a), clause (3). The criteria must be based on violations and other compliance problems at the facility.

Sec. 44. Minnesota Statutes 1997 Supplement, section 116.18, subdivision 3c, is amended to read:

Subd. 3c. [INDIVIDUAL ON-SITE TREATMENT SYSTEMS AND ALTERNATIVE DISCHARGING SEWAGE 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 agency to municipalities to reimburse owners of individual on-site wastewater treatment systems or alternative discharging sewage systems for a part of the costs of upgrading or replacing the systems.

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

(c) An alternative discharging sewage system is a system permitted under section 115.58 that:

(1) serves one or more dwellings and other establishments;

(2) discharges less than 10,000 gallons of water per day; and

(3) uses any treatment and disposal methods other than subsurface soil treatment and disposal.

(d) Municipalities may apply yearly for grants of up to 50 percent of the cost of replacing or upgrading individual on-site treatment systems, including conversion to an alternative discharging sewage system, within their jurisdiction, up to a limit of \$5,000 per system or per connection to a cluster system. 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, 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 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) (e) 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) (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.

Sec. 45. Minnesota Statutes 1997 Supplement, section 169.1217, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Appropriate agency" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense or to require a test under section 169.123.

(b) "Designated license revocation" includes a license revocation under section 169.123:

(1) within five years of two prior impaired driving convictions, two prior license revocations, or a prior impaired driving conviction and a prior license revocation, based on separate incidents; or

(2) within 15 years of the first of three or more prior impaired driving convictions, three or more prior license revocations, or any combination of three or more prior impaired driving convictions and prior license revocations, based on separate incidents.

(c) "Designated offense" includes:

(1) a violation of section 169.121, subdivision 1, clause (a), (b), (c), (d), (e), (g), or (h), subdivision 1a, an ordinance in conformity with any of them, or section 169.129:

(i) within five years of two prior impaired driving convictions, or two prior license revocations, or a prior impaired driving conviction and a prior license revocation, based on separate incidents; or

(ii) within 15 years of the first of three or more prior impaired driving convictions, three or more prior license revocations, or any combination of three or more impaired driving convictions and prior license revocations, based on separate incidents;

(2) a violation of section 169.121, subdivision 1, clause (f), or a violation of section 169.121, subdivision 3, paragraph (c), clause (4):

(i) within five years of a prior impaired driving conviction or a prior license revocation; or

(ii) within 15 years of the first of two or more prior impaired driving convictions, two or more prior license revocations, or a prior impaired driving conviction and a prior license revocation, based on separate incidents; or

(3) a violation of section 169.121, an ordinance in conformity with it, or section 169.129:

(i) by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (9); or

(ii) by a person who is subject to a restriction on the person's driver's license under section 171.09 which provides that the person may not use or consume any amount of alcohol or a controlled substance; or

(4) until June 30, 1999, a second or subsequent violation of section 85.015, subdivision 1c.

(d) "Motor vehicle" and "vehicle" have the meaning given "motor vehicle" in section 169.121, subdivision 11. The terms do not include a vehicle which is stolen or taken in violation of the law.

(e) "Owner" means the registered owner of the motor vehicle according to records of the

department of public safety and includes a lessee of a motor vehicle if the lease agreement has a term of 180 days or more.

(f) "Prior impaired driving conviction" has the meaning given it in section 169.121, subdivision 3. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.

(g) "Prior license revocation" has the meaning given it in section 169.121, subdivision 3.

(h) "Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense.

Sec. 46. Minnesota Statutes 1996, section 308A.131, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] (a) The incorporators shall prepare the articles, which must include:

- (1) the name of the cooperative;
- (2) the purpose of the cooperative;
- (3) the principal place of business for the cooperative;
- (4) the period of duration for the cooperative, if the duration is not to be perpetual;
- (5) the total authorized number of shares and the par value of each share if the cooperative is organized on a capital stock basis;
- (6) a description of the classes of shares, if the shares are to be classified;
- (7) a statement of the number of shares in each class and relative rights, preferences, and restrictions granted to or imposed upon the shares of each class, and a provision that only common stockholders have voting power;
- (8) a statement that individuals owning common stock shall be restricted to one vote in the affairs of the cooperative or a statement that the cooperative is one described in section 308A.641, subdivision 2;
- (9) a statement that shares of stock are transferable only with the approval of the board;
- (10) a statement that dividends on the capital stock and nonstock units of equity of the cooperative may not exceed eight percent annually;
- (11) the names, post office addresses, and terms of office of the directors of the first board;
- (12) a statement that net income in excess of dividends and additions to reserves shall be distributed on the basis of patronage, and that the records of the cooperative may show the interest of patrons, stockholders of any classes, and members in the reserves; and
- (13) the registered office address of the cooperative and the name of the registered agent, if any, at that address.

(b) The articles must always contain the provisions in paragraph (a), except that the names, post office addresses, and terms of offices of the directors of the first board may be omitted after their successors have been elected by the members or the articles are amended in their entirety.

(c) The articles may contain other lawful provisions.

(d) The articles must be signed by the incorporators.

Sec. 47. Minnesota Statutes 1997 Supplement, section 308A.705, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION OF NET INCOME.] Net income in excess of dividends on

capital stock, nonstock units of equity, and additions to reserves shall be distributed on the basis of patronage. A cooperative may establish allocation units, whether the units are functional, divisional, departmental, geographic, or otherwise, and pooling arrangements and may account for and distribute net income on the basis of allocation units and pooling arrangements. A cooperative may offset the net loss of an allocation unit or pooling arrangement against the net income of other allocation units or pooling arrangements to the extent permitted by section 1388(j) of the Internal Revenue Code of 1986, as amended through December 31, 1996.

Sec. 48. Minnesota Statutes 1996, section 308A.705, subdivision 3, is amended to read:

Subd. 3. [DIVIDENDS.] Dividends may be paid on capital stock and nonstock units of equity only if the net income of the cooperative for the previous fiscal year is sufficient. The dividends are not cumulative.

Sec. 49. Laws 1997, chapter 216, section 15, subdivision 8, is amended to read:

Subd. 8. Pollution Prevention

(a) TOXIC EMISSIONS FROM FIRE TRAINING

65,000

This appropriation is from the trust fund to metropolitan state university to identify and quantify toxic emissions from live-burn training in acquired structures to evaluate and propose alternatives. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) POLLUTION PREVENTION TRAINING PROGRAM FOR INDUSTRIAL EMPLOYEES

200,000

This appropriation is from the future resources fund to ~~the director of the office of environmental assistance for agreements with Citizens for a Better Environment and the University of Minnesota~~ to provide the training and technical assistance needed for pollution prevention by industrial employees.

Sec. 50. [AGGREGATE RESOURCES TASK FORCE.]

Subdivision 1. [CREATION; MEMBERSHIP.] (a) An aggregate resources task force consists of 12 members appointed as follows:

(1) the subcommittee on subcommittees of the senate committee on rules and administration shall appoint one citizen member with experience in the state's aggregates industry, one citizen member who is an employee of a local government unit that works with environmental and land use impacts from aggregate mining, and four members of the senate, two of whom must be members of the minority caucus; and

(2) the speaker of the house shall appoint one citizen member who is an employee of a local governmental unit that works with environmental and land use impacts from aggregate mining, one citizen member with experience in native prairie conservation, and four members of the house, two of whom must be members of the minority caucus.

(b) The appointing authorities must make their respective appointments not later than July 1, 1998.

(c) The first meeting of the task force must be convened by a person designated by the chair of the senate committee on rules and administration. Task force members shall then elect a permanent chair from among the task force members.

Subd. 2. [DUTIES.] The task force shall examine current and projected issues concerning the need for and use of the state's aggregate resources. The task force shall seek input from the aggregate industry, state agencies, counties, local units of government, environmental organizations, and other interested parties on aggregate resource issues, including resource inventory, resource depletion, mining practices, nuisance problems, safety, competing land uses and land use planning, native prairie conservation, environmental review, local permit requirements, reclamation, recycling, transportation of aggregates, and the aggregate material tax.

Subd. 3. [REPORT.] Not later than February 1, 2000, the task force shall report to the legislature on the findings of its study. The report must include a recommendation as to whether there is a need for a comprehensive statewide policy on any aggregate resource issue. If the task force recommends a statewide policy, the report must include recommendations on the framework for the statewide policy.

Subd. 4. [EXPIRATION.] The aggregate resources task force expires 45 days after its report and recommendations are delivered to the legislature, or on June 30, 2001, whichever date is earlier.

Sec. 51. [REPORT ON NONCOMMERCIAL MANURE APPLICATOR TRAINING AND CERTIFICATION.]

The commissioner of agriculture, in close consultation with the commissioner of the pollution control agency and statewide farm organizations including the Minnesota Farmers Union and the Minnesota Farm Bureau Federation, shall conduct a study to assess the need for and feasibility of a program for noncommercial manure applicator training and certification. The commissioner must submit a report to the members of the senate and house policy committees with jurisdiction over agriculture and the environment by January 20, 1999. The report must include recommendations on:

- (1) persons and activities that should be exempt from certification;
- (2) dates by which persons should be required to obtain certification;
- (3) content of the noncommercial animal waste technician training curriculum; and
- (4) procedures and timelines for implementing noncommercial animal waste technician training programs.

Sec. 52. [PERMIT REQUIREMENTS.]

Until June 30, 2000, neither the pollution control agency nor a county board may issue a permit for the construction of an open-air clay, earthen, or flexible membrane lined swine waste lagoon. This section does not apply to repair or modification related to an environmental improvement of an existing lagoon.

Sec. 53. [FEEDLOT RULES.]

By March 1, 1999, the commissioner of the pollution control agency must submit a copy of updated feedlot permit rules as prescribed in Minnesota Statutes, section 116.07, subdivision 7, paragraph (i). The updated rules must become effective no later than June 1, 1999.

Sec. 54. [ENVIRONMENTAL REVIEW RULES.]

The environmental quality board, in consultation with the pollution control agency, shall study and adopt rules pursuant to Minnesota Statutes, chapter 14, to revise and clarify Minnesota Rules, part 4410.1000, subpart 4, as it applies to connected actions on animal feedlots and the need for environmental review. The board must submit a copy of the proposed rules and a summary of public comments received on the rules to the members of the senate and house policy committees with jurisdiction over agriculture and the environment, the senate environment and agriculture budget division, and the house environment, natural resources, and agriculture finance committee by March 1, 1999. The rules may not become effective until 60 days after they are submitted to the committee members and must become effective no later than June 1, 1999.

Sec. 55. [REPORT ON REVISED STANDARDS FOR HYDROGEN SULFIDE EXPOSURE.]

By January 15, 1999, the commissioner of labor and industry, in consultation with the commissioners of the pollution control agency, health, and agriculture, shall report to the senate and house policy committees with jurisdiction over agriculture and environment on the need for and, if appropriate, suggested changes to standards for hydrogen sulfide exposure levels within livestock confinement facilities having a design capacity of 500 animal units or more and at various distances up to 5,000 feet from animal waste storage facilities.

Sec. 56. [REPORT ON ANIMAL WASTE LIABILITY.]

By January 15, 1999, the commissioner of the pollution control agency, in conjunction with the commissioner of agriculture, shall report to the legislative policy and finance committees or divisions with jurisdiction over agriculture and the environment on the need for an animal waste liability account, improved animal waste incident reporting, and a contingency action plan for animal waste sites. The report must include:

- (1) an analysis of the need and level of funding required for an animal waste liability account;
- (2) the identification of possible funding sources to ensure adequate resources for animal waste site cleanup under clause (1);
- (3) an analysis of the need for changes to the current animal waste incident reporting system; and
- (4) the need for development of a statewide animal waste contingency plan for animal waste sites, including containment, closure, and cleanup.

Sec. 57. [COUNTIES AND TOWNS TO REPORT.]

(a) Not later than August 1, 1998, each county and each town that has adopted ordinances related to animal feedlots shall supply copies of the ordinances to the commissioner of agriculture. A county or town that adopts a new or amended ordinance related to animal feedlots shall report the new or amended ordinance to the commissioner within 60 days after the adoption.

(b) The reporting requirements of paragraph (a) expire after June 30, 2001.

Sec. 58. [LOAN WORK PLAN.]

Notwithstanding the requirements of rules adopted pursuant to Minnesota Statutes, section 115A.0716, that prevent the use of funds for costs incurred before the term of the agreement, the director shall disburse loan funds awarded to United Recycling, Inc., provided that the director has approved a new project proposal that includes performance goals for carpet recycling and demonstrates the financial viability of the recycling enterprise.

Sec. 59. [WATER QUALITY COST-BENEFIT MODEL SCOPING TASK FORCE.]

The commissioner of the pollution control agency shall convene a task force comprising of no more than three representatives each from industry, municipalities, watershed management groups, labor, agriculture, and environmental groups within 30 days of the effective date of this section. The task force shall select an entity to conduct a scoping study for a cost-benefit model to analyze water quality standards. The scoping study shall include: a watershed-based approach that evaluates both point and nonpoint pollution sources, the extent of the costs and benefits to be evaluated, the necessary elements of the model, a model that is transferable to other watersheds and standards, and the characteristics of the watersheds and standards to be evaluated. By October 15, 1998, the task force shall review the completed scoping study and make recommendations on the scope, cost, and time frame for development of the model to the commissioner and to the chairs of the house and senate environment and natural resources committees, the chair of the house environment, natural resources, and agriculture finance committee, and the chair of the senate environment and agriculture budget division.

Sec. 60. [ANALYSIS AND SALE OF LAKESHORE LEASED LOTS.]

Subdivision 1. [ANALYSIS OF LOTS.] By January 15, 1999, the commissioner of natural resources must submit a report to the chairs of the senate and house environment and natural resources committees, the chair of the house environment, natural resources, and agriculture finance committee, the chair of the senate environment and agriculture budget division, the chairs of the senate children, families and learning committee, and the chair of the house education committee, including the results of the field inspection required by this section, recommendations on appropriations needed to accomplish this section, and additional recommendations on methods to preserve public lakeshore in the state. The commissioner must conduct a field inspection of all lands leased pursuant to Minnesota Statutes, section 92.46, subdivision 1. The commissioner shall identify all lots within the following classifications:

(1) sale of the lot would create a block of contiguous property that could result in a shift in land use from residential to commercial development;

(2) the lot should remain in public ownership in order to provide public access to the lake where it is located;

(3) the lot is part of the trust land in Horseshoe Bay, as referenced in Laws 1997, chapter 216, section 151;

(4) the lot contains all or part of an unusual resource, such as a historical or archaeological site, or a sensitive ecological resource, or contains high quality habitat, or has a high scenic value;

(5) the lot is not in compliance with state law concerning on-site sewage treatment or minimum lot size requirements for development, or the lot is hydrologically unsuitable for future development; and

(6) the lot provides access for adjacent state land.

Subd. 2. [SCHOOL TRUST LAKESHORE LOTS; EXCHANGE AND SALE.] (a) For each parcel of land that does not meet the criteria in subdivision 1, the commissioner must preserve the assets of the school trust pursuant to this subdivision.

(b) The commissioner must attempt to establish a land exchange with each lessee. The lessee and the commissioner must attempt to agree on a parcel of private lakeshore land to be used for the land exchange. If the lessee obtains an option to purchase the parcel, the commissioner must conduct an appraisal and a survey of both parcels of land at the lessee's expense. If the commissioner determines that the parcel offered by the lessee is of equal or greater value than the trust land, the commissioner must submit the proposed exchange to the land exchange board, as defined in Minnesota Statutes, section 94.341, for approval. Notwithstanding Minnesota Statutes, sections 94.342 to 94.347, the land exchange board shall determine the procedures for approval of individual land exchanges, subject to the requirements of the Minnesota Constitution and this section. Any exchange under this paragraph must be submitted to the land exchange board by July 1, 2004.

(c) By December 15, 2004, the commissioner must submit a list of each parcel of land that has not been exchanged pursuant to paragraph (b) to the house and senate environment and natural resource committees. The list submitted by the commissioner must include recommendations for sale or retention of the remaining individual parcels. Subject to approval by the legislature, the commissioner must sell parcels approved for sale by public sale at the expiration of the lease term using a sealed bid procedure under the remaining provisions of Minnesota Statutes, chapter 92. After approval of sale by the legislature, a lessee of land approved for sale may request during the remainder of the lease term that lands leased by the lessee be sold at a public sale pursuant to this section within one year of the request.

(d) The commissioner must mail notice of this section to each lessee by July 1, 1998.

Sec. 61. [REPEALER.]

(a) Minnesota Statutes 1997 Supplement, section 85.015, subdivision 1c, as amended by this act, is repealed effective June 30, 1999.

(b) Laws 1991, chapter 275, section 3, is repealed.

Sec. 62. [EFFECTIVE DATE.]

Section 31 is effective January 1, 1998. Sections 28 and 29 are effective January 1, 1999. Section 23 is effective July 1, 1999. Section 52 is effective the day following final enactment and applies to new applications submitted after that date. The remainder of this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; providing for regulation of certain activities and practices; amending Minnesota Statutes 1996, sections 3.737, subdivisions 1, 4, and by adding a subdivision; 18C.141; 35.82, subdivision 2; 41A.09, subdivision 1a; 84.871; 86B.101, subdivision 2; 86B.415, subdivision 1, and by adding a subdivision; 89A.03, subdivision 1; 90.193; 93.002, subdivision 1; 97A.037, subdivision 1; 97A.245; 103C.315, subdivision 4; 103F.155, subdivision 2; 103F.161, subdivision 2; 103G.271, subdivision 6; 115.076, subdivision 1; 116.07, by adding subdivisions; 308A.131, subdivision 1; 308A.705, subdivision 3; Minnesota Statutes 1997 Supplement, sections 17.101, subdivision 5; 41A.09, subdivision 3a; 84.8205; 84.86, subdivision 1; 85.015, subdivision 1c; 115.55, subdivision 5a; 116.07, subdivision 7; 116.18, subdivision 3c; 169.1217, subdivision 1; and 308A.705, subdivision 1; Laws 1997, chapter 216, section 15, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 17; 18C; and 84; repealing Minnesota Statutes 1997 Supplement, section 85.015, subdivision 1c; and Laws 1991, chapter 275, section 3."

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

Senate Conferees: (Signed) Steven Morse, Dallas C. Sams, Becky Lourey, Steve Dille

House Conferees: (Signed) Tom Osthoff, Willard Munger, Betty McCollum, Doug Peterson

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3353 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 3353 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kelly, R.C.	Moe, R.D.	Robling
Beckman	Frederickson	Krentz	Morse	Sams
Belanger	Hanson	Laidig	Novak	Samuelson
Berglin	Higgins	Langseth	Oliver	Scheid
Betzold	Hottinger	Larson	Pappas	Spear
Cohen	Johnson, D.H.	Lesewski	Piper	Ten Eyck
Dille	Johnson, J.B.	Lourey	Pogemiller	Terwilliger
Fischbach	Junge	Marty	Price	Vickerman
Flynn	Kelley, S.P.	Metzen	Ranum	

Those who voted in the negative were:

Berg	Kiscaden	Lessard	Ourada	Runbeck
Day	Kleis	Limmer	Pariseau	Scheevel
Janezich	Knutson	Murphy	Robertson	Stumpf
Johnson, D.J.				

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 3367 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 3367

A bill for an act relating to economic development; appropriating money for housing, economic development, and related purposes; establishing pilot projects; providing for a municipal reimbursement; modifying certain loan criteria; requiring studies; establishing a revolving loan fund; requiring the commissioner of labor and industry to provide a brochure; regulating housing; uniform acts; unclaimed property; enacting the Uniform Unclaimed Property Act of 1995; making conforming changes; providing for the Minnesota family assets for independence initiative; amending Minnesota Statutes 1996, sections 16A.45, subdivisions 1 and 4; 80C.03; 116J.415, subdivision 5; 198.231; 276.19, subdivision 4; 308A.711, subdivisions 1 and 2; 356.65, subdivision 2; 462A.222, subdivision 3; 474A.061, subdivision 2a; and 624.68; Minnesota Statutes 1997 Supplement, sections 16A.6701, subdivision 1; 116J.421, subdivision 1, and by adding a subdivision; and 462A.05, subdivision 39; proposing coding for new law in Minnesota Statutes, chapters 116J; 181; 345; and 471; proposing coding for new law as Minnesota Statutes, chapter 119C; repealing Minnesota Statutes 1996, sections 345.31; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42; 345.43; 345.44; 345.45; 345.46; 345.47; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; and 345.60; Minnesota Statutes 1997 Supplement, section 345.48.

April 3, 1998

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 3367, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 3367 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**ECONOMIC DEVELOPMENT****Section 1. [ECONOMIC DEVELOPMENT APPROPRIATIONS.]**

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "1998" and "1999," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1998, or June 30, 1999, respectively. The term "first year" means the fiscal year ending June 30, 1998, and "second year" means the fiscal year ending June 30, 1999.

SUMMARY BY FUND

	1998	1999
General	\$ 409,000	\$38,742,000
Workers' Compensation Fund	50,000	(50,000)
Special Revenue Fund	-0-	150,000
TOTAL	\$ 459,000	\$38,842,000

APPROPRIATIONS
Available for the Year
Ending June 30
1998 1999

Sec. 2. DEPARTMENT OF TRADE AND
ECONOMIC DEVELOPMENT

\$ -0- \$6,210,000

The amounts that may be spent from this appropriation for each purpose is specified in the following paragraphs.

(a) Millennium Screen Writing Festival

\$100,000 in 1999 is for planning for the millennium screen writing festival, and to enhance the film making industry in Minnesota by providing grants to local screenwriters. Of this amount, \$50,000 is added to the department's budget base.

(b) Tourism Advertising and Marketing

\$950,000 in 1999 is for additional tourism advertising, is available immediately, is added to the appropriation for tourism provided in Laws 1997, chapter 200, article 1, section 2, subdivision 4, and of this amount, \$900,000 is added to the department's budget base. Of this amount, \$50,000 is for a study on the feasibility and economic impact of a Great Rivers of the World Aquarium in St. Paul on the Mississippi river.

(c) Minnesota Film Board

\$3,300,000 in 1999 is for transfer to the revolving loan fund under Minnesota Statutes, section 116J.545. This is a one-time appropriation and is not added to the department's budget base.

(d) Duluth Technology Center

\$200,000 in 1999 is for a grant to the Duluth Technology Center to continue development of software business opportunities with particular attention to encouraging location of foreign software companies in northeastern Minnesota. This is a one-time appropriation and is not added to the department's budget base.

(e) Chatfield Brass Band Music Lending Library

\$60,000 in 1999 is for a grant to the Chatfield brass band music lending library. The money must be used for computer hardware and software to catalog the music collection and create a Web site. This is a one-time appropriation and must not be added to the agency's budget base.

(f) Neighborhood Development Center, Inc.

\$90,000 in 1999 is for the purpose of making a grant to the Neighborhood Development Center, Inc. The center shall use the grant for the purpose of expanding and improving its neighborhood and ethnic-based entrepreneur training, lending, and support programs in the poorest communities of Minneapolis and St. Paul. This appropriation is added to the department's budget base.

(g) Public Arts St. Paul

\$50,000 in 1999 is for a grant to Public Arts Saint Paul for planning for public art projects throughout the city of St. Paul. This is a one-time appropriation and is not added to the department's budget base.

(h) City of St. Paul

\$300,000 in 1999 is for a grant to the city of St. Paul. Of this amount, \$250,000 is for the completion of renovations to the University of Minnesota Centennial Showboat to be docked at Harriet Island. Of this amount, \$50,000 is for a study on the relocation and expansion of the St. Paul Farmers' Market at a site that will interact with the Concord Street business area. The study will consider growth needs, job development opportunities, and the creation of a state-approved commercial kitchen. This is a one-time appropriation and is not added to the department's budget base.

(i) Mississippi River Parkway Commission

\$15,000 in 1999 is for a grant to the Mississippi River Parkway Commission of Minnesota for the Smithsonian River of Song community promotion and Great River Road Ramble. This is a one-time appropriation and is not added to the department's budget base.

(j) Biomass Energy Project

\$800,000 in 1999 is for a grant to the Granite Falls economic development authority for the development of a farm-grown, closed loop biomass energy project. The grant may be used to manage the development, seek financing and equity participation, reimburse costs of third-party due diligence exercises, and perform environmental review and permitting. This is a one-time appropriation and is not added to the department's budget base.

(k) Fairmont Opera House

\$200,000 in 1999 is for accessibility

improvements for the Fairmont Opera House. This is a one-time appropriation and is not added to the department's budget base.

(l) Heritage Breed Chickens

\$25,000 in 1999 is for grants to county fairs to provide premiums and prizes for heritage breeds of chickens. This appropriation may also be used to provide participating 4H and other youth groups up to 25 free nursery hatchlings. This appropriation is added to the department's budget base.

(m) Watonwan County Trail System

\$10,000 in 1999 is for a grant to Watonwan county for preplanning of the Watonwan county trail system. This is a one-time appropriation and is not added to the department's budget base.

(n) Wyoming and Chisago City Business Park

\$10,000 in 1999 is for a grant to the joint powers board established under Minnesota Statutes, section 471.59, by the town of Wyoming and the city of Chisago City for the purpose of establishing a joint commercial and business park. The grant must be used to pay the costs of environmental, transportation, job creation and associated studies, and preparation of a site plan related to the park as well as legal, engineering, administrative, and similar costs associated with the studies. Establishment of the park would serve as a pilot project to determine the feasibility and benefit of developing a coordinated site for business, educational, and recreational facilities within an area, a portion of which has been determined to be undesirable for the location of residential development because of the presence of power lines. This is a one-time appropriation and is not added to the department's budget base.

(o) Minnesota Trade Office

The appropriation in Laws 1997, chapter 200, article 1, section 2, subdivision 3, to the department of trade and economic development for the Minnesota trade office for a multifaceted program to develop trade with China is available until June 30, 1999.

(p) Circulator Vehicle Pilot Project

\$50,000 in 1999 is for a grant to Hennepin county for the planning and development, in cooperation with a task force created by the city of Minneapolis, of a circulator vehicle pilot project for the purposes of:

(1) connecting the Minneapolis convention center and other major locations in downtown Minneapolis with multicultural tourist, heritage, and cultural resources in the Phillips, Stevens Square, Whittier, Central, Powderhorn, Seward, Loring Park, and Cedar-Riverside neighborhoods in Minneapolis and contributing to the revitalization of those neighborhoods by increasing urban tourism;

(2) generating additional spending by expanding the selection of tourism activities provided by the convention center and downtown Minneapolis; and

(3) promoting state and local tourism activities which provide a richer, more culturally diverse experience of Minneapolis urban life as an alternative to larger, more commercial attractions. This is a one-time appropriation and is not added to the department's budget base.

(q) River of Song Project

\$50,000 in 1999 is for a grant to the Mississippi River Parkway Commission of Minnesota for the state's share of the Smithsonian's River of Song Project. This is a one-time appropriation and is not added to the department's budget base.

Sec. 3. MINNESOTA TECHNOLOGY, INC.

- 0 -

200,000

\$200,000 in 1999 is for transfer to the Minnesota Technology, Inc. fund for a grant to Minnesota Project Innovation, Inc. Of this amount, \$170,000 is to fund two business information and technology centers, with one to be located at Metropolitan state university, and one located outside the Twin Cities metropolitan area. The remaining \$30,000 is for a grant to the Fairmont Interactive TV, Inc., to be used for the development of interactive educational television for area youth. This is a one-time appropriation and is not added to the agency's budget base.

Sec. 4. MINNESOTA WORLD TRADE CENTER CORPORATION

155,000

-0-

\$155,000 is appropriated in 1998 for full and final payments of the remaining 1988 debt of the Minnesota World Trade Center Corporation which was incurred for conference center furniture, fixtures, and equipment. This appropriation is available immediately. This is a one-time appropriation and is not added to the department's budget base.

Sec. 5. DEPARTMENT OF ECONOMIC SECURITY

-0-

9,310,000

The amounts that may be spent from this appropriation for each purpose are specified in the following paragraphs.

(a) State Services for the Blind

\$1,400,000 in 1999 to the State Services for the Blind to update radio talking book receivers and create a digital infrastructure for the communication center. This is a one-time appropriation and must be matched dollar for dollar by a private nonprofit organization for the same purpose. The commissioner of economic security must certify to the commissioner of finance that the match has been received before this appropriation is released. The office of technology must approve the digital infrastructure and updated receivers as appropriate technology for their purposes prior to their purchase. This appropriation is available until June 30, 2000.

(b) Vocational Rehabilitation

\$1,000,000 in 1999 to the vocational rehabilitation program to be added to the appropriation for rehabilitation services provided in Laws 1997, chapter 200, article 1, section 5, subdivision 2, and is added to the department's budget base.

(c) Regional Job Market Analysis

\$200,000 in 1999 is to retain the services of regional job market analysts. This appropriation is added to the department's budget base.

(d) Alien Labor Certification

\$160,000 in 1999 is to administer the alien labor certification program. This is a one-time appropriation and is not added to the department's budget base.

(e) Youth Intervention Programs

\$750,000 in 1999 is for grants to fund youth intervention programs under Minnesota Statutes, section 268.30, and is in addition to the appropriation made by Laws 1997, chapter 200, article 1, section 5, subdivision 4. This is a one-time appropriation and is not added to the department's budget base. It is available until June 30, 1999.

(f) Youthbuild

\$400,000 in 1999 is for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. A Minnesota Youthbuild program funded under this section as authorized in

Minnesota Statutes, sections 268.361 to 268.366, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1. The appropriation is in addition to the appropriation made by Laws 1997, chapter 200, article 1, section 5, subdivision 4, and of this amount \$247,000 is added to the department's budget base.

(g) Summer Youth Employment

\$3,200,000 in 1999 is for summer youth employment programs. This is a one-time appropriation and is available immediately and is available until June 30, 1999.

(h) Nontraditional Careers for Women

\$250,000 in 1999 is a one-time appropriation for grants to organizations for programs that encourage and assist women to enter nontraditional careers in the trades and in manual and technical occupations. To be eligible for a grant under this section, a program must include: (1) outreach to girls and women through public and private elementary, junior high and high schools, appropriate community organizations, or existing state and county employment and training programs. The outreach will consist of general information concerning opportunities for women in the trades, manual, and technical occupations, including specific fields where worker shortages exist; and specific information about training programs offered. The outreach may include printed or recorded information, presentations to women and girls, hands-on experiences for girls, or ongoing contact with appropriate staff and volunteers; or (2) assistance for women to enter careers in the trades, technical, and manual occupations as follows: (a) training designed to prepare women to succeed in nontraditional occupations, conducted by the grantee or in collaboration with another institution. The training shall cover the knowledge and skills required for the trade, information about on-the-job realities for women in the particular trade, physical strength and stamina training as needed to increase women's eligibility for jobs that require physical strength, opportunities for developing workplace problem solving skills, and information about the current and projected future job market and likely career paths; (b) assistance with child care and transportation during training, job search, and the first two months of employment for low-income women who do not have other coverage for these expenses; (c) job placement assistance during

and for at least two years after completion of the training program; and (d) job retention support. This may take the form of mentorship programs, support groups, or ongoing staff contact for at least the first year of placement in a job after completion of training, and should include access to job-related information, assistance with workplace issues resolution, and access to advocacy.

Programs must be accessible to MFIP-S participants and other low-income women. Factors that contribute to accessibility include: (1) affordability or financial aid available for tuition and supplies; (2) geographic proximity to low-income neighborhoods, child care, and transportation routes; and (3) flexibility of hours per week and weeks of duration of training programs to be compatible with family needs and the need for employment during training. All state-funded employment and training programs must include information about opportunities for women in nontraditional careers in the trades, manual, and technical occupations.

(i) Extended Employment Welfare-to-Work

\$650,000 in 1999 is a one-time appropriation and is not added to the department's budget base to provide extended employment training for welfare recipients through the welfare-to-work extended employment partnership program under Minnesota Statutes, section 268A.15. Of this appropriation, up to five percent may be used for administrative costs.

(j) School to Work

\$200,000 in 1999 is to develop a pilot project that will electronically link four department workforce centers with the secondary schools in the school district in which the workforce center is located for the purpose of providing secondary students and school counselors with labor market information and job-seeking skills expertise to assist transition from school to work. The commissioner shall create a position at each of the four workforce centers to implement this project. The commissioner shall report on the progress of the pilot project to the legislature by February 1, 1999. The commissioner shall make a final report on the pilot projects to the legislature by March 1, 2000. This is a one-time appropriation and is not added to the agency's budget base.

(k) Advocating Change Together, Inc.

\$126,000 in 1999 is for a grant to Advocating

Change Together, Inc. (ACT). The grant must be used for (1) the training and empowerment of individuals with developmental and other mental health disabilities, including mental illnesses that are serious and persistent, that are chronic, or that pose a risk of hospitalization; (2) the maintenance of related data; or (3) technical assistance for work advancement or additional workforce training. This is a one-time appropriation and is not added to the department's budget base.

(l) Displaced Homemakers

\$600,000 in 1999 is for displaced homemaker programs under Minnesota Statutes, section 268.96, and is a one-time appropriation and not added to the department's budget base. Of this appropriation, \$200,000 is for grants to operate a community work empowerment support group demonstration project and is in addition to the appropriation for that purpose contained in Laws 1997, chapter 200, article 1, section 4, subdivision 4. Of this appropriation, \$400,000 is for the costs of training recommended for clients of displaced homemaker programs under Minnesota Statutes, section 268.96.

(m) Fund Transfer

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer \$300,000 to the general fund in fiscal year 1999 from the fund established in Minnesota Statutes, section 268.022.

(n) Centers for Independent Living

\$300,000 in 1999 is for centers for independent living. This appropriation is added to the department's budget base. The department shall allocate this appropriation among the centers equally, and shall not consider what federal funds may be available to a center in determining the allocations.

(o) Wage Rate Study

\$74,000 in 1999 is for the wage rate study in sections 81 to 84. This is a one-time appropriation and is not added to the department's budget base.

Sec. 6. MINNESOTA HOUSING
FINANCE AGENCY

-0-

20,135,000

The amounts that may be spent from this appropriation for certain programs are specified below.

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's budget base.

(a) Affordable Rental Investment Fund

\$13,000,000 in 1999 is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. Of this amount, \$1,000,000 is a one-time appropriation and is not added to the agency's budget base. The agency shall allocate \$3,000,000 of these funds according to the geographic distribution requirements in the appropriation for the affordable rental investment program in Laws 1997, chapter 200, article 1, section 6.

Of the amount appropriated to the affordable rental investment fund program, \$10,000,000 is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39. The owner of the rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given to properties with the longest remaining term under an agreement for federal rental assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by a local government unit, a housing and redevelopment authority, or a nonprofit housing organization.

(b) Family Homeless Prevention and Assistance Program

\$1,000,000 in 1999 is for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204 and is added to the appropriation for this program in Laws 1997, chapter 200, article 1, section 6.

(c) Community Rehabilitation Fund

\$5,000,000 in 1999 is for the community rehabilitation program, under Minnesota Statutes, section 462A.206. Notwithstanding section 462A.206, this appropriation shall be

used to provide housing for families and persons with incomes less than or equal to 80 percent of the Twin Cities metropolitan area median income applied statewide. The agency must give preference to economically viable projects in which there is a contribution from nonstate sources. Of this amount, the agency may use up to \$500,000 to fund projects in cities of the first class if the projects use innovative urban design elements, comprehensive community planning, or help leverage federal funds from the federal home ownership zone program. Of this amount, \$3,000,000 is a one-time appropriation and is not added to the agency's budget base.

(d) Home Ownership Counseling

\$70,000 in 1999 is for full-cycle home ownership and purchase-rehabilitation lending initiatives under Minnesota Statutes, section 462A.209. This is a one-time appropriation and is not added to the agency's budget base. This appropriation must be used to make a grant to a statewide organization that advocates on behalf of persons with developmental disabilities or related conditions. The grant must be used to provide prepurchase and postpurchase counseling to persons with disabilities who are participating in the Fannie Mae Homechoice demonstration project and other projects designed to encourage home ownership among persons with disabilities.

(e) Mental Illness/Rental Assistance

\$1,000,000 in 1999 is for the purposes of the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness, under Minnesota Statutes, section 462A.2097.

(f) Nonprofit Capacity Building Grants

\$65,000 in 1999 is for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b. This appropriation is for grants to supplement resources from the corporation for national service in support of placement of VISTA volunteers with nonprofit housing agencies.

(g) Chemical Sensitivity Grants or Loans

The agency may use up to \$65,000 of the fiscal year 1999 appropriation for the housing trust fund in Laws 1997, chapter 200, article 1, section 6, for grants or loans for housing for households that include a member diagnosed with chemical sensitivity.

(h) Administrative Spending Limit

Notwithstanding Laws 1997, chapter 200, article 1, section 6, the spending limit on cost of general administration of housing finance agency programs is \$11,684,000 in fiscal year 1998 and \$13,278,000 in fiscal year 1999.

Sec. 7. DEPARTMENT OF COMMERCE -0- 297,000

Summary by Fund

General	-0-	147,000
Special Revenue Fund	-0-	150,000

\$22,000 in 1999 is from the general fund for implementation of the mortgage originator and servicer regulation program established in Minnesota Statutes, chapter 58. This is added to the department's budget base.

\$125,000 in 1999 is from the general fund for the healthy homes pilot project established in section 25. This is a one-time appropriation and is not added to the department's budget base.

\$150,000 in 1999 is from the contractor's recovery account in the special revenue fund under Minnesota Statutes 1996, section 326.975, subdivision 1, and of this amount, \$50,000 is added to the department's budget base. Of this amount, \$50,000 is to provide information to consumers on residential construction issues. Of this amount, \$100,000 is for a grant to the University of Minnesota department of wood and paper science to complete a field assessment of a representative sample of new buildings, including low-income residential housing, to determine their performance relative to the existing and proposed energy code requirements.

Sec. 8. LABOR AND INDUSTRY -0- 100,000

\$100,000 in 1999 is for development of the employee rights brochure, required in Minnesota Statutes, section 181.636, subdivision 2, and to develop and implement a public awareness campaign in consultation with the councils created under Minnesota Statutes, sections 3.922, 3.9223, 3.9225, and 3.9226, to educate employees and employers on their rights and duties under Minnesota Statutes, section 181.636, and chapters 177 and 181. The commissioner shall report to the legislature by January 15, 2000, on the results of the campaign. Of this appropriation, \$81,000 is added to the department's budget base.

Sec. 9. MEDIATION SERVICES BUREAU -0- 40,000

\$40,000 in 1999 is to cover initial costs of

providing dispute resolution, mediation, and arbitration services related to development and review of community-based comprehensive plans pursuant to Laws 1997, chapter 202, articles 4, 5, and 6, and from objections to annexations proposed under Minnesota Statutes, chapter 414. This is a one-time appropriation and is not added to the agency's permanent budget base.

On or before January 15, 1999, the commissioner must provide to the governor; the chair of the senate committee on jobs, energy, and community development; and the chair of the house economic development finance division of the committee on economic development and international trade an update on the bureau's initial experience in providing dispute resolution services related to community-based planning and objections to annexations. In developing this information, the commissioner must consider the long-term service needs under this activity, alternatives regarding its future administration, and any ongoing funding needs.

Sec. 10. PUBLIC UTILITIES
COMMISSION

204,000 189,000

This appropriation is for costs associated with the regulation of utilities and is added to the commission's budget base.

Sec. 11. DEPARTMENT OF
PUBLIC SERVICE

-0- 130,000

This appropriation is for planning and analysis of the regulation of the electric industry and is added to the department's budget base.

Sec. 12. METROPOLITAN COUNCIL

-0- 250,000

\$250,000 in 1999 is for corridor planning pilot project grants, as provided in section 24. This is a one-time appropriation and is not added to the department's budget base.

Sec. 13. MINNESOTA HISTORICAL SOCIETY

50,000 1,051,000

The amounts that may be spent from this appropriation for each purpose are specified in the following paragraphs.

(a) Salary Adjustment

\$686,000 in 1999 is for salary adjustments. This appropriation is added to the historical society's budget base.

(b) Church Restoration

\$50,000 in 1999 is for a grant for a church

restoration project in Faribault county. This is a one-time appropriation and is not added to the society's budget base.

(c) Lake Superior and Mississippi Railroad

\$100,000 in 1999 is for a grant to the Lake Superior and Mississippi railroad, a 501(c)(3) organization, for the purchase and installation of railroad ties. This is a one-time appropriation and is not added to the department's budget base.

(d) Hmong Archives

\$75,000 in 1999 is for start-up costs for the Hmong history and culture archival project. The society may make grants to nonprofit organizations for planning, training, and purchase of supplies and equipment. This appropriation is added to the society's budget base to assist with the creation of archives and collections for other underrepresented groups.

(e) Fridley Historical Museum

\$50,000 in 1999 is for a grant to the Fridley Historical Museum to refurbish the Fridley Historical Museum in Fridley. This is a one-time appropriation and is not added to the department's budget base.

(f) Winona County Historical Society

\$50,000 in 1999 is for a one-time grant to the Winona county historical society for upgrade of technology. The Winona county historical society shall submit to the Minnesota historical society a plan for the use of this grant. As part of this project, the Minnesota historical society, in collaboration with the Winona county historical society and other county and local historical societies, shall develop a plan for the future use of technology by county and local historical societies. This is a one-time appropriation and is not added to the department's budget base.

(g) Metropolitan Multitype Library Consortium

\$40,000 in 1999 is for a grant to the metropolitan multitype library consortium for copying and making available to the 11 greater Minnesota regional public library systems and the St. Paul and Minneapolis libraries, through the Minnesota center for the book, a series of video cassette tapes of interviews with Minnesota authors, for the production and programming costs of the northern lights cable program on which the Minnesota authors are interviewed, and for operating costs the consortium incurs as a result

of this provision. Libraries that receive a copy of the series shall make the video cassettes readily available to teachers and other members of the public interested in learning about the work and lives of Minnesota authors. This is a one-time appropriation and is not added to the budget base.

(h) Blackduck

\$50,000 in 1998 is for a grant to the city of Blackduck to help restore and stabilize eight buildings at Camp Rabideau in Chippewa National Forest. This is a one-time appropriation and is not added to the society's budget base. This appropriation is available until June 30, 1999.

Sec. 14. COUNCIL ON BLACK
MINNESOTANS

-0-

75,000

\$75,000 in 1999 is to assist in planning and coordinating observances of the Martin Luther King, Jr. holiday and other events honoring Martin Luther King, Jr. This is a one-time appropriation and is not added to the council's budget base.

Sec. 15. INDIAN AFFAIRS COUNCIL

-0-

80,000

\$80,000 is appropriated in 1999 to assist in funding the 50th annual conference of the Interstate Indian Council to be held in Minnesota in 1999. This is a one-time appropriation and is not added to the council's budget base.

Sec. 16. DEPARTMENT OF ADMINISTRATION

-0-

250,000

The amounts that may be spent from this appropriation for each purpose are specified in the following paragraphs.

(a) Walnut Grove

\$50,000 in 1999 is for a grant to the city of Walnut Grove for capital improvements to the Laura Ingalls Wilder pageant facilities. This is a one-time appropriation and is not added to the department's budget base.

(b) Columbia Heights

\$100,000 in 1999 is for a grant to the city of Columbia Heights for Central Avenue streetscape improvements. This is a one-time appropriation and is not added to the department's budget base.

(c) Stewart

\$100,000 in 1999 is for a grant to the city of Stewart for the final draw down design for the storm sewer project. This is a one-time

appropriation and is not added to the department's budget base.

Sec. 17. CENTER FOR RURAL
POLICY AND DEVELOPMENT

-0- 500,000

\$500,000 in 1999 is for deposit in the Rural Policy and Development Center fund in the state treasury. This is a one-time appropriation and is not added to the budget base.

Sec. 18. DEPARTMENT OF
NATURAL RESOURCES

-0- 75,000

\$75,000 in 1999 is for a grant to the St. Croix Valley Heritage Coalition, Inc., for initial project design for the St. Croix Valley Heritage Center. This is a one-time appropriation and is not added to the department's budget base.

Sec. 19. [TRANSFER OF BONDING AUTHORITY.]

The Minnesota housing finance agency may enter into an agreement with the city of Minnetonka for a residential rental project which received an allocation from the housing pool in 1998, whereby the city of Minnetonka may issue up to \$500,000 in obligations pursuant to bonding authority allocated to the Minnesota housing finance agency in 1998 under Minnesota Statutes, section 474A.03.

Sec. 20. [BOUNDARY EXTENSION.]

The boundaries of the North Mississippi Regional Park are extended to include 49th Avenue North and adjacent property from Humboldt Avenue east to the Mississippi river. Funds appropriated for the North Mississippi Regional Park may be expended to create a trail or greenway as part of the Hennepin county multijurisdictional program on 49th Avenue North and adjacent property as an entrance to the North Mississippi Regional Park.

Sec. 21. [JUDY GARLAND CHILDREN'S MUSEUM.]

The appropriation in Laws 1997, chapter 200, article 1, section 2, subdivision 2, to the commissioner of trade and economic development for the Judy Garland Children's Museum is available until and may be matched until June 30, 1999.

Sec. 22. [LEROY NIEMAN MUSEUM OF ART.]

The appropriation in Laws 1997, chapter 200, article 1, section 2, subdivision 4, to the commissioner of trade and economic development for a grant to the LeRoy Nieman Museum of Art is available until and may be matched until June 30, 1999.

Sec. 23. [NEWPORT.]

The city of Newport may include in-kind resources and money raised or contributed during a period beginning January 1, 1993, in determining its required match for the appropriation to the city in Laws 1997, chapter 200, article 1, section 2, subdivision 2.

Sec. 24. [CORRIDOR PLANNING PILOT PROJECTS.]

Subdivision 1. [PILOT PROJECTS.] (a) The metropolitan council shall establish corridor planning pilot projects for the highway 61 south, and I-35W north corridors in the metropolitan area. A "corridor plan" is a subregional, multijurisdictional comprehensive plan for the area along a major transportation corridor through two or more municipalities. A corridor plan implements local development and redevelopment objectives in compliance with regional goals and priorities by establishing an integrated and cooperative working relationship between adjoining corridor communities to, among other things:

- (1) make use of shared geographic information systems, as they are developed;
- (2) establish a framework for a comprehensive livable community urban design;
- (3) develop strategies for housing, and economic development and redevelopment, including the cleanup of contaminated properties; and
- (4) create a comprehensive multimodal transportation plan for the corridor, integrating transportation and land use issues.

(b) A corridor plan must be developed by representatives of each of the municipalities in the corridor, reviewed and approved by the metropolitan council, and adopted by each of the participating municipalities. A local comprehensive plan must be consistent with the corridor plan.

Subd. 2. [1999 LEGISLATIVE PROPOSAL.] Based on the metropolitan council's experience with the corridor planning pilot projects, the council shall propose legislation for the 1999 legislature's consideration, that will provide incentives to communities to implement their adopted corridor plans approved by the council. Recommendations for incentives may include, but are not limited to, recommendations related to tax increment financing, brownfield cleanup and redevelopment assistance, transportation funding, board of government innovation and cooperation grants, and local government assistance.

Sec. 25. [HEALTHY HOMES PILOT PROJECT.]

(a) The commissioner of commerce shall establish a Minnesota healthy homes pilot project to provide training and technical assistance to selected building code officials, and low-income housing developers and their contractors in the pilot communities to address the problem of defective homes and to develop a model program for education, training, and technical assistance to be replicated statewide. The project must be implemented in up to four demonstration sites (two urban, one suburban, and one in greater Minnesota) and work with building code officials from the selected municipalities, and selected low-income housing developers and their building contractors. The project must:

- (1) provide up to four low-income housing developers with education and implementation guidelines to produce healthy homes, including on-site training during the actual construction phase;
- (2) demonstrate the use of mechanical ventilation systems as a strategy for healthy indoor air while allowing for a tightly constructed building, including design, installation, and testing of this approach;
- (3) conduct classroom and on-site training at designated building sites to provide inspectors and builders with practical training and experience from the ground up;
- (4) conduct integrated performance testing of homes throughout the construction process;
- (5) establish a protocol utilizing the results of the pilot project, which can be used statewide as a guideline for healthy home construction;
- (6) develop an educational program for homeowners in the pilot communities on how to operate and maintain their homes in order to prevent contributing to indoor air quality problems that lead to unhealthy houses; and
- (7) report to the house and senate finance and policy committees with jurisdiction over housing on the progress and results of the pilot project by March 15, 1999.

(b) The commissioner of commerce shall make a grant to Sustainable Resources Center, a nonprofit organization with expertise and certification in indoor air quality diagnostics and remediating sick homes, to design, implement, and manage the pilot project.

(c) The department of commerce, in conjunction with representatives from the office of environmental assistance, Minnesota state colleges and universities, the department of wood and

paper science at the University of Minnesota, the Sustainable Resources Center, the Builders Association of Minnesota, the Center for Energy and Environment, and representatives from other appropriate organizations, shall develop recommendations for the creation of a building technology center to conduct applied research, provide technological development, and offer training regarding technologies and methods that assure safe, affordable buildings. The recommendations shall be made to the legislature by January 20, 1999.

Sec. 26. [TOWN OF WYOMING; CITY OF CHISAGO CITY; MUNICIPAL REIMBURSEMENT.]

Notwithstanding the limitation on duration or equality of payment imposed under Minnesota Statutes, section 414.036, the city of Chisago City may provide reimbursement for orderly annexed property to the town of Wyoming for the period and in the amounts agreed to by the city and the town under a joint powers agreement entered into for the purpose of establishing a joint commercial and business park in the annexed area as described in section 2, paragraph (h).

Sec. 27. [TRAINING FOR HMONG AND LAOTIAN WOMEN.]

\$100,000 of the appropriation in fiscal year 1999 for the Job Training Partnership Act program in Laws 1997, chapter 200, article 1, section 5, subdivision 4, is available to the Women's Association of Hmong and Lao to provide employment and training to eligible Hmong and Laotian women.

Sec. 28. [DISCLOSURE, CATEGORY 1; CATEGORY 2.]

Prior to March 1, 1999, a builder shall disclose in writing to a purchaser before execution of a purchase contract whether the residential building to be constructed is a category 1 or category 2 building, as defined in Minnesota Rules, part 7670.0470, subpart 6, item A. The disclosure shall include an explanation of the difference between the categories in respect of ventilation systems.

Sec. 29. [PUBLIC EDUCATION CAMPAIGN.]

The department of commerce shall establish a public education campaign to educate the public about homeowners' and purchasers' rights under Minnesota Statutes, sections 16B.61, subdivision 3b; 16B.65, subdivision 7; 326.87, subdivision 2; 326.975, subdivision 1; 327A.01, subdivisions 2 and 5; 327A.02, subdivisions 1 and 3; 327A.03; 541.051, subdivisions 1 and 4, and about ways to recognize safety and health issues that may arise when purchasing a home, including potential moisture and indoor air quality problems.

Sec. 30. [METRO STATE UNIVERSITY HOUSING PROJECT.]

The housing finance agency shall consult with the Minnesota state colleges and universities system, the city of St. Paul, the Dayton's Bluff neighborhood housing service, the district 4 council, the east side neighborhood development corporation, the swede hollow land trust organization, east metro women's resource center, and other interested parties concerning the feasibility of a project to acquire and/or rehabilitate existing housing structures for use as rental housing for low-income students at Metro State University. The housing finance agency shall report to the house and senate finance and policy committees with jurisdiction over housing and education during the 1999 legislative session on the feasibility of the project, and identify the barriers to the project and the potential sources of funding.

Sec. 31. [COMMUNITY AND CONVENTION CENTERS; CRITERIA FOR STATE ASSISTANCE; STUDY.]

The center for rural policy and development shall study the issue of state grants to local units of government located outside the metropolitan seven county area for community and convention center projects. The study shall develop criteria for awarding those grants. Specifically, and without limitation, the center must consider as criteria:

- (1) matching requirements for grants;
- (2) the ability of the center to operate without further state financial assistance;

(3) for convention centers, the availability of privately operated facilities in the area that provide the same service as the proposed convention center; and

(4) for community centers, the access of low-income people, collaboration with other facilities for seniors and youth, including schools, and the availability of the center to youth in the evening.

The center shall report its findings and recommended criteria to the economic development finance divisions of the senate and house by March 1, 1999.

Sec. 32. [MINNESOTA INVESTMENT FUND.]

Subdivision 1. [CITY OF LUVERNE.] Notwithstanding the grant limit contained in Minnesota Statutes, section 116J.8731, subdivision 5, a grant of up to \$1,000,000 may be made to the city of Luverne to offset severe job losses due to plant closings. Before a grant is made, there must be coordination with an existing environmental review of the impact on groundwater by the Minnesota pollution control agency in cooperation with the public facilities authority and its program for wastewater infrastructure and the state revolving loan fund for drinking water or wastewater treatment.

Subd. 2. [SOYBEAN OILSEED PROCESSING FACILITY.] Notwithstanding the grant limit in Minnesota Statutes, section 116J.8731, subdivision 5, a grant of up to \$1,000,000 may be made to a political subdivision that is chosen as a site for a soybean oilseed processing facility, constructed by a Minnesota-based cooperative. The grant may be used for site preparation, predevelopment, and other infrastructure improvements, including public and private utility improvements, that are necessary for development of the oilseed processing facility. The grant may be made any time until December 31, 2000.

Sec. 33. Minnesota Statutes 1996, section 16B.06, subdivision 2, is amended to read:

Subd. 2. [VALIDITY OF STATE CONTRACTS.] (a) A state contract or lease is not valid and the state is not bound by it until:

(1) it has first been executed by the head of the agency or a delegate which is a party to the contract;

(2) it has been approved by the commissioner or a delegate, under this section;

(3) it has been approved by the attorney general or a delegate as to form and execution; and

(4) the account system shows an allotment or encumbrance balance for the full amount of the contract liability.

(b) Paragraph (a), clause (2), does not apply to contracts between state agencies, contracts awarding grants, or contracts making loans, or bond purchase agreements by the department of trade and economic development or the Minnesota public facilities authority.

(c) The head of the agency may delegate the execution of specific contracts or specific types of contracts to a designated subordinate within the agency if the delegation has been approved by the commissioner of administration and filed with the secretary of state. The fully executed copy of every contract or lease must be kept on file at the contracting agency.

Sec. 34. Minnesota Statutes 1996, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) merchandise for resale at state park refectories or facility operations;

(2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and

(4) products and services from the Minnesota correctional facilities; and

(5) merchandise for resale at office of tourism locations.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 35. Minnesota Statutes 1996, section 16B.65, subdivision 7, is amended to read:

Subd. 7. [CONTINUING EDUCATION.] Subject to sections 16B.59 to 16B.75, the commissioner may by rule establish or approve continuing education programs for municipal building officials dealing with matters of building code administration, inspection, and enforcement.

Effective January 1, 1985, each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner every three calendar years to retain certification, including at least three hours in programs relating to the state energy code.

Each person certified as a building official must submit in writing to the commissioner an application for renewal of certification within 60 days of the last day of the third calendar year following the last certificate issued. Each application for renewal must be accompanied by proof of satisfactory completion of minimum continuing education requirements and the certification renewal fee established by the commissioner.

For persons certified prior to January 1, 1985, the first three-year period commences January 1, 1985.

Sec. 36. Minnesota Statutes 1997 Supplement, section 115C.09, subdivision 3f, is amended to read:

Subd. 3f. [REIMBURSEMENTS; SMALL GASOLINE RETAILERS.] (a) As used in this subdivision, "small gasoline retailer" means a ~~responsible person~~ tank owner or operator who owns ~~no more than only~~ one location in this state, and no locations in any other state, where motor fuel was dispensed to the public into motor vehicles, watercraft, or aircraft in the previous year, and who dispensed motor fuel at that location.

(b) Notwithstanding subdivision 1, paragraph (b), clause (1), 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 1996, including, but not limited to, tank removal, closure in place, backfill, resurfacing, and utility service restoration costs, regardless of whether a release has occurred at the site, provided that the tank involved is a regulated underground storage tank.

(c) Notwithstanding subdivision 1, paragraph (b), clause (1), 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); and

(2) petroleum contamination cleanup as provided under subdivision 1 incurred during or after the tank removal project.

(d) An applicant who owns only one location in this or any other state where motor fuel was dispensed to the public into motor vehicles, watercraft, or aircraft but who did not dispense motor fuel at that location may qualify as a small gasoline retailer if:

(1) the previous tank owner or operator at the location was a small gasoline retailer that dispensed less than 500,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location; and

(2) the applicant acquired legal or equitable title to the property after January 1, 1996.

(e) This subdivision expires January 1, 2000.

Sec. 37. Minnesota Statutes 1996, section 115C.09, is amended by adding a subdivision to read:

Subd. 3g. [REIMBURSEMENTS; SMALL BUSINESS OWNERS.] (a) As used in this subdivision, "small business owner" means a person:

(1) who has no more than \$250,000 per year in sales;

(2) who owns no more than one location where motor fuel was previously dispensed to the public into motor vehicles;

(3) who did not dispense motor fuel at that location; and

(4) whose tanks were never registered with the state.

(b) Notwithstanding subdivision 1, paragraph (b), clause (1), the board shall reimburse an eligible applicant who is a small business owner for 90 percent of the applicant's total reimbursable cost for tank removal projects started after January 1, 1998, including, but not limited to, tank removal, closure in place, backfill, resurfacing, and utility service restoration costs, regardless of whether a release has occurred at the site, and provided that the person does not intend to replace the tanks.

Sec. 38. Minnesota Statutes 1996, section 116.182, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Agency" means the pollution control agency.

(c) "Authority" means the public facilities authority established in section 446A.03.

(d) "Commissioner" means the commissioner of the pollution control agency.

(e) "Essential project components" means those components of a wastewater disposal system that are necessary to convey or treat a municipality's existing wastewater flows and loadings, and future wastewater flows and loadings based on 50 percent of the projected residential growth of the municipality for a 20-year period.

(f) "Municipality" means a county, home rule charter or statutory city, town, the metropolitan council, an Indian tribe or an authorized Indian tribal organization; or any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state.

(g) "Outstanding international resource value waters" are the surface waters of the state in the Lake Superior Basin, other than Class 7 waters and those waters designated as outstanding resource value waters.

(h) "Outstanding resource value waters" are those that have high water quality, wilderness characteristics, unique scientific or ecological significance, exceptional recreation value, or other special qualities that warrant special protection.

Sec. 39. Minnesota Statutes 1996, section 116.182, is amended by adding a subdivision to read:

Subd. 3a. [NOTIFICATION OF OTHER GOVERNMENT UNITS.] In addition to other applicable statutes or rules that are required to receive financial assistance consistent with this subdivision, the commissioner may not approve or certify a project to the public facilities authority for wastewater financial assistance unless the following requirements are met:

(1) prior to the initiation of the public facilities planning process for a new wastewater treatment system, the project proposer gives written notice to all municipalities as defined in 116.82 within ten miles of the proposed project service area, including the county in which the project is located, the office of strategic and long-range planning, and the pollution control agency. The notice shall state the proposer's intent to begin the facilities planning process and provide a description of the need for the proposed project. The notice also shall request a response within 30 days of the notice date from all government units who wish to receive and comment on the future facilities plan for the proposed project;

(2) during development of the facility plan's analysis of service alternatives, the project proposer must request information from all municipalities and sanitary districts which have existing systems that have current capacity to meet the proposer's needs or can be upgraded to meet those needs. At a minimum, the proposer must notify in writing those municipalities and sanitary districts whose corporate limits or boundaries are within three miles of the proposed project's service area;

(3) 60 days prior to the municipality's public hearing on the facilities plan, a copy of the draft facilities plan and notice of the public hearing on the facilities plan must be given to the local government units who previously expressed interest in the proposed project under clause (1);

(4) for a proposed project located or proposed to be located outside the corporate limits of a city, the affected county has certified to the agency that the proposed project is consistent with the applicable county comprehensive plan and zoning and subdivision regulations; and

(5) copies of the notifications required under clauses (1) and (2), as well as the certification from the county and a summary of the comments received, must be included by the municipality in the submission of its facilities plan to the pollution control agency, along with other required items as specified in the agency's rules.

This subdivision does not apply to the western Lake Superior sanitary district or the metropolitan council.

Sec. 40. Minnesota Statutes 1996, section 116J.415, subdivision 5, is amended to read:

Subd. 5. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job or business opportunities for them;

(3) the minimum loan is \$5,000 and the maximum is \$100,000 ~~\$200,000~~;

(4) a loan may not exceed 50 percent of the total cost of an individual project;

(5) a loan may not be used for a retail development project; and

(6) a business applying for a loan, except a microenterprise loan under subdivision 6, must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Sec. 41. Minnesota Statutes 1997 Supplement, section 116J.421, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHED.] The rural policy and development center is established at Mankato State University.

The center may be established by the board as a nonprofit corporation under section 501(c)3 of the Internal Revenue Code or the board may organize and operate the center in a manner and form that the board determines best allows the center to carry out its duties.

Sec. 42. Minnesota Statutes 1997 Supplement, section 116J.421, is amended by adding a subdivision to read:

Subd. 5. [POWERS.] The board has the power to do all things reasonable and necessary to carry out the duties of the center including, without limitation, the power to:

- (1) enter into contracts for goods or services with individuals and private and public entities;
- (2) sue and be sued;
- (3) acquire, hold, lease, and transfer any interest in real and personal property;
- (4) accept appropriations, gifts, grants, and bequests;
- (5) hire employees; and
- (6) delegate any of its powers.

Sec. 43. [116J.544] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 116J.544 to 116J.545, the following terms have the meanings given them.

Subd. 2. [BOARD.] "Board" means the Minnesota film board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.

Sec. 44. [116J.5445] [DUTIES; REPORTS.]

The commissioner shall enter into a contract with the board to implement the revolving loan fund created in section 116J.545. The contract shall include a description of the board's responsibilities in reviewing, approving, and monitoring of projects funded by the loan fund. The commissioner shall submit an annual report to the legislature by January 1 of each year describing each loan made under section 116J.545, including information on the production and distribution status of each project for which a loan has been made, the repayment status of each loan, the number of jobs created in Minnesota, the amount of expenditures in Minnesota, and the amount and source of matching funds.

Sec. 45. [116J.545] [MINNESOTA FILM AND TELEVISION REVOLVING LOAN FUND.]

Subdivision 1. [ELIGIBLE PROJECTS.] An eligible project is a feature film, long form television project, or television series. At least one of the project's principals must be a Minnesota resident. The principals are defined as the project's director, producer, or company chief executive officer.

Subd. 2. [REVOLVING LOAN FUND.] The commissioner shall establish a revolving loan

fund in the special revenue fund for the purpose of making loans to finance eligible projects. Loan applications given preliminary approval by the board must be forwarded to the commissioner for final approval. Funds for the loan will be disbursed by the commissioner to the board after this approval.

Subd. 3. [BUSINESS LOAN CRITERIA.] (a) The criteria in this subdivision apply to loans made under the Minnesota film and television revolving loan fund.

(b) Loans must only be made for projects that the board determines would not be undertaken without assistance from the loan fund.

(c) The minimum loan is \$50,000 and the maximum loan is \$500,000. The board will determine the interest rate, terms, maturity, and collateral for each loan. The interest rate must be at least three percent.

(d) The amount of a loan may not exceed 50 percent of each project.

(e) Funded projects will be required to spend 120 percent of the amount of the loan in Minnesota. These expenditures may include direct production or postproduction costs as well as talent, producer, or director fees.

(f) The commissioner may adopt rules to implement this section.

Subd. 4. [REVOLVING LOAN FUND ADMINISTRATION.] (a) Loan repayment amounts must be returned by the board to the commissioner and deposited in a revolving loan fund for additional loans to be made by the board.

(b) Administrative expenses of the board incurred to operate the loan program, not to exceed \$50,000 per year, may be paid to the board from the revolving loan fund.

Subd. 5. [REPORTING REQUIREMENTS.] The board shall:

(1) submit an annual report to the commissioner by September 30 of each year that includes a description of projects funded for the preceding 12 months as of June 30 of the same year. The report shall include a description of projects supported by the revolving loan fund, the production and distribution status of each project for which a loan has been made, the terms of each loan and the repayment status of each loan, the number of jobs created in Minnesota and the amount of expenditures in Minnesota, and the amount and source of matching funds. A description of the administrative expenses incurred by the board shall also be included; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 46. 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 paragraphs (b) and (c), 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).

(c) A response action plan is not required as a condition to receive a grant under section 116J.554, subdivision 1, paragraph (c).

Sec. 47. Minnesota Statutes 1996, section 116L.03, subdivision 5, is amended to read:

Subd. 5. [TERMS AND COMPENSATION.] The terms of appointed members shall be for four years except for the initial appointments. The initial appointments of the governor shall have the following terms: two members each for one, two, three, and four years. Compensation of members shall be as provided in section 15.0575, subdivision 3.

Sec. 48. Minnesota Statutes 1997 Supplement, section 179A.03, subdivision 7, is amended to read:

Subd. 7. [ESSENTIAL EMPLOYEE.] "Essential employee" means firefighters, peace officers subject to licensure under sections 626.84 to 626.863, guards at correctional facilities, confidential employees, supervisory employees, assistant county attorneys, assistant city attorneys, principals, and assistant principals. However, for state employees, "essential employee" means all employees in law enforcement, health care professionals, correctional guards, professional engineering, and supervisory collective bargaining units, irrespective of severance, and no other employees. For University of Minnesota employees, "essential employee" means all employees in law enforcement, nursing professional and supervisory units, irrespective of severance, and no other employees. "Firefighters" means salaried employees of a fire department whose duties include, directly or indirectly, controlling, extinguishing, preventing, detecting, or investigating fires.

Sec. 49. [181.636] [EMPLOYEE NOTICE OF RIGHTS; FOREIGN LANGUAGES.]

Subdivision 1. [EMPLOYER DEFINED.] For the purposes of this section, "employer" means any person employing one or more employees.

Subd. 2. [EMPLOYEE RIGHTS FORM.] The commissioner of labor and industry shall provide a single brochure for use in providing the notice required in subdivision 3. The single form must contain the disclosure in English and in ten other languages that the commissioner determines are the most commonly spoken as the dominant language by Minnesota employees.

Subd. 3. [EMPLOYEE RIGHTS NOTICE.] An employer shall provide a brochure provided by the department of labor and industry within ten days of the first day of work that notifies the job offeree that:

(1) there are state and federal laws that regulate minimum wages and maximum hours of work; prohibit unsafe working conditions and discrimination; prohibit employers from making false statements in order to induce someone into employment; and require the terms and conditions of employment be provided in writing to migrant farm workers and persons employed in the food processing industry; and

(2) the employee may call the department of labor and industry and the department of human rights at a telephone number indicated on the brochure to learn about those laws and the employee's rights.

Sec. 50. Minnesota Statutes 1996, section 181.64, is amended to read:

181.64 [FALSE STATEMENTS AS INDUCEMENT TO ENTERING EMPLOYMENT.]

It shall be unlawful for any person, partnership, company, corporation, association, or organization of any kind, doing business in this state, directly or through any agent or attorney, to induce, influence, persuade, or engage any person to ~~change from one place to another in this state, or to change from any place in any state, territory, or country to any place in this state,~~ to work in any branch of labor through or by means of knowingly false representations, whether spoken, written, or advertised in printed form, concerning the kind or character of such work, the compensation therefor, the sanitary conditions relating to or surrounding it, or failure to state in any advertisement, proposal, or contract for the employment that there is a strike or lockout at the place of the proposed employment, when in fact such strike or lockout then actually exists in such employment at such place. Any such unlawful acts shall be deemed a false advertisement or misrepresentation for the purposes of this section and section 181.65.

Sec. 51. Minnesota Statutes 1996, section 181.65, is amended to read:

181.65 [PENALTIES.]

~~Any~~ A person, firm, association, or corporation violating any provision of section 181.64 ~~and this section shall be~~ is guilty of a misdemeanor. ~~Any~~ A person who shall be is influenced, induced, or persuaded to enter or change employment or change a place of employment through or by means of any of the things prohibited in section 181.64, ~~shall have~~ has a right of action for the recovery of all damages sustained in consequence of the false or deceptive representations, false advertising, or false pretenses used to induce the person to enter into or change a place of employment, against any person, firm, association, or corporation directly or indirectly causing such damage; and, in addition to all such actual damages ~~sueh~~ the person may have sustained, ~~shall have~~ has the right to recover ~~sueh~~ reasonable attorneys' fees as the court shall fix, to be taxed as costs in any judgment recovered.

In addition to any other penalties, the commissioner of labor and industry may fine an employer up to \$1,000 for each violation of section 181.64. In determining the amount of the fine, the size of the employer's business, the number of violations, and past violations must be considered.

Sec. 52. Minnesota Statutes 1997 Supplement, section 268.07, subdivision 2, as amended by Laws 1998, chapter 265, section 23, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND MAXIMUM AMOUNT OF BENEFITS.] (a) To establish a reemployment insurance account, a claimant must have:

- (1) wage credits in two or more calendar quarters of the claimant's base period;
- (2) minimum total wage credits equal to or greater than the high quarter wage credits multiplied by 1.25;
- (3) high quarter wage credits of not less than \$1,000.

(b) If the commissioner finds that a claimant has established a reemployment insurance account, the weekly benefit amount payable during the claimant's benefit year shall be the higher of:

- (1) 50 percent of the claimant's average weekly wage during the claimant's base period, to a maximum of $66\frac{2}{3}$ percent of the state's average weekly wage; or
- (2) 50 percent of the claimant's average weekly wage during the high quarter, to a maximum of the higher of \$331 or 50 percent of the state's average weekly wage, ~~or \$331, whichever is higher.~~

The claimant's average weekly wage under clause (1) shall be computed by dividing the claimant's total wage credits by 52. The claimant's average weekly wage under clause (2) shall be computed by dividing the claimant's high quarter wage credits by 13.

(c) The state's maximum weekly benefit amount and the claimant's weekly benefit amount shall be computed to the nearest whole dollar.

(d) The maximum amount of benefits payable on any reemployment insurance account shall

equal one-third of the claimant's total wage credits rounded to the next lower dollar, not to exceed 26 times the claimant's weekly benefit amount.

Sec. 53. Minnesota Statutes 1996, section 326.87, subdivision 2, is amended to read:

Subd. 2. [HOURS.] A qualifying person of a licensee must provide proof of completion of seven eight hours of continuing education per year. At least three hours of continuing education per year must relate to requirements of the state energy code. To the extent the commissioner considers it appropriate, courses or parts of courses may be considered to satisfy both continuing education requirements under this section and continuing real estate education requirements.

Sec. 54. Minnesota Statutes 1996, section 326.975, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) In addition to any other fees, each applicant for a license under sections 326.83 to 326.98 shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner and subject to all the requirements and limitations provided by section 82.34 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee which shall be credited to the contractor's recovery fund. The amount of the fee shall be based on the licensee's gross annual receipts for the licensee's most recent fiscal year preceding the renewal, on the following scale:

Fee	Gross Receipts
\$100	under \$1,000,000
\$150	\$1,000,000 to \$5,000,000
\$200	over \$5,000,000

Any person who receives a new license shall pay a fee based on the same scale;

(2) the sole purpose of this fund is to compensate any aggrieved owner or lessee of residential property who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 326.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance or breach of warranty arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under section 326.83, subdivision 19, on the owner's residential property or on residential property rented by the lessee, or on new residential construction which was never occupied prior to purchase by the owner, or which was occupied by the licensee for less than one year prior to purchase by the owner, and which cause of action arose on or after April 1, 1994;

(3) nothing may obligate the fund for more than \$50,000 per claimant, nor more than \$50,000 per licensee; and

(4) nothing may obligate the fund for claims based on a cause of action that arose before the licensee paid the recovery fund fee set in clause (1), or as provided in section 326.945, subdivision 3; and

(5) appropriations from this fund may be made for expenses of providing information to consumers on residential construction issues.

(b) Should the commissioner pay from the contractor's recovery fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the license shall be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. No licensee shall be granted reinstatement until the licensee has repaid in full, plus interest at the rate of 12 percent a year, twice the amount paid from the fund on the licensee's account, and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of at least ~~\$40,000~~ \$50,000.

Sec. 55. Minnesota Statutes 1996, section 327A.01, subdivision 2, is amended to read:

Subd. 2. [BUILDING STANDARDS.] "Building standards" means the structural, mechanical,

electrical, and quality standards of the home building industry for the geographic area in which the dwelling is situated. For those geographic areas where the state building code adopted by the commissioner of administration according to sections 16B.59 to 16B.75 is in effect, "building standards" shall be no less rigorous than the state building code.

Sec. 56. Minnesota Statutes 1996, section 327A.01, subdivision 5, is amended to read:

Subd. 5. [MAJOR CONSTRUCTION DEFECT.] "Major construction defect" means actual damage to the load-bearing portion of the dwelling or the home improvement, including damage due to subsidence, expansion or lateral movement of the soil, which affects the load-bearing function and which ~~vitaly~~ substantially affects or is imminently likely to ~~vitaly~~ substantially affect use of the dwelling or the home improvement for residential purposes. "Major construction defect" does not include damage due to movement of the soil caused by flood, earthquake or other natural disaster.

Sec. 57. Minnesota Statutes 1996, section 327A.02, subdivision 1, is amended to read:

Subdivision 1. [WARRANTIES BY VENDORS.] (a) In every sale of a completed dwelling, and in every contract for the sale of a dwelling to be completed, the vendor shall warrant to the vendee that:

~~(a)~~ (1) during the one-year period from and after the warranty date the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards;

~~(b)~~ (2) during the ~~two-year~~ three-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems; and

~~(c)~~ (3) during the ten-year period from and after the warranty date, the dwelling shall be free from major construction defects.

(b) The warranties provided by this chapter are transferred automatically with conveyance of the property and benefit the initial vendee and all future vendees.

Sec. 58. Minnesota Statutes 1996, section 327A.02, subdivision 3, is amended to read:

Subd. 3. [HOME IMPROVEMENT WARRANTIES.] (a) In a sale or in a contract for the sale of home improvement work involving major structural changes or additions to a residential building, the home improvement contractor shall warrant to the owner that:

(1) during the one-year period from and after the warranty date the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and

(2) during the ten-year period from and after the warranty date the home improvement shall be free from major construction defects.

(b) In a sale or in a contract for the sale of home improvement work involving the installation of plumbing, electrical, heating or cooling systems, the home improvement contractor shall warrant to the owner that, during the ~~two-year~~ three-year period from and after the warranty date, the home improvement shall be free from defects caused by ~~the~~ faulty installation of the system or systems.

(c) In a sale or in a contract for the sale of any home improvement work not covered by paragraph (a) or (b), the home improvement contractor shall warrant to the owner that, during the ~~one-year~~ two-year period from and after the warranty date, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.

Sec. 59. Minnesota Statutes 1996, section 327A.03, is amended to read:

327A.03 [EXCLUSIONS.]

The liability of the vendor or the home improvement contractor under sections 327A.01 to 327A.07 is limited to the specific items set forth in sections 327A.01 to 327A.07 and does not extend to the following:

- (a) Loss or damage not reported by the vendee or the owner to the vendor or the home improvement contractor in writing within six months one year after the vendee or the owner discovers or should have discovered the loss or damage;
- (b) Loss or damage caused by defects in design, installation, or materials which the vendee or the owner supplied, installed, or directed to be installed;
- (c) Secondary loss or damage such as personal injury or property damage;
- (d) Loss or damage from normal wear and tear;
- (e) Loss or damage from normal shrinkage caused by drying of the dwelling or the home improvement within tolerances of building standards;
- (f) Loss or damage from dampness and condensation due to insufficient ventilation after occupancy, when the inadequate ventilation is attributable to conditions resulting from compliance with the requirements of the state energy code in effect at the time of construction;
- (g) Loss or damage from negligence, improper maintenance or alteration of the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;
- (h) Loss or damage from changes in grading of the ground around the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;
- (i) Landscaping or insect loss or damage;
- (j) Loss or damage from failure to maintain the dwelling or the home improvement in good repair;
- (k) Loss or damage which the vendee or the owner, whenever feasible, has not taken timely action to minimize;
- (l) Loss or damage which occurs after the dwelling or the home improvement is no longer used primarily as a residence;
- (m) Accidental loss or damage usually described as acts of God, including, but not limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by failure to comply with building standards;
- (n) Loss or damage from soil movement which is compensated by legislation or covered by insurance;
- (o) Loss or damage due to soil conditions where construction is done upon lands owned by the vendee or the owner and obtained by the vendee or owner from a source independent of the vendor or the home improvement contractor;
- (p) In the case of home improvement work, loss or damage due to defects in the existing structure and systems not caused by the home improvement.

Sec. 60. [327A.035] [WARRANTY INFORMATION.]

A vendor or home improvement contractor must, prior to entering into a contract covered by this chapter for the sale of a dwelling or of home improvement work, provide the vendee or owner with a copy of sections 327A.02 and 327A.03.

Sec. 61. Minnesota Statutes 1996, section 332.32, is amended to read:

332.32 [EXCLUSIONS.]

The term "collection agency" shall not include persons whose collection activities in this state are confined to and are directly related to the operation of a business other than that of a collection agency such as, but not limited to banks when collecting accounts owed to the banks and when the bank will sustain any loss arising from uncollectible accounts, abstract companies doing an escrow business, real estate brokers, public officers, persons acting under order of a court, lawyers, trust companies, insurance companies, credit unions, savings associations, loan or finance companies unless they are engaged in asserting, enforcing or prosecuting unsecured claims which have been purchased from any person, firm, or association when there is recourse to the seller for all or part of the claim if the claim is not collected, or any person residing in a state that regulates collection agencies and whose collection activities in this state are limited to incidental contact with a resident debtor on behalf of an out-of-state creditor. As used in this section, "incidental contact" means annual contact with ten or fewer resident debtors through the use of interstate communications, including telephone, mail service, or facsimile transmissions. A creditor is deemed to be a Minnesota creditor if a credit card agreement, from which the debt arises, was signed in the state of Minnesota.

Sec. 62. Minnesota Statutes 1996, section 383B.79, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM CREATED.] A multijurisdictional reinvestment program involving Hennepin county, the cities of Minneapolis, Brooklyn Center, and other interested statutory or home rule charter cities in Hennepin county, the Minneapolis park board, and the suburban Hennepin county park district is created. The multijurisdictional program must include plans for housing rehabilitation and removals, industrial polluted land cleanup, water ponding, environmental cleanup, community corridor connections, corridor planning, creation of green space, acquisition of property, development and redevelopment of parks and open space, water quality and lakeshore improvement, development and redevelopment of housing and existing commercial projects, and job creation.

Sec. 63. Minnesota Statutes 1996, section 383B.79, is amended by adding a subdivision to read:

Subd. 6. [ADMINISTRATION.] The board of county commissioners shall administer the program and funds and bond for projects in this section either as a county board or a housing and redevelopment authority. The board of county commissioners may acquire property in connection with the project known as the Humboldt Avenue Greenway from any funds under its control.

Sec. 64. Minnesota Statutes 1996, section 446A.072, subdivision 2, is amended to read:

Subd. 2. [TYPE OF SUPPLEMENTAL ASSISTANCE.] ~~Supplemental assistance shall be in the form of zero percent loans, with loan repayments beginning February 20 or August 20 following the scheduled date of the project obtaining grants. If one year after the initiation of operation of the project, the project does not meet the operational performance standards established by the agency, the grant must be repaid. Upon receipt of notice from the agency that the project operational performance standards have been met, the authority will forgive the scheduled loan repayments made under this section. If not forgiven, loan Grant repayments shall be deferred upon request from the commissioner of the agency for six-month periods, provided the commissioner has determined that satisfactory progress is being made to achieve project performance or is developing or implementing a corrective action plan.~~

Sec. 65. Minnesota Statutes 1996, section 446A.072, subdivision 4, is amended to read:

Subd. 4. [FUNDING LEVEL.] (a) The authority shall provide supplemental assistance for essential project component costs as certified by the commissioner of the pollution control agency under section 116.182, subdivision 4.

(b) A municipality may not receive more than \$4,000,000 under this section unless specifically approved by law.

(c) ~~The authority will calculate the grant amount needed for the essential project component costs by first determining the amount needed to reduce a municipality's monthly residential sewer~~

service charge to \$25 or to an annual residential sewer service charge in excess of 1.5 percent of the municipality's median household income, whichever is less, and then multiplying that amount by 80 percent to determine the actual award amount to supplement loans under section 446A.07 or provide up to one-third of the amount of the grant funding level required by USDA/RECD for projects listed on the agency's intended use plan.

(d) The authority shall provide supplemental assistance for up to one-half of the eligible grant funding level determined by the United States Department of Agriculture Rural Development funding for projects listed on the agency's project priority list, in priority order. For municipalities that are not eligible for United State Department of Agriculture Rural Development funding for wastewater, the authority shall provide supplemental assistance for: (1) essential project component costs calculated by first determining the amount needed to reduce a municipality's annual residential sewer costs to 1.4 percent of the municipality's median household income or \$25 per month per household, whichever is greater, and then multiplying that amount by 80 percent to determine the actual award amount to supplement loans under section 446A.07; and (2) up to 50 percent of the incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.

(d) Notwithstanding paragraph (b), in the event that a municipality's monthly residential sewer service charges average above \$50, the authority will provide 90 percent of the grant amount needed to reduce the average monthly sewer service charge to \$50, provided the project is ranked in the top 50 percentile of the agency's intended use plan.

(e) Notwithstanding paragraphs (b), (c), and (d), a municipality with an annual median household income of \$40,000 or greater shall not be eligible for a grant, except for incremental costs specifically identified by the agency as being attributable to more stringent wastewater standards required to protect outstanding resource value waters or outstanding international resource value waters.

(f) The authority shall provide supplemental assistance to a municipality that would not otherwise qualify for supplemental assistance if:

(1) the municipality voluntarily accepts a sewer connection from another governmental unit to serve residential, industrial, or commercial developments that were completed before March 1, 1996, or are on lots whose plats were recorded before that date; and

(2) fees charged by the municipality for the connection must take into account state and federal grants used by the municipality for the construction of the treatment plant.

The amount of supplemental assistance under this paragraph must be sufficient to reduce debt service payments under section 446A.07 to an extent equivalent to a zero percent loan in an amount up to the other governmental unit's project costs necessary for connection. Eligibility for supplemental assistance under this paragraph ends three years after the agency certifies that the connection has met the operational performance standards established by the agency.

Sec. 66. Minnesota Statutes 1996, section 462A.05, subdivision 14, is amended to read:

Subd. 14. [REHABILITATION LOANS.] It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building,

housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. Except for accessibility improvements under this subdivision and subdivisions 14a and 24, clause (1), no secured loan for rehabilitation of any property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed 110 percent of its market value, as determined by the agency. No loan under this subdivision shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with mental retardation or related conditions;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

Sec. 67. Minnesota Statutes 1997 Supplement, section 462A.05, subdivision 39, is amended to read:

Subd. 39. [EQUITY TAKE-OUT LOANS.] The agency may make equity take-out loans to owners of ~~section 8 project-based and section 236~~ federally assisted rental property upon which the agency holds a first mortgage. The owner of a ~~section 8 project-based~~ federally assisted rental property must agree to participate in the ~~section 8 federal assistance program~~ and extend the low-income affordability restrictions on the housing for the maximum term of the ~~section 8 federal assistance contract~~. ~~The owner of section 236 rental property must agree to participate in the section 236 interest reduction payments program, to extend any existing low-income affordability restrictions on the housing, and to extend any rental assistance payments for the maximum term permitted under the agreement for rental assistance payments.~~ The An equity take-out loan must be secured by a subordinate loan on the property and may include additional appropriate security determined necessary by the agency.

Sec. 68. Minnesota Statutes 1997 Supplement, section 462A.205, subdivision 1, is amended to read:

Subdivision 1. [FAMILY STABILIZATION DEMONSTRATION PROJECT.] The agency, in consultation with the department of human services, may establish a rent assistance for family stabilization demonstration project. The purpose of the project is to provide rental assistance to families who, at the time of initial eligibility for rental assistance under this section, were receiving public assistance, and had a caretaker parent ~~participating in a self-sufficiency program who was complying with the parent's job search support plan or employment plan~~ and at least one minor child and to provide rental assistance to families who, at the time of initial eligibility for rental assistance under this section, were receiving public assistance, and had a caretaker parent who had earned income and with at least one minor child. The demonstration project is limited to counties with high average housing costs. The program must offer two options: a voucher option and a project-based voucher option. The funds may be distributed on a request for proposal basis.

Sec. 69. Minnesota Statutes 1997 Supplement, section 462A.205, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Caretaker parent" means a parent, relative caretaker, or minor caretaker as defined by the

aid to families with dependent children program, sections 256.72 to 256.87, or its successor program.

(b) "County agency" means the agency designated by the county board to implement financial assistance for current public assistance programs and for the Minnesota family investment program statewide.

(c) "Counties with high average housing costs" means counties whose average federal section 8 fair market rents as determined by the Department of Housing and Urban Development are in the highest one-third of average rents in the state.

(d) "Designated rental property" is rental property (1) that is made available by a self-sufficiency program for use by participating families and meets federal section 8 existing quality standards, or (2) that has received federal, state, or local rental rehabilitation assistance since January 1, 1987, and meets federal section 8 existing housing quality standards.

(e) "Earned income" for a family receiving rental assistance under this section means cash or in-kind income earned through the receipt of wages, salary, commissions, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, and any other profit from activity earned through effort or labor.

(f) "Employment and training service provider" means a provider as defined in chapter 256J.

(g) "Employment plan" means a plan as defined in chapter 256J.

(h) "Family or participating family" means a family that at the time it begins receiving rent assistance has at least one member who is a recipient of public assistance, and:

(1) a family with a caretaker parent who is participating in a self-sufficiency program complying with the parent's job search support plan or employment plan and with at least one minor child;

(2) a family that, at the time it began receiving rent assistance under this section, had a caretaker parent participating in a self-sufficiency program complying with the parent's job search support plan or employment plan and had at least one minor child;

(3) a family with a caretaker parent who is receiving public assistance and has earned income and with at least one minor child; or

(4) a family that, at the time it began receiving rent assistance under this section, had a caretaker parent who had earned income and at least one minor child.

~~(g) (i) "Gross family income" for a family receiving rental assistance under this section means the gross amount of the wages, salaries, social security payments, pensions, workers' compensation, reemployment insurance, the cash assistance portion of public assistance payments, alimony, and child support, and income from assets received by the family.~~

~~(h) (j) "Local housing organization" means the agency of local government responsible for administering the Department of Housing and Urban Development's section 8 existing voucher and certificate program or a nonprofit or for-profit organization experienced in housing management.~~

~~(i) (k) "Public assistance" means aid to families with dependent children, or its successor program, family general assistance, or its successor program, or family work readiness, or its successor program.~~

~~(j) "Self-sufficiency program" means a program operated by an employment and training service provider as defined in chapter 256J, an employability program administered by a community action agency, or courses of study at an accredited institution of higher education pursued with at least half-time student status.~~

Sec. 70. Minnesota Statutes 1997 Supplement, section 462A.205, subdivision 5, is amended to read:

Subd. 5. [VOUCHER OPTION.] At least one-half of the appropriated funds must be made available for a voucher option. Under the voucher option, the Minnesota housing finance agency, in consultation with the department of human services, will award a number of vouchers to ~~self-sufficiency program administrators employment and training service providers~~ for participating families and to county agencies for participating families with earned income. Families may use the voucher for any rental housing that is certified by the local housing organization as meeting section 8 existing housing quality standards.

Sec. 71. Minnesota Statutes 1997 Supplement, section 462A.205, subdivision 6, is amended to read:

Subd. 6. [PROJECT-BASED VOUCHER OPTION.] A portion of the appropriated funds must be made available for a project-based voucher option. Under the project-based voucher option, the Minnesota housing finance agency, in consultation with the department of human services, will award a number of vouchers to ~~self-sufficiency program administrators and to county agencies employment and training service providers~~ for participating families who live in designated rental property that is certified by a local housing organization as meeting section 8 existing housing quality standards.

Sec. 72. Minnesota Statutes 1997 Supplement, section 462A.205, subdivision 9, is amended to read:

Subd. 9. [VOUCHERS FOR FAMILIES WITH A CARETAKER PARENT WITH EARNED INCOME.] (a) Applications to provide the rental assistance for families with a caretaker parent with earned income under either the voucher or project-based option must be submitted jointly by a local housing organization and a ~~county agency~~ an employment and training service provider. The application must include a description of how the caretaker parent participants will be selected.

(b) ~~County agencies~~ Employment and training service providers awarded vouchers must select the caretaker parents with earned income whose families will receive the rental assistance. The ~~county agency employment and training service provider~~ must notify the local housing organization and the agency if:

(1) at the time of annual recertification, the caretaker parent no longer has earned income and is not in compliance with the caretaker parent's employment plan or job search plan; and

(2) for a period of six months after the annual recertification, the caretaker parent has no earned income and has failed to comply with the job search support plan or employment plan.

(c) ~~The county agency local housing organization~~ must provide the caretaker parent who, at the time of annual recertification, has no earned income and is not in compliance with the job search support plan or employment plan with the notice specified in Minnesota Rules, part 4900.3379. ~~The county agency local housing organization~~ must send a subsequent notice to the caretaker parent, ~~the local housing organization~~, and the Minnesota housing finance agency 60 days before the termination of rental assistance.

(d) If the local housing organization receives notice from a ~~county agency~~ an employment and training service provider that a caretaker parent whose initial eligibility for rental assistance was based on the receipt of earned income no longer has earned income and for a period of six months after the termination of earned income the annual recertification has failed to comply with the caretaker parent's job search plan or employment plan, the local housing organization must notify the property owner that rental assistance may terminate and notify the caretaker parent of the termination of rental assistance under Minnesota Rules, part 4900.3380.

(e) ~~The county agency employment and training service provider~~ awarded vouchers for families with a caretaker parent with earned income must comply with the provisions of Minnesota Rules, part 4900.3377.

(f) For families whose initial eligibility for rental assistance was based on the receipt of earned income, rental assistance must be terminated under any of the following conditions:

- (1) the family is evicted from the property for cause;
 - (2) the caretaker parent no longer has earned income and, after six months after an annual recertification, is not in compliance with the parent's job search or employment plan;
 - (3) 30 percent of the family's gross income equals or exceeds the amount of the housing costs for two or more consecutive months;
 - (4) the family has received rental assistance under this section for a ~~36-month~~ 60-month period;
or
 - (5) the rental unit no longer meets federal section 8 existing housing quality standards, the owner refused to make necessary repairs or alterations to bring the rental unit into compliance within a reasonable time, and the caretaker parent refused to relocate to a qualifying unit.
- (g) ~~If a county agency an employment and training service provider~~ determines that a caretaker parent no longer has earned income and is not in compliance with the parent's job search or employment plan, the county agency employment and training service provider must notify the caretaker parent of that determination. The notice must be in writing and must explain the effect of not having earned income or failing to be in compliance with the job search or employment plan will have on the rental assistance. The notice must:

- (1) state that rental assistance will end six months after ~~earned income has ended~~ an annual recertification;
- (2) specify the date the rental assistance will end;
- (3) explain that after the date specified, the caretaker parent will be responsible for the total housing costs;
- (4) describe the actions the caretaker parent may take to avoid termination of rental assistance;
and
- (5) inform the caretaker parent of the caretaker parent's responsibility to notify the county agency employment and training service provider if the caretaker parent has earned income.

Sec. 73. Minnesota Statutes 1996, section 462A.21, is amended by adding a subdivision to read:

Subd. 25. [FULL CYCLE HOMEOWNERSHIP.] It may spend money for the purposes of the full cycle homeownership services program under section 462A.209, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 74. Minnesota Statutes 1996, section 462A.222, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) Projects will be awarded tax credits in three competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the project satisfies the requirements of the allocating agency's qualified allocation plan. For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds for the project, or the issuer of the bonds for the project is located outside the jurisdiction of a city or county that has received reserved tax credits, the applicable allocation plan is the agency's qualified allocation plan.

(d) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) in the metropolitan area:

(i) new construction or substantial rehabilitation of projects in which, for the term of the extended use period, at least 75 percent of the total tax credit units are single-room occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30 percent of the median income;

(ii) new construction or substantial rehabilitation family housing projects that are not restricted to persons who are 55 years of age or older and in which, for the term of the extended use period, at least 75 percent of the tax credit units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms; or

(iii) substantial rehabilitation projects in neighborhoods targeted by the city for revitalization;

(2) outside the metropolitan area, projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application;

(3) projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period, a percentage of the units are set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with permanent physical disabilities that substantially limit one or more major life activities, if at least 50 percent of the units in the project are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing ~~which is subject to prepayment~~ if the use of tax credits is necessary to prevent conversion to market rate use; or

(5) projects financed by the Farmers Home Administration, or its successor agency, which meet statewide distribution goals.

(e) Before the date for applications for the second round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to the pool from which they were allocated, along with copies of any allocation or commitment. In the second round, the agency shall allocate the remaining credits from the regional pools to projects from the respective regions.

(f) In the third round, all unallocated tax credits must be transferred to a unified pool for allocation by the agency on a statewide basis.

(g) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

(h) If an allocating agency determines, at any time after the initial commitment or allocation for a specific project, that a project is no longer eligible for all or a portion of the low-income housing tax credits committed or allocated to the project, the credits must be transferred to the agency to be reallocated pursuant to the procedures established in paragraphs (e) to (g); provided that if the tax credits for which the project is no longer eligible are from the current year's annual ceiling and the allocating agency maintains a waiting list, the allocating agency may continue to commit or allocate the credits until not later than October 1, at which time any uncommitted credits must be transferred to the agency.

Sec. 75. Minnesota Statutes 1996, section 469.303, is amended to read:

469.303 [ELIGIBILITY REQUIREMENTS.]

An area within the city is eligible for designation as an enterprise zone if the area (1) includes census tracts eligible for a federal empowerment zone or enterprise community as defined by the United States Department of Housing and Urban Development under Public Law Number 103-66, notwithstanding the maximum zone population standard under the federal empowerment zone program for cities with a population under 500,000 or, (2) is an area within a city of the second class that is designated as an economically depressed area by the United States Department of Commerce, or (3) includes property located in St. Paul in a transit zone as defined in section 473.3915, subdivision 3.

Sec. 76. [471.9997] [FEDERALLY ASSISTED RENTAL HOUSING; IMPACT STATEMENT.]

At least 12 months before termination of participation in a federally assisted rental housing program, including project-based section 8 and section 236 rental housing, the owner of the federally assisted rental housing must submit a statement regarding the impact of termination on the residents of the rental housing to the governing body of the local government unit in which the housing is located. The impact statement must identify the number of units that will no longer be subject to rent restrictions imposed by the federal program, the estimated rents that will be charged as compared to rents charged under the federal program, and actions the owner will take to assist displaced tenants in obtaining other housing. A copy of the impact statement must be provided to each resident of the affected building, the Minnesota housing finance agency, and, if the property is located in the metropolitan area as defined in section 473.121, subdivision 2, the metropolitan council.

Sec. 77. Minnesota Statutes 1996, section 474A.061, subdivision 2a, is amended to read:

Subd. 2a. [HOUSING POOL ALLOCATION.] (a) On the first business day that falls on a Monday of the calendar year and the first Monday in February, the commissioner shall allocate available bonding authority in the housing pool to applications received by the Monday of the previous week for residential rental projects that are not restricted to persons who are 55 years of age or older and that meet the eligibility criteria under section 474A.047, except that allocations may be made to projects that are restricted to persons who are 55 years of age or older if the project preserves existing federally assisted rental housing. Projects that preserve existing federally assisted rental housing shall be allocated available bonding authority in the housing pool prior to the allocation of available bonding authority to other eligible residential rental projects. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within 120 days of the allocation or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool.

(b) After February 1, and through February 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

(1) the housing program must meet a locally identified housing need and be economically viable;

(2) the adjusted income of home buyers may not exceed the greater of the agency's income limits or 80 percent of the area median income as published by the Department of Housing and Urban Development;

(3) house price limits may not exceed:

(i) the greater of agency house price limits or the federal price limits for housing up to a maximum of \$95,000; or

(ii) for a new construction affordability initiative, the greater of 115 percent of agency house

price limits or 90 percent of the median purchase price in the city for which the bonds are to be sold up to a maximum of \$95,000.

Data establishing the median purchase price in the city must be included in the application by a city requesting house price limits higher than the housing finance agency's house price limits; and

(4) an application deposit equal to one percent of the requested allocation must be submitted before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph (c). The agency shall submit the city's application and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

The Minnesota housing finance agency may accept applications from June 15 through June 30 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (4) if bonding authority is available in the housing pool. The agency must allot available bonding authority. For purposes of paragraphs (a) to (g), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

(c) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward a list specifying the amounts allotted to each application and application deposit checks to the commissioner.

(d) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the first Monday in February and through the last Monday in July, but may request an allocation no later than the last Monday in July. The commissioner shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph (c).

(e) A city may choose to issue bonds on its own behalf or through a joint powers agreement or may use bonding authority for mortgage credit certificates and may request an allocation from the commissioner. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph (c) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than 14 days before the unified pool is created pursuant to section 474A.091, subdivision 1. On and after the first Monday in February and through the last Monday in July, no city may receive an allocation from the housing pool which has not first applied to the Minnesota housing finance agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not

special compensation fund to the commissioner of labor and industry:

(a) \$77,000 the first year and \$73,000 in the second year are for the purpose of hiring one occupational safety and health inspector. The inspector shall perform safety consultations for employers through labor-management committees as defined in Minnesota Statutes, section 179.81, subdivision 2, under an interagency agreement entered into between the commissioners of labor and industry and mediation services.

(b) \$95,000 the first year and \$75,000 the second year are for the purpose of providing information to employers regarding the prevention of violence in the workplace.

(c) \$25,000 the first year and \$25,000 the second year are for the purpose of safety training and other safety programs for youth apprentices.

Sec. 81. Laws 1997, chapter 200, article 1, section 33, subdivision 1, is amended to read:

Subdivision 1. ~~[STUDY.] The commissioners of trade and economic development, labor and industry, and economic security~~ The governor's workforce development council shall conduct a joint study of job-training programs funded wholly or partly with state public funds. The ~~commissioners~~ The governor's workforce development council must report annually to the governor and legislature on the development of the study by January 15, 1998, and make a final report on the study by January 15, 1998.

Sec. 82. Laws 1997, chapter 200, article 1, section 33, is amended by adding a subdivision to read:

Subd. 4. [WAGE RATE STUDY.] The governor's workforce development council must identify for each job-training program studied:

(1) the number and proportion of placement jobs paying at least 120 percent of the federal poverty level initially;

(2) the number and proportion of placement jobs paying at least 150 percent of the federal poverty level initially;

(3) the number and proportion of individuals who were employed two years after successful program completion; and

(4) the number and proportion of individuals who were employed five years after successful program completion.

Sec. 83. Laws 1997, chapter 200, article 1, section 33, is amended by adding a subdivision to read:

Subd. 5. [BREAKDOWN OF INFORMATION.] For each program included in the job-training study, the governor's workforce development council shall report the information required by this section for each of the following groups: men, women, Blacks, Native Americans, Hispanics, Asians, persons with disabilities, persons under 25, persons between 25 and 45, persons over 45, and persons receiving MFIP-S employment and training and food stamp employment and training (FSET).

Sec. 84. Laws 1997, chapter 200, article 1, section 33, is amended by adding a subdivision to read:

Subd. 6. [COLLECTION OF INFORMATION.] All training programs being studied by the governor's workforce development council are to collect demographic information in accordance with subdivision 5, and are to make available to the Minnesota department of economic security the social security numbers of the programs' participants for the purpose of tracking wages and job retention for two-year and five-year periods following program completion. The social security numbers will be used according to federal law.

Sec. 85. Laws 1997, Second Special Session chapter 2, section 4, subdivision 3, is amended to read:

Subd. 3. Community Rehabilitation
Fund Program

4,500,000

This is a one-time appropriation from the general fund for the community rehabilitation fund program under Minnesota Statutes, section 462A.206. Of this amount, up to \$500,000 is available for grants for damages occurring after June 10, 1997, in an area designated under a presidential declaration of major disaster. Pursuant to a plan approved by the agency, grants or loans may be made without regard to the income of the borrower in communities where at least 20 percent of the housing stock is subject to acquisition and buyout as a result of the 1997 flooding. The grants or loans made without regard to the borrower's income shall not exceed the maximum grant or loan amount available to buyout households. This appropriation is available until expended.

Sec. 86. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 26 is effective the day after the latter of the town of Wyoming and the city of Chisago City complies with Minnesota Statutes, section 645.021, subdivision 3.

Sections 62 and 63 are effective the day after the Hennepin county board complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 87. [REPEALER.]

(a) Minnesota Statutes 1997 Supplement, section 446A.072, subdivision 4a, is repealed.

(b) Laws 1991, chapter 275, section 3, is repealed.

Sec. 88. [EFFECTIVE DATE.]

Sections 19, 23, 25, 31, 32, subdivision 1, 36, 38, 39, 41, 42, 64, 65, 67, 75, 81 to 85, 87, paragraph (a), and all provisions making appropriations for fiscal year 1998, are effective the day following final enactment.

Section 24 is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Section 28 is effective May 1, 1998.

Section 47 is effective retroactive to July 1, 1997.

Sections 49 and 61 are effective January 1, 1999.

Section 52 is effective August 1, 1998.

Sections 55 to 59, 78, and 79 are effective for housing warranties that take effect on or after June 1, 1999.

ARTICLE 2 UNCLAIMED PROPERTY

Section 1. [345.61] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 345.61 to 345.90, the terms defined in this section have the meanings given them.

Subd. 2. [ADMINISTRATOR.] "Administrator" means the commissioner of commerce.

Subd. 3. [APPARENT OWNER.] "Apparent owner" means a person whose name appears on the records of a holder as the person entitled to property held, issued, or owing by the holder.

Subd. 4. [BUSINESS ASSOCIATION.] "Business association" means a corporation, joint stock company, investment company, partnership, unincorporated association, joint venture, limited liability company, business trust, trust company, safe deposit company, financial organization, insurance company, mutual fund, utility, or other business entity consisting of one or more persons, whether or not for profit.

Subd. 5. [DOMICILE.] "Domicile" means the state of incorporation of a corporation and the state of the principal place of business of a holder other than a corporation.

Subd. 6. [FINANCIAL ORGANIZATION.] "Financial organization" means a savings association; savings bank or industrial loan and thrift company; banking organization; or credit union.

Subd. 7. [HOLDER.] "Holder" means a person obligated to hold for the account of, or deliver or pay to, the owner property that is subject to sections 345.61 to 345.90.

Subd. 8. [INSURANCE COMPANY.] "Insurance company" means an association, corporation, or fraternal or mutual benefit organization, whether or not for profit, engaged in the business of providing life endowments, annuities, or insurance, including accident, burial, casualty, credit life, contract performance, dental, disability, fidelity, fire, health, hospitalization, illness, life, malpractice, marine, mortgage, surety, wage protection, and workers' compensation insurance.

Subd. 9. [MINERAL.] "Mineral" means gas; oil; coal; other gaseous, liquid, and solid hydrocarbons; oil shale; cement material; sand and gravel; road material; building stone; chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal and other clay; steam and other geothermal resource; or any other substance defined as a mineral by the law of this state.

Subd. 10. [MINERAL PROCEEDS.] "Mineral proceeds" means amounts payable for the extraction, production, or sale of minerals, or, upon the abandonment of those payments, all payments that become payable thereafter. The term includes amounts payable:

(1) for the acquisition and retention of a mineral lease, including bonuses, royalties, compensatory royalties, shut-in royalties, minimum royalties, and delay rentals;

(2) for the extraction, production, or sale of minerals, including net revenue interests, royalties, overriding royalties, extraction payments, and production payments; and

(3) under an agreement or option, including a joint operating agreement, unit agreement, pooling agreement, and farm-out agreement.

Subd. 11. [MONEY ORDER.] "Money order" includes an express money order and a personal money order, on which the remitter is the purchaser. The term does not include a bank money order or any other instrument sold by a financial organization if the seller has obtained the name and address of the payee.

Subd. 12. [OWNER.] "Owner" means a person who has a legal or equitable interest in property

subject to sections 345.61 to 345.90 or the person's legal representative. The term includes a depositor in the case of a deposit, a beneficiary in the case of a trust other than a deposit in trust, and a creditor, claimant, or payee in the case of other property.

Subd. 13. [PERSON.] "Person" means an individual, business association, financial organization, estate, trust, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

Subd. 14. [PROPERTY.] (a) "Property" means tangible property described in section 345.63 or a fixed and certain interest in intangible property that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom. The term includes property that is referred to as or evidenced by:

- (1) money, a check, draft, deposit, interest, or dividend;
- (2) credit balance, customer's overpayment, gift certificate, security deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified remittance;
- (3) stock or other evidence of ownership of an interest in a business association or financial organization;
- (4) a bond, debenture, note, or other evidence of indebtedness;
- (5) money deposited to redeem stocks, bonds, coupons, or other securities or to make distributions;
- (6) an amount due and payable under the terms of an annuity or insurance policy, including policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability insurance; and
- (7) an amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

(b) The term "property" does not include:

- (1) assets of any plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections 1001 to 1461; and
- (2) gift certificates:
 - (i) with a value of \$50 or less;
 - (ii) redeemable at a holder that has issued less than \$15,000 in gift certificates during the preceding calendar year;
 - (iii) purchased for resale; or
 - (iv) purchased for fundraising purposes by a charitable or educational organization.

Subd. 15. [RECORD.] "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

Subd. 16. [STATE.] "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

Subd. 17. [UTILITY.] "Utility" means any person who owns or operates within this state, for public use, any plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.

Sec. 2. [345.62] [PRESUMPTIONS OF ABANDONMENT.]

(a) Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:

(1) traveler's check, 15 years after issuance;

(2) money order, seven years after issuance;

(3) stock or other equity interest in a business association or financial organization, including a security entitlement under the Uniform Commercial Code - Investment Securities, three years after the earlier of (i) the date of the most recent dividend, stock split, or other distribution unclaimed by the apparent owner, or (ii) the date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications, or communications to the apparent owner;

(4) debt of a business association or financial organization, other than a bearer bond or an original issue discount bond, three years after the date of the most recent interest payment unclaimed by the apparent owner;

(5) a demand, savings, or time deposit, including a deposit that is automatically renewable, three years after the earlier of maturity or the date of the last indication by the owner of interest in the property; but a deposit that is automatically renewable is deemed matured for purposes of this section upon its initial date of maturity, unless the owner has consented to a renewal at or about the time of the renewal and the consent is in writing or is evidenced by a memorandum or other record on file with the holder;

(6) money or credits owed to a customer as a result of a retail business transaction, three years after the obligation accrued;

(7) gift certificate, three years after December 31 of the year in which the certificate was sold, but if redeemable in merchandise only, the amount abandoned is deemed to be 60 percent of the certificate's face value;

(8) amount owed by an insurer on a life or endowment insurance policy or an annuity that has matured or terminated, three years after the obligation to pay arose or, in the case of a policy or annuity payable upon proof of death, three years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve is based;

(9) property distributable by a business association or financial organization in a course of dissolution, one year after the property becomes distributable;

(10) property received by a court as proceeds of a class action, and not distributed pursuant to the judgment, one year after the distribution date;

(11) property held by a court, government, governmental subdivision, agency, or instrumentality, one year after the property becomes distributable;

(12) wages or other compensation for personal services, one year after the compensation becomes payable;

(13) deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes payable;

(14) property in an individual retirement account, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States, three years after the earliest of the date of the distribution or attempted distribution of the property, the date of the required distribution as stated in the plan or trust agreement governing the plan, or the date, if determinable by the holder, specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax penalty; and

(15) all other property, three years after the owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs.

(b) At the time that an interest is presumed abandoned under paragraph (a), any other property right accrued or accruing to the owner as a result of the interest, and not previously presumed abandoned, is also presumed abandoned.

(c) Property is unclaimed if, for the applicable period set forth in paragraph (a), the apparent owner has not communicated in writing or by other means reflected in a contemporaneous record prepared by or on behalf of the holder, with the holder concerning the property or the account in which the property is held, and has not otherwise indicated an interest in the property. A communication with an owner by a person other than the holder or its representative who has not in writing identified the property to the owner is not an indication of interest in the property by the owner.

(d) An indication of an owner's interest in property includes:

(1) the presentment of a check or other instrument of payment of a dividend or other distribution made with respect to an account or underlying stock or other interest in a business association or financial organization or, in the case of a distribution made by electronic or similar means, evidence that the distribution has been received;

(2) owner-directed activity in the account in which the property is held, including a direction by the owner to increase, decrease, or change the amount or type of property held in the account;

(3) the making of a deposit to or withdrawal from a bank account; and

(4) the payment of a premium with respect to a property interest in an insurance policy; but the application of an automatic premium loan provision or other nonforfeiture provision contained in an insurance policy does not prevent a policy from maturing or terminating if the insured has died or the insured or the beneficiary of the policy has otherwise become entitled to the proceeds before the depletion of the cash surrender value of a policy by the application of those provisions.

(e) Property is payable or distributable for purposes of sections 345.61 to 345.90 notwithstanding the owner's failure to make demand or present an instrument or document otherwise required to obtain payment.

Sec. 3. [345.63] [CONTENTS OF SAFE DEPOSIT BOX OR OTHER SAFEKEEPING DEPOSITORY.]

Tangible property held in a safe deposit box or other safekeeping depository in this state in the ordinary course of the holder's business and proceeds resulting from the sale of the property permitted by other law are presumed abandoned if the property remains unclaimed by the owner for more than five years after expiration of the lease or rental period on the box or other depository.

Sec. 4. [345.64] [RULES FOR TAKING CUSTODY.]

Except as otherwise provided in sections 345.61 to 345.90 or by other statute of this state, property that is presumed abandoned, whether located in this or another state, is subject to the custody of this state if:

(1) the last known address of the apparent owner, as shown on the records of the holder, is in this state;

(2) the records of the holder do not reflect the identity of the person entitled to the property and it is established that the last known address of the person entitled to the property is in this state;

(3) the records of the holder do not reflect the last known address of the apparent owner and it is established that:

(i) the last known address of the person entitled to the property is in this state; or

(ii) the holder is domiciled in this state or is a government or governmental subdivision, agency, or instrumentality of this state and has not previously paid or delivered the property to the state of the last known address of the apparent owner or other person entitled to the property;

(4) the last known address of the apparent owner, as shown on the records of the holder, is in a state that does not provide for the escheat or custodial taking of the property and the holder is domiciled in this state or is a government or governmental subdivision, agency, or instrumentality of this state;

(5) the last known address of the apparent owner, as shown on the records of the holder, is in a foreign country and the holder is domiciled in this state or is a government or governmental subdivision, agency, or instrumentality of this state;

(6) the transaction out of which the property arose occurred in this state, the holder is domiciled in a state that does not provide for the escheat or custodial taking of the property, and the last known address of the apparent owner or other person entitled to the property is unknown or is in a state that does not provide for the escheat or custodial taking of the property; or

(7) the property is a traveler's check or money order purchased in this state, or the issuer of the traveler's check or money order has its principal place of business in this state and the issuer's records show that the instrument was purchased in a state that does not provide for the escheat or custodial taking of the property, or do not show the state in which the instrument was purchased.

Sec. 5. [345.65] [DORMANCY CHARGE.]

A holder may deduct from property presumed abandoned a charge imposed by reason of the owner's failure to claim the property within a specified time only if there is a valid and enforceable written contract between the holder and the owner under which the holder may impose the charge and the holder regularly imposes the charge, which is not regularly reversed or otherwise canceled. The total amount of the deduction must not exceed \$30. In the case of traveler's checks, any service charge shall be by contract, and may be deducted for a period not to exceed one year.

Sec. 6. [345.66] [BURDEN OF PROOF AS TO PROPERTY EVIDENCED BY RECORD OF CHECK OR DRAFT.]

A record of the issuance of a check, draft, or similar instrument is prima facie evidence of an obligation. In claiming property from a holder who is also the issuer, the administrator's burden of proof as to the existence and amount of the property and its abandonment is satisfied by showing issuance of the instrument and passage of the requisite period of abandonment. Defenses of payment, satisfaction, discharge, and want of consideration are affirmative defenses that must be established by the holder.

Sec. 7. [345.67] [REPORT OF ABANDONED PROPERTY.]

(a) A holder of property presumed abandoned shall make a report to the administrator concerning the property.

(b) The report must be verified and must contain:

(1) a description of the property;

(2) except with respect to a traveler's check or money order, the name, if known, and last known address, if any, and the social security number or taxpayer identification number, if readily ascertainable, of the apparent owner of property of the value of \$100 or more;

(3) an aggregated amount of items valued under \$100 each;

(4) in the case of an amount of \$100 or more held or owing under an annuity or a life or endowment insurance policy, the full name and last known address of the annuitant or insured and of the beneficiary;

(5) in the case of property held in a safe deposit box or other safekeeping depository, an indication of the place where it is held and where it may be inspected by the administrator, and any amounts owing to the holder;

(6) the date, if any, on which the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property; and

(7) other information that the administrator by rule prescribes as necessary for the administration of sections 345.61 to 345.90.

(c) If a holder of property presumed abandoned is a successor to another person who previously held the property for the apparent owner or the holder has changed its name while holding the property, the holder shall file with the report its former names, if any, and the known names and addresses of all previous holders of the property.

(d) The report must be filed before November 1 of each year and cover the 12 months next preceding July 1 of that year, but a report with respect to a life insurance company must be filed before May 1 of each year for the calendar year next preceding.

(e) The holder of property presumed abandoned shall send written notice to the apparent owner, not more than 120 days before filing the report, stating that the holder is in possession of property subject to sections 345.61 to 345.90, if:

(1) the holder has in its records an address for the apparent owner which the holder's records do not disclose to be inaccurate;

(2) the claim of the apparent owner is not barred by a statute of limitations; and

(3) the value of the property is \$100 or more.

(f) Before the date for filing the report, the holder of property presumed abandoned may request the administrator to extend the time for filing the report. The administrator may grant the extension for good cause. The holder, upon receipt of the extension, may make an interim payment on the amount the holder estimates will ultimately be due, which terminates the accrual of additional interest on the amount paid.

(g) The holder of property presumed abandoned shall file with the report an affidavit stating that the holder has complied with paragraph (e).

Sec. 8. [345.68] [PAYMENT OR DELIVERY OF ABANDONED PROPERTY.]

(a) Upon filing the report required by section 345.67, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described in the report as unclaimed, but if the property is an automatically renewable deposit, and a penalty or forfeiture in the payment of interest would result, the time for compliance is extended until a penalty or forfeiture would no longer result.

(b) If the property reported to the administrator is a security or security entitlement under the Uniform Commercial Code - Investment Securities, the administrator is an appropriate person to make an endorsement, instruction, or entitlement order on behalf of the apparent owner to invoke the duty of the issuer or its transfer agent or the securities intermediary to transfer or dispose of the security or the security entitlement in accordance with the Uniform Commercial Code - Investment Securities.

(c) If the holder of property reported to the administrator is the issuer of a certificated security, the administrator has the right to obtain a replacement certificate pursuant to section 336.8-408, but an indemnity bond is not required.

(d) An issuer, the holder, and any transfer agent or other person acting pursuant to the instructions of and on behalf of the issuer or holder in accordance with this section is not liable to the apparent owner and must be indemnified against claims of any person in accordance with section 345.70.

Sec. 9. [345.69] [NOTICE AND PUBLICATION OF LISTS OF ABANDONED PROPERTY.]

(a) The administrator shall publish a notice not later than November 30 of the year next following the year in which abandoned property has been paid or delivered to the administrator. The advertisement must be in a form that, in the judgment of the administrator, is likely to attract the attention of the apparent owner of the unclaimed property. The form must contain:

(1) the name of each person appearing to be the owner of the property, as set forth in the report filed by the holder;

(2) the last known address or location of each person appearing to be the owner of the property, if an address or location is set forth in the report filed by the holder;

(3) a statement explaining that property of the owner is presumed to be abandoned and has been taken into the protective custody of the administrator; and

(4) a statement that information about the property and its return to the owner is available to a person having a legal or beneficial interest in the property, upon request to the administrator.

(b) The administrator is not required to advertise the name and address or location of an owner of property having a total value less than \$100, or information concerning a traveler's check, money order, or similar instrument.

Sec. 10. [345.70] [CUSTODY BY STATE; RECOVERY BY HOLDER; DEFENSE OF HOLDER.]

(a) In this section, payment or delivery is made in "good faith" if:

(1) payment or delivery was made in a reasonable attempt to comply with sections 345.61 to 345.90;

(2) the holder was not then in breach of a fiduciary obligation with respect to the property and had a reasonable basis for believing, based on the facts then known, that the property was presumed abandoned; and

(3) there is no showing that the records under which the payment or delivery was made did not meet reasonable commercial standards of practice.

(b) Upon payment or delivery of property to the administrator, the state assumes custody and responsibility for the safekeeping of the property. A holder who pays or delivers property to the administrator in good faith is relieved of liability arising thereafter with respect to the property to the extent of the value of the property at the time it is paid or delivered to the administrator.

(c) A holder who has paid money to the administrator pursuant to sections 345.61 to 345.90 may subsequently make payment to a person reasonably appearing to the holder to be entitled to payment. Upon a filing by the holder of proof of payment and proof that the payee was entitled to the payment, the administrator shall promptly reimburse the holder for the payment without imposing a fee or other charge. If reimbursement is sought for a payment made on a negotiable instrument, including a traveler's check or money order, the holder must be reimbursed upon filing proof that the instrument was duly presented and that payment was made to a person who reasonably appeared to be entitled to payment. The holder must be reimbursed for payment made even if the payment was made to a person whose claim was barred under section 345.78, paragraph (a).

(d) A holder who has delivered property other than money to the administrator pursuant to sections 345.61 to 345.90 may reclaim the property if it is still in the possession of the administrator, without paying any fee or other charge, upon filing proof that the apparent owner has claimed the property from the holder.

(e) The administrator may accept a holder's affidavit as sufficient proof of the holder's right to recover money and property under this section.

(f) If a holder pays or delivers property to the administrator in good faith and thereafter another person claims the property from the holder or another state claims the money or property under its

laws relating to escheat or abandoned or unclaimed property, the administrator, upon written notice of the claim, shall defend the holder against the claim and indemnify the holder against any liability on the claim resulting from payment or delivery of the property to the administrator but only to the extent of the value of the property paid or delivered to the administrator.

(g) Property removed from a safe deposit box or other safekeeping depository is received by the administrator subject to any valid lien or contract providing for the holder to be reimbursed for unpaid rent or storage charges. The administrator shall reimburse the holder out of the proceeds remaining after deducting the expense incurred by the administrator in selling the property.

Sec. 11. [345.71] [PUBLIC SALE OF ABANDONED PROPERTY.]

(a) Except as otherwise provided in this section, the administrator, within ten years after the receipt of abandoned property, shall sell it to the highest bidder at public sale at a location in the state which in the judgment of the administrator affords the most favorable market for the property. The administrator may decline the highest bid and reoffer the property for sale if the administrator considers the bid to be insufficient. The administrator need not offer the property for sale if the administrator considers that the probable cost of the sale will exceed the proceeds of the sale. A sale held under this section must be preceded by a single publication of notice, at least three weeks before the sale, in a newspaper of general circulation in the county in which the property is to be sold.

(b) Securities listed on an established stock exchange must be sold at prices prevailing on the exchange at the time of sale. Other securities may be sold over the counter at prices prevailing at the time of the sale or by any reasonable method selected by the administrator. If securities are sold by the administrator before the expiration of three years after their delivery to the administrator, a person making a claim under sections 345.61 to 345.90 before the end of the three-year period is entitled to the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever is greater, less any deduction for expenses of the sale. A person making a claim under sections 345.61 to 345.90 after the expiration of the three-year period is entitled to receive the securities delivered to the administrator by the holder, if they still remain in the custody of the administrator, or the net proceeds received from the sale, and is not entitled to receive any appreciation in the value of the property occurring after delivery to the administrator, except in a case of intentional misconduct or malfeasance by the administrator.

(c) A purchaser of property at a sale conducted by the administrator pursuant to sections 345.61 to 345.90 takes the property free of all claims of the owner or previous holder and of all persons claiming through or under them. The administrator shall execute all documents necessary to complete the transfer of ownership.

(d) The administrator shall provide the Minnesota historical society with an inventory of abandoned property, other than money, six months prior to public sale. The society may select for its collections any items it finds of historical value. The society shall make its selection before the administrator appraises or sorts the material for public sale. The society has 90 days from the date of notification by the administrator to exercise the authority granted by this subdivision. The society shall receive title to the property selected free from all claims of the owner or prior holder and of all persons claiming through or under them. The administrator shall execute all documents necessary to complete the transfer of title.

Sec. 12. [345.72] [DEPOSIT OF FUNDS.]

(a) Except as otherwise provided by this section and section 345.90, the administrator shall promptly deposit in the general fund of this state all funds received under sections 345.61 to 345.90, including the proceeds from the sale of abandoned property under section 345.71. The administrator shall retain in a separate trust fund at least \$100,000 from which the administrator shall pay claims duly allowed. The administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary and with respect to each policy or annuity listed in the report of an insurance company, its number, the name of the company, and the amount due.

(b) Before making a deposit to the credit of the general fund, the administrator may deduct:

(1) expenses of the sale of abandoned property;

(2) costs of mailing and publication in connection with abandoned property;

(3) reasonable service charges; and

(4) expenses incurred in examining records of holders of property and in collecting the property from those holders.

Sec. 13. [345.73] [CLAIM OF ANOTHER STATE TO RECOVER PROPERTY.]

(a) After property has been paid or delivered to the administrator under sections 345.61 to 345.90, another state may recover the property if:

(1) the property was paid or delivered to the custody of this state because the records of the holder did not reflect a last known location of the apparent owner within the borders of the other state and the other state establishes that the apparent owner or other person entitled to the property was last known to be located within the borders of that state and under the laws of that state the property has escheated or become subject to a claim of abandonment by that state;

(2) the property was paid or delivered to the custody of this state because the laws of the other state did not provide for the escheat or custodial taking of the property, and under the laws of that state subsequently enacted the property has escheated or become subject to a claim of abandonment by that state;

(3) the records of the holder were erroneous in that they did not accurately identify the owner of the property and the last known location of the owner within the borders of another state and under the laws of that state the property has escheated or become subject to a claim of abandonment by that state;

(4) the property was subjected to custody by this state under section 345.64, clause (6), and under the laws of the state of domicile of the holder the property has escheated or become subject to a claim of abandonment by that state; or

(5) the property is a sum payable on a traveler's check, money order, or similar instrument that was purchased in the other state and delivered into the custody of this state under section 345.64, clause (7), and under the laws of the other state the property has escheated or become subject to a claim of abandonment by that state.

(b) A claim of another state to recover escheated or abandoned property must be presented in a form prescribed by the administrator, who shall decide the claim within 90 days after it is presented. The administrator shall allow the claim upon determining that the other state is entitled to the abandoned property under paragraph (a).

(c) The administrator shall require another state, before recovering property under this section, to agree to indemnify this state and its officers and employees against any liability on a claim to the property.

Sec. 14. [345.74] [FILING CLAIM WITH ADMINISTRATOR; HANDLING OF CLAIMS BY ADMINISTRATOR.]

(a) A person, excluding another state, claiming property paid or delivered to the administrator may file a claim on a form prescribed by the administrator and verified by the claimant.

(b) Within 90 days after a claim is filed, the administrator shall allow or deny the claim and give written notice of the decision to the claimant. If the claim is denied, the administrator shall inform the claimant of the reasons for the denial and specify what additional evidence is required before the claim will be allowed. The claimant may then file a new claim with the administrator or maintain an action under section 345.75.

(c) Within 30 days after a claim is allowed, the property or the net proceeds of a sale of the

property must be delivered or paid by the administrator to the claimant, together with any dividend, interest, or other increment to which the claimant is entitled under section 345.71.

(d) A holder who pays the owner for property that has been delivered to the state and which, if claimed from the administrator by the owner would be subject to an increment under section 345.71, may recover from the administrator the amount of the increment.

Sec. 15. [345.75] [ACTION TO ESTABLISH CLAIM.]

A person aggrieved by a decision of the administrator or whose claim has not been acted upon within 90 days after its filing may maintain an original action to establish the claim in the district court, naming the administrator as a defendant.

Sec. 16. [345.76] [ELECTION TO TAKE PAYMENT OR DELIVERY.]

(a) The administrator may decline to receive property reported under sections 345.61 to 345.90 which the administrator considers to have a value less than the expenses of notice and sale.

(b) A holder, with the written consent of the administrator and upon conditions and terms prescribed by the administrator, may report and deliver property before the property is presumed abandoned. Property so delivered must be held by the administrator and is not presumed abandoned until it otherwise would be presumed abandoned under sections 345.61 to 345.90.

Sec. 17. [345.77] [DESTRUCTION OR DISPOSITION OF PROPERTY HAVING NO SUBSTANTIAL COMMERCIAL VALUE; IMMUNITY FROM LIABILITY.]

If the administrator determines after investigation that property delivered under sections 345.61 to 345.90 has no substantial commercial value, the administrator may destroy or otherwise dispose of the property at any time. An action or proceeding may not be maintained against the state or any officer or against the holder for or on account of an act of the administrator under this section, except for intentional misconduct or malfeasance.

Sec. 18. [345.78] [PERIODS OF LIMITATION.]

(a) The expiration, before or after the effective date of sections 345.61 to 345.90, of a period of limitation on the owner's right to receive or recover property, whether specified by contract, statute, or court order, does not preclude the property from being presumed abandoned or affect a duty to file a report or to pay or deliver or transfer property to the administrator as required by sections 345.61 to 345.90.

(b) An action or proceeding may not be maintained by the administrator to enforce sections 345.61 to 345.90 in regard to the reporting, delivery, or payment of property more than ten years after the holder specifically identified the property in a report filed with the administrator or gave express notice to the administrator of a dispute regarding the property. In the absence of such a report or other express notice, the period of limitation is tolled. The period of limitation is also tolled by the filing of a report that is fraudulent.

Sec. 19. [345.79] [REQUESTS FOR REPORTS AND EXAMINATION OF RECORDS.]

(a) The administrator may require a person who has not filed a report, or a person who the administrator believes has filed an inaccurate, incomplete, or false report, to file a verified report in a form specified by the administrator. The report must state whether the person is holding property reportable under sections 345.61 to 345.90, describe property not previously reported or as to which the administrator has made inquiry, and specifically identify and state the amounts of property that may be in issue.

(b) The administrator, at reasonable times and upon reasonable notice, may examine the records of any person to determine whether the person has complied with sections 345.61 to 345.90 if the administrator has reasonable cause to believe that a person has failed to report property that should have been reported under sections 345.61 to 345.90. The administrator may conduct the examination even if the person believes it is not in possession of any property that must be reported, paid, or delivered under sections 345.61 to 345.90. The administrator may contract with any other person to conduct the examination on behalf of the administrator.

(c) The administrator at reasonable times may examine the records of an agent, including a dividend disbursing agent or transfer agent, of a business association or financial association that is the holder of property presumed abandoned if the administrator has given the notice required by paragraph (b) to both the association or organization and the agent at least 90 days before the examination.

(d) Documents and working papers obtained or compiled by the administrator, or the administrator's agents, employees, or designated representatives, in the course of conducting an examination are confidential and are not public records, but the documents and papers may be:

(1) used by the administrator in the course of an action to collect unclaimed property or otherwise enforce sections 345.61 to 345.90;

(2) used in joint examinations conducted with or pursuant to an agreement with another state, the federal government, or any other governmental subdivision, agency, or instrumentality;

(3) produced pursuant to subpoena or court order; or

(4) disclosed to the abandoned property office of another state for that state's use in circumstances equivalent to those described in this section, if the other state is bound to keep the documents and papers confidential.

(e) If an examination of the records of a person results in the disclosure of property reportable under sections 345.61 to 345.90, the administrator may assess the cost of the examination against the holder at the rate of \$200 a day for each examiner, or a greater amount that is reasonable and was incurred, but the assessment may not exceed the value of the property found to be reportable. The cost of an examination made pursuant to paragraph (c) may be assessed only against the business association or financial organization.

(f) If, after the effective date of sections 345.61 to 345.90, a holder does not maintain the records required by section 345.61 and the records of the holder available for the periods subject to sections 345.61 to 345.90 are insufficient to permit the preparation of a report, the administrator may require the holder to report and pay to the administrator the amount the administrator reasonably estimates, on the basis of any available records of the holder or by any other reasonable method of estimation, should have been but was not reported.

Sec. 20. [345.80] [RETENTION OF RECORDS.]

(a) Except as otherwise provided in paragraph (b), a holder required to file a report under section 345.67 shall maintain the records containing the information required to be included in the report for ten years after the holder files the report, unless a shorter period is provided by rule of the administrator.

(b) A business association or financial organization that sells, issues, or provides to others for sale or issue in this state, traveler's checks, money orders, or similar instruments other than third-party bank checks, on which the business association or financial organization is directly liable, shall maintain a record of the instruments while they remain outstanding, indicating the state and date of issue, for three years after the holder files the report.

Sec. 21. [345.81] [ENFORCEMENT.]

The administrator may maintain an action in this or another state to enforce sections 345.61 to 345.90.

Sec. 22. [345.82] [INTERSTATE AGREEMENTS AND COOPERATION; JOINT AND RECIPROCAL ACTIONS WITH OTHER STATES.]

(a) The administrator may enter into an agreement with another state to exchange information relating to abandoned property or its possible existence. The agreement may permit the other state, or another person acting on behalf of a state, to examine records as authorized in section 345.79. The administrator by rule may require the reporting of information needed to enable compliance with an agreement made under this section and prescribe the form.

(b) The administrator may join with another state to seek enforcement of sections 345.61 to 345.90 against any person who is or may be holding property reportable under sections 345.61 to 345.90.

(c) At the request of another state, and after consultation with the administrator, the attorney general of this state may maintain an action on behalf of the other state to enforce, in this state, the unclaimed property laws of the other state against a holder of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred by the attorney general in maintaining the action.

(d) The administrator may request that the attorney general of another state or another attorney commence an action in the other state on behalf of the administrator. With the approval of the attorney general of this state, the administrator may retain any other attorney to commence an action in this state on behalf of the administrator. This state shall pay all expenses, including attorney's fees, in maintaining an action under this paragraph. With the administrator's approval, the expenses and attorney's fees may be paid from money received under sections 345.61 to 345.90. The administrator may agree to pay expenses and attorney's fees based in whole or in part on a percentage of the value of any property recovered in the action. Any expenses or attorney's fees paid under this paragraph may not be deducted from the amount that is subject to the claim by the owner under sections 345.61 to 345.90.

Sec. 23. [345.83] [INTEREST AND PENALTIES.]

(a) A holder who fails to report, pay, or deliver property within the time prescribed by sections 345.61 to 345.90 shall pay to the administrator interest at the rate prescribed by section 270.75 on the property or value thereof from the date the property should have been reported, paid, or delivered.

(b) Except as otherwise provided in paragraph (c), a holder who fails to report, pay, or deliver property within the time prescribed by sections 345.61 to 345.90, or fails to perform other duties imposed by sections 345.61 to 345.90, shall pay to the administrator, in addition to interest as provided in paragraph (a), a civil penalty of \$200 for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of \$5,000.

(c) A holder who willfully fails to report, pay, or deliver property within the time prescribed by sections 345.61 to 345.90, or willfully fails to perform other duties imposed by sections 345.61 to 345.90, shall pay to the administrator, in addition to interest as provided in paragraph (a), a civil penalty of \$1,000 for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of \$25,000, plus 25 percent of the value of any property that should have been but was not reported.

(d) A holder who makes a fraudulent report shall pay to the administrator, in addition to interest as provided in paragraph (a), a civil penalty of \$1,000 for each day from the date a report under sections 345.61 to 345.90 was due, up to a maximum of \$25,000, plus 25 percent of the value of any property that should have been but was not reported.

(e) The administrator for good cause may waive, in whole or in part, interest under paragraph (a) and penalties under paragraphs (b) and (c), and shall waive penalties if the holder acted in good faith.

Sec. 24. [345.84] [AGREEMENT TO LOCATE PROPERTY.]

(a) An agreement by an owner, the primary purpose of which is to locate, deliver, recover, or assist in the recovery of property that is presumed abandoned, is void and unenforceable if it was entered into during the period commencing on the date the property was presumed abandoned and extending to a time that is 24 months after the date the property is paid or delivered to the administrator. This paragraph does not apply to an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim.

(b) An agreement by an owner, the primary purpose of which is to locate, deliver, recover, or assist in the recovery of property, is enforceable only if the agreement is in writing, clearly sets

forth the nature of the property and the services to be rendered, is signed by the apparent owner, and states the value of the property before and after the fee or other compensation has been deducted.

(c) If an agreement covered by this section applies to mineral proceeds and the agreement contains a provision to pay compensation that includes a portion of the underlying minerals or any mineral proceeds not then presumed abandoned, the provision is void and unenforceable.

(d) This section does not preclude an owner from asserting that an agreement covered by this section is invalid on grounds other than unconscionable compensation.

Sec. 25. [345.85] [FOREIGN TRANSACTIONS.]

Sections 345.61 to 345.90 do not apply to property held, due, and owing in a foreign country and arising out of a foreign transaction.

Sec. 26. [345.86] [TRANSITIONAL PROVISIONS.]

(a) An initial report filed under sections 345.61 to 345.90 for property that was not required to be reported before the effective date of sections 345.61 to 345.90 but which is subject to sections 345.61 to 345.90 must include all items of property that would have been presumed abandoned during the ten-year period next preceding the effective date of sections 345.61 to 345.90 as if sections 345.61 to 345.90 had been in effect during that period.

(b) Sections 345.61 to 345.90 do not relieve a holder of a duty that arose before the effective date of sections 345.61 to 345.90 to report, pay, or deliver property. Except as otherwise provided in section 345.78, paragraph (b), a holder who did not comply with the law in effect before the effective date of sections 345.61 to 345.90 is subject to the applicable provisions for enforcement and penalties which then existed, which are continued in effect for the purpose of this section.

Sec. 27. [345.87] [RULES.]

The administrator may adopt rules under chapter 14 necessary to carry out sections 345.61 to 345.90.

Sec. 28. [345.88] [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

Sections 345.61 to 345.90 shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of sections 345.61 to 345.90 among states enacting it.

Sec. 29. [345.89] [SHORT TITLE.]

Sections 345.61 to 345.89 may be cited as the Uniform Unclaimed Property Act (1995).

Sec. 30. [345.90] [UNCLAIMED GIFT CERTIFICATE PROCEEDS; APPROPRIATION.]

Proceeds of the sale of unclaimed gift certificates, sold under section 345.71, shall be deposited in a separate account in the special revenue fund and is appropriated to the department of commerce for the purposes of increasing the level of voluntary filings and for other enforcement activities against holders who have not filed.

Sec. 31. [TRANSITION PROVISION.]

Notwithstanding section 5, the maximum dormancy charge that may be imposed by a banking and financial institution or by a business association for an unclaimed money order until June 30, 1999, is the maximum allowed under the law repealed by this article.

Sec. 32. [FISCAL IMPACT; STUDY.]

The department of commerce shall seek to increase the number of holders voluntarily filing reports and report to the house and senate budget divisions with jurisdiction over the department's budget, by February 15, 1999, the results of those efforts, along with any recommendations as to steps that should be taken to increase voluntary compliance.

The department of commerce shall monitor the number of holders filing reports and the amount of monies collected under sections 1 to 29 for the period July 1, 1998, to June 30, 1999, and compare it to the number of holders filing reports and the monies collected for each of the previous two years. If the department determines sections 1 to 29 have caused a reduction in the number of holder reports or monies collected, it shall develop recommendations for legislation to eliminate any negative fiscal impact. The department shall report by February 15, 2000, the results of the monitoring and any recommendations to the house and senate budget divisions having jurisdiction over the department's budget.

Sec. 33. [REPEALER.]

Minnesota Statutes 1996, sections 345.31; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42; 345.43; 345.44; 345.45; 345.46; 345.47; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; and 345.60; Minnesota Statutes 1997 Supplement, section 345.48, are repealed.

Sec. 34. [EFFECTIVE DATE.]

This article is effective July 1, 1998.

ARTICLE 3
CONFORMING CHANGES

Section 1. Minnesota Statutes 1996, section 16A.45, subdivision 1, is amended to read:

Subdivision 1. [CANCEL; CREDIT.] Once each fiscal year the commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants, except warrants issued for federal assistance programs, that have been issued and delivered for more than six months prior to that date and credit to the general fund the respective amounts of the canceled warrants. These warrants are presumed abandoned under section ~~345.38~~ 345.62 and are subject to the provisions of sections ~~345.31~~ 345.61 to ~~345.60~~ 345.90. The commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants issued for federal assistance programs that have been issued and delivered for more than the period of time set pursuant to the federal program and credit to the general fund and the appropriate account in the federal fund, the amount of the canceled warrants.

Sec. 2. Minnesota Statutes 1996, section 16A.45, subdivision 4, is amended to read:

Subd. 4. [LOCATING UNPAID WARRANTS.] A person may not seek or receive from another person, or contract with a person for, a fee or compensation for locating outstanding unpaid commissioner's warrants before the warrants have been reported to the commissioner of commerce under section ~~345.41~~ 345.67.

Sec. 3. Minnesota Statutes 1997 Supplement, section 16A.6701, subdivision 1, is amended to read:

Subdivision 1. [STATE LICENSE AND SERVICE FEES.] For purposes of section 16A.67, subdivision 3, and this section, the term "state license and service fees" means, and refers to, all license fees, service fees, and charges imposed by law and collected by any state officer, agency, or employee, which are listed below or which are defined as departmental earnings under section 16A.1285, subdivision 1, and the use of which is not otherwise restricted by law, and which are not required to be credited or transferred to a fund other than the general fund:

Minnesota Statutes 1994, sections 3.9221; 5.12; 5.14; 5.16; 5A.04; 6.58; 13.03, subdivision 10; 16A.155; 16A.48; 16A.54; 16A.72; 16B.59; 16B.70; 17A.04; 18.51, subdivision 2; 18.53; 18.54; 18C.551; 19.58; 19.64; 27.041, subdivision 2, clauses (d) and (e); 27.07, subdivision 5; 28A.08; 32.071; 32.075; 32.392; 35.71; 35.824; 35.95; 41C.12; 45.027, subdivisions 3 and 6; 46.041, subdivision 1; 46.131, subdivisions 2, 7, 8, 9, and 10; 47.101, subdivision 2; 47.54, subdivisions 1 and 4; 47.62, subdivision 4; 47.65; 48.475, subdivision 1; 48.61, subdivision 7; 48.93; 49.36, subdivision 1; 52.01; 52.203; 53.03, subdivisions 1, 5, and 6; 53.09, subdivision 1; 53A.03; 53A.05, subdivision 1; 53A.081, subdivision 3; 54.294, subdivision 1; 55.04, subdivision 2;

55.095; 56.02; 56.04; 56.10; 59A.03, subdivision 2; 59A.06, subdivision 3; 60A.14, subdivisions 1 and 2; 60A.23, subdivision 8; 60K.19, subdivision 5; 65B.48, subdivision 3; 70A.14, subdivision 4; 72B.04, subdivision 10; 79.251, subdivision 5; 80A.28, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, and 9; 80C.04, subdivision 1; 80C.07; 80C.08, subdivision 1; 80C.16, subdivisions 2 and 3; 80C.18, subdivision 2; 82.20, subdivision 8 and 9; 82A.04, subdivision 1; 82A.08, subdivision 2; 82A.16, subdivisions 2 and 6; 82B.09, subdivision 1; 83.23, subdivisions 2, 3, and 4; 83.25, subdivisions 1 and 2; 83.26, subdivision 2; 83.30, subdivision 2; 83.31, subdivision 2; 83.38, subdivision 2; 85.052; 85.053; 85.055; 88.79, subdivision 2; 89.035; 89.21; 115.073; 115.77, subdivisions 1 and 2; 116.41, subdivision 2; 116C.69; 116C.712; 116J.9673; 125.08; 136C.04, subdivision 9; 155A.045; 155A.16; 168.27, subdivision 11; 168.33, subdivisions 3 and 7; 168.54; 168.67; 168.705; 168A.152; 168A.29; 169.345; 171.06, subdivision 2a; 171.29, subdivision 2; 176.102; 176.1351; 176.181, subdivision 2a; 177.30; 181A.12; 183.545; 183.57; 184.28; 184.29; 184A.09; 201.091, subdivision 5; 204B.11; 207A.02; 214.06; 216C.261; 221.0355; 239.101; 240.06; 240.07; 240.08; 240.09; 240.10; 246.51; 270.69, subdivision 2; 270A.07; 272.484; 296.06; 296.12; 296.17; 297F.03; 297.33; 299C.46; 299C.62; 299K.09; 299K.095; 299L.07; 299M.04; 300.49; 318.02; 323.44, subdivision 3; 325D.415; 326.22; 326.3331; 326.47; 326.50; 326.92, subdivisions 1 and 3; 327.33; 331A.02; 332.15, subdivisions 2 and 3; 332.17; 332.22, subdivision 1; 332.33, subdivisions 3 and 4; 332.54, subdivision 7; 333.055; 333.20; 333.23; 336.9-413; 336A.04; 336A.05; 336A.09; ~~345.35~~ 345.62, paragraph (a), clause (2); ~~345.43, subdivision 2a~~ 345.68; ~~345.44~~ 345.70; 345.55, subdivision 3 345.83; 347.33; 349.151; 349.161; 349.162; 349.163; 349.164; 349.165; 349.166; 349.167; 357.08; 359.01, subdivision 3; 360.018; 360.63; 386.68; and 414.01, subdivision 11; Minnesota Statutes 1994, chapters 154; 216B; 237; 302A; 303; 308A; 317A; 322A; and 322B; Laws 1990, chapter 593; Laws 1993, chapter 254, section 7; and Laws 1994, chapter 573, section 4; Minnesota Rules, parts 1800.0500; 1950.1070; 2100.9300; 7515.0210; and 9545.2000 to 9545.2040.

Sec. 4. Minnesota Statutes 1996, section 80C.03, is amended to read:

80C.03 [EXEMPTIONS.]

The registration requirement imposed by section 80C.02 shall not apply to the following provided that the method of offer or sale is not used for the purpose of evading sections 80C.01 to 80C.22:

(a) the offer or sale of a franchise owned by that franchisee, or the offer or sale of the entire area franchise owned by the subfranchisor making the offer or sale if the sale is not effected by or through a franchisor; provided, however, that no person shall make more than one sale during any period of 12 consecutive months of a franchise or area franchise granted by a single franchisor. A sale is not effected by or through a franchisor merely because a franchisor has a right to approve or disapprove a different franchisee;

(b) any transaction by an executor, administrator, sheriff, receiver, trustee in bankruptcy, guardian or conservator;

(c) any offer or sale to a ~~banking organization~~, financial organization or life insurance ~~corporation~~ company within the meanings given these terms by section ~~345.31~~ 345.61;

(d) securities currently registered in this state pursuant to chapter 80A;

(e) the offer or sale of a franchise, not including an area franchise, provided that:

(1) the franchisor shall make no more than one sale of a franchise pursuant to this exemption during any period of 12 consecutive months;

(2) the franchisor has not advertised the franchise for sale to the general public in newspapers or other publications of general circulation or otherwise by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone;

(3) the franchisor deposits all franchisee fees within two days of receipt in an escrow account until all obligations of the franchisor to the franchisee which are, pursuant to the terms of the

franchise agreement, to be performed prior to the opening of the franchise, have been performed. The franchisor shall provide the franchisee with a purchase receipt for the franchise fees paid, a copy of the escrow agreement and the name, address and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. Upon a showing of good cause the commissioner may waive the escrow of franchise fees; and

(4) the franchisor has provided to the commissioner, no later than ten business days prior to the sale, a written notice of its intention to offer or sell a franchise pursuant to this exemption;

(f) the offer or sale of a fractional franchise;

(g) any transaction which the commissioner by rule or order exempts as not being within the purposes of this chapter and the registration of which the commissioner finds is not necessary or appropriate in the public interest or for the protection of investors; and

(h) the offer or sale of a franchise to a resident of a foreign state, territory, or country who is neither domiciled in this state nor actually present in this state, if the franchise business is not to be operated wholly or partly in this state, and if the sale of this franchise is not in violation of any law of the foreign state, territory, or county concerned.

Sec. 5. Minnesota Statutes 1996, section 198.231, is amended to read:

198.231 [PERSONAL PROPERTY OF DISCHARGED RESIDENTS.]

Personal property of discharged residents of the veterans homes that remains unclaimed for one year after discharge may be inventoried, appraised, and sold. The proceeds from the sale must be deposited into the state treasury. Proceeds from the sale of personal property and any funds held on behalf of the resident in the member's depository accounts must be credited to a separate state account and disposed of in accordance with sections ~~345.41~~ 345.67 to ~~345.43~~ 345.69.

Sec. 6. Minnesota Statutes 1996, section 276.19, subdivision 4, is amended to read:

Subd. 4. [APPLICABILITY.] Sections ~~345.31~~ 345.61 to ~~345.60~~ 345.90 do not apply to unclaimed property tax refunds, overpayments, and warrants.

Sec. 7. Minnesota Statutes 1996, section 308A.711, subdivision 1, is amended to read:

Subdivision 1. [ALTERNATE PROCEDURE TO DISBURSE PROPERTY.] Notwithstanding the provisions of section ~~345.43~~ 345.68, a cooperative may, in lieu of paying or delivering to the commissioner of commerce the unclaimed property specified in its report of unclaimed property, distribute the unclaimed property to a corporation or organization that is exempt from taxation under section 290.05, subdivision 1, paragraph (b), or 2. A cooperative making the election to distribute unclaimed property shall, within 20 days after the time specified in section ~~345.42~~ 345.68 for claiming the property from the holder, file with the commissioner of commerce:

(1) a verified written explanation of the proof of claim of an owner establishing a right to receive the abandoned property;

(2) any errors in the presumption of abandonment;

(3) the name, address, and exemption number of the corporation or organization to which the property was or is to be distributed; and

(4) the approximate date of distribution.

Sec. 8. Minnesota Statutes 1996, section 308A.711, subdivision 2, is amended to read:

Subd. 2. [REPORTING AND CLAIMING PROCEDURE NOT AFFECTED.] This subdivision does not alter the procedure provided in sections ~~345.41~~ 345.67 and ~~345.42~~ 345.69 for cooperatives to report unclaimed property to the commissioner of commerce and the requirement that claims of owners are made to the cooperatives for a period of 65 days following the publication of lists of abandoned property.

Sec. 9. Minnesota Statutes 1996, section 356.65, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ABANDONED AMOUNTS.] Any unclaimed public pension fund amounts existing in any public pension fund shall be presumed abandoned, but shall not be subject to the provisions of sections ~~345.31~~ 345.61 to ~~345.60~~ 345.90. Unless the benefit plan of the public pension fund specifically provides for a different disposition of unclaimed or abandoned funds or amounts, any unclaimed public pension fund amounts shall cancel and shall be credited to the public pension fund. If the unclaimed public pension fund amount exceeds \$25 and the inactive or former member again becomes a member of the public pension fund or applies for a retirement annuity pursuant to section 3A.12, 352.72, 352B.30, 352C.051, 353.71, 354.60, 356.30, or 422A.16, subdivision 8, whichever is applicable, the canceled amount shall be restored to the credit of the person.

Sec. 10. Minnesota Statutes 1996, section 624.68, is amended to read:

624.68 [RECEIVING DEPOSIT IN INSOLVENT BANKS OR FINANCIAL ORGANIZATIONS.]

Every officer, director, agent, or employee of any ~~banking organization~~ or financial organization as defined in section ~~345.31~~ 345.61 and every person, company, and corporation engaged in whole or in part, in business as a ~~banking organization~~ or financial organization, who shall accept or receive on deposit from any person, any money, bank bills, notes, currency, checks, bills, drafts, or paper circulating as money, knowing or, in the case of officers or directors, having good reason to know that such ~~banking organization~~ or financial organization is insolvent, and every person knowing of such insolvent condition who shall be accessory to, or permit, or connive at the accepting or receiving on deposit therein any such deposits, shall be guilty of a felony and punished by imprisonment in the Minnesota correctional facility-Stillwater for not less than one year nor more than five years or by a fine of not less than \$700 nor more than \$20,000."

Delete the title and insert:

"A bill for an act relating to economic development; appropriating money for economic development, housing, and related purposes; providing for a municipal reimbursement; requiring reports; establishing pilot projects; providing exemptions from grant limits; defining terms; setting requirements for wastewater financial assistance; modifying loan criteria; modifying supplemental assistance provisions; establishing a revolving loan fund; modifying warranty provisions; providing warranty information; modifying collection agency provisions; requiring builders to make certain disclosures; establishing a public education campaign for homeowners' rights; providing for an employee notice of rights; modifying false statement provisions; modifying labor provisions for city attorneys; modifying reinvestment program provisions; extending boundaries; creating and changing programs and projects; modifying wage rate study provisions; imposing terms and conditions; enacting the Uniform Unclaimed Property Act of 1995; making conforming changes; amending Minnesota Statutes 1996, sections 16A.45, subdivisions 1 and 4; 16B.06, subdivision 2; 16B.08, subdivision 7; 16B.65, subdivision 7; 80C.03; 115C.09, by adding a subdivision; 116.182, subdivision 1, and by adding a subdivision; 116J.415, subdivision 5; 116J.553, subdivision 2; 116L.03, subdivision 5; 181.64; 181.65; 198.231; 276.19, subdivision 4; 308A.711, subdivisions 1 and 2; 326.87, subdivision 2; 326.975, subdivision 1; 327A.01, subdivisions 2 and 5; 327A.02, subdivisions 1 and 3; 327A.03; 332.32; 356.65, subdivision 2; 383B.79, subdivision 1, and by adding a subdivision; 446A.072, subdivisions 2 and 4; 462A.05, subdivision 14; 462A.21, by adding a subdivision; 462A.222, subdivision 3; 469.303; 474A.061, subdivision 2a; 541.051, subdivisions 1 and 4; and 624.68; Minnesota Statutes 1997 Supplement, sections 16A.6701, subdivision 1; 115C.09, subdivision 3f; 116J.421, subdivision 1, and by adding a subdivision; 179A.03, subdivision 7; 268.07, subdivision 2, as amended; 462A.05, subdivision 39; and 462A.205, subdivisions 1, 2, 5, 6, and 9; Laws 1997, chapter 200, article 1, section 12, subdivision 2, section 33, subdivision 1, and by adding subdivisions; Laws 1997, Second Special Session chapter 2, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 116J; 181; 327A; 345; and 471; repealing Minnesota Statutes 1996, sections 345.31; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.381; 345.39; 345.40; 345.41; 345.42; 345.43; 345.44; 345.45; 345.46; 345.47; 345.485; 345.49; 345.50; 345.51; 345.515; 345.52; 345.525; 345.53; 345.54; 345.55; 345.56; 345.57; 345.58; 345.59; and 345.60;

Minnesota Statutes 1997 Supplement, sections 345.48; and 446A.072, subdivision 4a; Laws 1991, chapter 275, section 3."

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

Senate Conferees: (Signed) Tracy L. Beckman, Steven G. Novak, Dave Johnson, Ellen R. Anderson, Edward C. Oliver

House Conferees: (Signed) Mike Jaros, Steve Trimble, Karen Clark, Gary W. Kubly, Bob Gunther

Mr. Beckman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 3367 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 3367 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 41 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Langseth	Novak	Spear
Beckman	Hottinger	Larson	Oliver	Stumpf
Berglin	Janezich	Lesewski	Pappas	Ten Eyck
Betzold	Johnson, D.H.	Lessard	Piper	Terwilliger
Cohen	Johnson, D.J.	Lourey	Price	Vickerman
Flynn	Johnson, J.B.	Marty	Ranum	
Foley	Junge	Metzen	Sams	
Frederickson	Kelley, S.P.	Morse	Samuelson	
Hanson	Kelly, R.C.	Murphy	Scheid	

Those who voted in the negative were:

Belanger	Kiscaden	Krentz	Ourada	Robling
Berg	Kleis	Limmer	Robertson	Runbeck
Day	Knutson			

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2256 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2256

A bill for an act relating to elections; eliminating certain provisions that have been ruled unconstitutional; amending Minnesota Statutes 1996, sections 211B.04; 211B.06, subdivision 1; 253B.23, subdivision 2; and 609.165, by adding a subdivision; Minnesota Statutes 1997 Supplement, section 201.15, subdivision 1.

April 2, 1998

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2256, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2256 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1997 Supplement, section 201.15, subdivision 1, is amended to read:

Subdivision 1. [GUARDIANSHIPS, AND INCOMPETENTS AND PSYCHOPATHS.] The state court administrator shall report monthly to the secretary of state the name, address, and date of birth of each individual 18 years of age or over, who during the month preceding the date of the report:

(a) was placed under a guardianship of the person; or

(b) was adjudged legally incompetent ~~by reason of mental illness, mental deficiency, or inebriation; or~~

~~(c) was adjudged a sexually dangerous person or a person with a sexual psychopathic personality.~~

The court administrator shall also report the same information for each individual transferred to the jurisdiction of the court who meets a condition specified in clause (a), or (b), ~~or (c).~~ The secretary of state shall determine if any of the persons in the report is registered to vote and shall prepare a list of those registrants for the county auditor. The county auditor shall change the status on the record in the statewide registration system of any individual named in the report to indicate that the individual is not eligible to reregister or vote.

Sec. 2. Minnesota Statutes 1996, section 211B.04, is amended to read:

211B.04 [CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.]

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the committee,(address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the committee,(address), in support of(insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee.

(c) In the case of broadcast media, the required form of disclaimer is: "Paid for by the committee."

(d) Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is "in opposition to(insert name of candidate or ballot question.....)"; or that "this publication is not circulated on behalf of any candidate or ballot question."

(e) This section does not apply to objects stating only the candidate's name and the office sought, fundraising tickets, or personal letters that are clearly being sent by the candidate.

(f) This section does not apply to an individual who acts independently of any candidate, committee, political committee, or political fund and spends only from the individual's own resources a sum that is less than \$300 in the aggregate to produce or distribute campaign material that is distributed at least 14 days before the election to which the campaign material relates.

(g) This section does not modify or repeal section 211B.06.

Sec. 3. Minnesota Statutes 1996, section 211B.06, subdivision 1, is amended to read:

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

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

Sec. 4. Minnesota Statutes 1996, section 253B.23, subdivision 2, is amended to read:

Subd. 2. [LEGAL RESULTS OF COMMITMENT STATUS.] (a) Except as otherwise provided in this chapter and in sections 246.15 and, 246.16, and 609.165, no person by reason of commitment or treatment pursuant to this chapter shall be deprived of any legal right, including but not limited to the right to dispose of property, sue and be sued, execute instruments, make purchases, enter into contractual relationships, vote, and hold a driver's license. Commitment or treatment of any patient pursuant to this chapter is not a judicial determination of legal incompetency except to the extent provided in section 253B.03, subdivision 6.

(b) Proceedings for determination of legal incompetency and the appointment of a guardian for a person subject to commitment under this chapter may be commenced before, during, or after commitment proceedings have been instituted and may be conducted jointly with the commitment proceedings. The court shall notify the head of the treatment facility to which the patient is committed of a finding that the patient is incompetent.

(c) Where the person to be committed is a minor or owns property of value and it appears to the court that the person is not competent to manage a personal estate, the court shall appoint a general or special guardian or conservator of the person's estate as provided by law.

Sec. 5. Minnesota Statutes 1996, section 609.165, is amended by adding a subdivision to read:

Subd. 1c. [PERSONS CIVILLY COMMITTED.] Notwithstanding subdivision 1, a person who has been deprived of civil rights by reason of conviction of a crime is not restored to civil rights as long as the person remains civilly committed under chapter 253B or Minnesota Statutes 1992, section 526.10, based in whole or in part on the same conduct as caused the person to be convicted of the crime.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Section 3 applies to offenses committed on or after its effective date. Section 5 applies to discharges under Minnesota Statutes, section 609.165, subdivision 2, that occur on or after its effective date.

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

Senate Conferees: (Signed) John Marty, Linda Scheid, Mark Ourada

House Conferees: (Signed) Mindy Greiling, Wesley J. "Wes" Skoglund, Ron Abrams

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2256 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2256 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Hottinger	Krentz	Novak	Scheevel
Beckman	Janezich	Langseth	Oliver	Scheid
Belanger	Johnson, D.H.	Larson	Ourada	Spear
Berg	Johnson, D.J.	Lesewski	Pappas	Stumpf
Berglin	Johnson, J.B.	Lessard	Piper	Ten Eyck
Betzold	Junge	Limmer	Price	Terwilliger
Cohen	Kelley, S.P.	Lourey	Ranum	Vickerman
Day	Kelly, R.C.	Marty	Robertson	
Foley	Kiscaden	Metzen	Robling	
Frederickson	Kleis	Morse	Runbeck	
Higgins	Knutson	Murphy	Sams	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2718 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2718

A bill for an act relating to telecommunications; amending the state telephone assistance program to match federal requirements; requiring the department of human services to automatically enroll eligible persons based on information in state information systems; regulating the TAP surcharge; requiring public utilities commission to develop and implement state universal service fund by December 31, 2000; changing authorized expenditures for the telephone assistance fund; amending Minnesota Statutes 1996, sections 237.70, subdivision 6, and by adding a subdivision; and 237.701, subdivision 1; Minnesota Statutes 1997 Supplement, section 237.70, subdivisions 4a and 7; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1996, section 237.69, subdivision 9.

April 2, 1998

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2718, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2718 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 237.49, is amended to read:

237.49 [COMBINED LOCAL ACCESS SURCHARGE.]

Each local telephone company entity required to collect surcharges under sections 237.52, subdivision 3; 237.70, subdivision 6; and 403.11, subdivision 1, paragraph (c), shall collect from each subscriber an amount per telephone access line representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the department of administration in the manner prescribed in section 403.11. The department of administration shall divide the amounts received proportional to the individual surcharges and

deposit them in the appropriate accounts. A company or the billing agent for a company shall list the surcharges as one amount on a billing statement sent to a subscriber.

Sec. 2. Minnesota Statutes 1996, section 237.69, subdivision 4, is amended to read:

Subd. 4. [TELEPHONE COMPANY.] "Telephone company" has the meanings given it in section 237.01, subdivisions 2 and 3, ~~that provides and includes any entity certified to provide local exchange telephone service under section 237.16, and any other provider of local exchange telephone service designated by the commission as an eligible telecommunications carrier under United States Code, title 47, section 214, subsection (e).~~

Sec. 3. Minnesota Statutes 1996, section 237.69, subdivision 5, is amended to read:

Subd. 5. [ACCESS LINE.] "Access line" means ~~telephone company-owned~~ facilities furnished to permit switched access to the telecommunications network that extend from a central office to the demarcation point on the property where the subscriber is served. ~~The term "Access line" includes access lines provided to residential and business subscribers, and includes centrex access lines on a trunk-equivalent basis, but.~~ "Access lines" also means cellular and other nonwire access services or nonwire access line equivalents. "Access line" does not include private nonswitched or wide area telephone service access lines or paging telecommunications services.

Sec. 4. Minnesota Statutes 1996, section 237.69, is amended by adding a subdivision to read:

Subd. 11. [STATE AUTOMATED INFORMATION SYSTEMS.] "State automated information systems" means information systems operated and maintained by the departments of human services; children, families, and learning; and revenue for the purpose of providing public assistance.

Sec. 5. Minnesota Statutes 1996, section 237.70, subdivision 3, is amended to read:

Subd. 3. [FEDERAL MATCHING PLAN.] The telephone assistance plan must contain adequate provisions to enable telephone companies to qualify ~~for waiver of the federal interstate access charge to receive federal support under the federal Lifeline Program, Code of Federal Regulations, title 47, section 54.407,~~ and to enable eligible subscribers to take advantage of the federal matching plan.

Sec. 6. Minnesota Statutes 1997 Supplement, section 237.70, subdivision 4a, is amended to read:

Subd. 4a. [HOUSEHOLDS ELIGIBLE FOR CREDITS.] (a) The telephone assistance plan must provide telephone assistance credit for a residential household in Minnesota ~~that meets each of the following criteria:~~

- (1) ~~that~~ has a household member who:
 - (i) subscribes to local exchange service; and
 - (ii) ~~is either disabled or 65 years of age or older;~~
- (2) whose household income is ~~150~~:
 - (i) 100 percent or less of federal poverty guidelines for single-person households and, until June 30, 1999, all other households; ~~or is currently eligible for:~~
 - (i) ~~aid to families with dependent children or Minnesota family investment program-statewide;~~
 - (ii) ~~medical assistance;~~
 - (iii) ~~general assistance;~~
 - (iv) ~~Minnesota supplemental aid;~~
 - (v) ~~food stamps;~~

(vi) ~~refugee cash assistance or refugee medical assistance;~~

(vii) ~~energy assistance; or~~

(viii) supplemental security income as of July 1, 1999, 125 percent or less of federal poverty guidelines for households with multiple persons; and

(3) who has been certified as eligible for telephone assistance plan credits.

(b) A residential household in Minnesota that participated in the telephone assistance plan during the service provider's billing cycle immediately prior to August 1, 1998, is entitled to receive continued telephone assistance credits, regardless of whether the household meets the criteria in paragraph (a), provided the residential household continues to meet the income criteria required for eligibility prior to August 1, 1998.

Sec. 7. Minnesota Statutes 1996, section 237.70, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] (a) The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each telephone company and radio common carrier in the state.

(b) The commission shall discontinue assessing this surcharge the month following the adoption of the universal service fund required under section 237.16, subdivision 9, that continues the goals, purposes, and funding for the telephone assistance plan; the implementation of funding for the universal service fund; and the issuance of a formal determination by the commission that the funding for the universal service fund is sufficient to provide ongoing telephone assistance to eligible households.

Sec. 8. Minnesota Statutes 1997 Supplement, section 237.70, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The telephone assistance plan must be administered jointly by the commission, the department of human services, ~~and~~ the telephone companies, and radio common carriers in accordance with the following guidelines:

(a) The commission and the department of human services shall develop an ~~application~~ enrollment form that must be completed by the telephone service subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the department of human services. The application completed enrollment form must contain the applicant's social security number. Applicants who refuse to provide a social security number will be denied telephone assistance plan credits. The application form must include provisions for the applicant to show the name of the applicant's telephone company. The application enrollment form must also advise the applicant to submit the required proof of age or disability, and income and must provide examples of acceptable proof a copy or copies of federal or state tax information for the previous year demonstrating the applicant's total household income, or other documentation of income deemed acceptable by the department of human services, unless the applicant has been notified, under subdivision 8, that information maintained in state automated information systems demonstrates income eligibility for assistance. The application form must state that failure to submit proof this documentation, if required, with the application form will result in the applicant being found ineligible. Each telephone company shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application enrollment form to customers when requested.

The notice must state the following:

~~YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND IF YOU MEET CERTAIN HOUSEHOLD INCOME LIMITS. FOR MORE INFORMATION OR AN APPLICATION ENROLLMENT FORM PLEASE CONTACT~~

(b) The department of human services shall determine the eligibility for telephone assistance plan credits at least annually according to the criteria contained in subdivision 4a.

~~(c) An application~~ The enrollment form may be made submitted by the telephone service subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied enrollment form, the applicant must return the application form to an office of the department of human services specially designated to process telephone assistance plan applications enrollments. On receiving a completed application enrollment form from an the applicant satisfying the requirements of this subdivision or subdivision 8, the department of human services shall determine the applicant's eligibility or ineligibility within 120 days. If the department fails to do so, it shall within three working days provide written notice to the applicant's telephone company that the company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the written notice. The applicant must receive telephone assistance plan credits until the earliest possible month following the company's receipt of notice from the department that the applicant is ineligible enroll the applicant in the telephone assistance plan.

If the applicant does not demonstrate eligibility for the telephone assistance plan, the department of human services determines shall determine that an the applicant is not eligible to receive telephone assistance plan credits, it and shall notify the applicant within ten working days of that determination.

Within ten working days of determining that an applicant is eligible to receive telephone assistance plan credits, the department of human services shall provide written notification to the telephone company that serves the applicant. The notice must include the applicant's name, address, and telephone number.

Each telephone company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of notice from the department of human services.

By December 31 April 15 of each year, each enrollee shall provide the department of human services with updated income documentation, unless the department can obtain the enrollee's income information from state automated information systems. The department of human services shall review each enrollee's updated documentation and shall redetermine eligibility of each person receiving telephone assistance plan credits, as required in paragraph (b). The department of human services shall submit an annual report to the commission by January 15 of each year showing that the department has determined the eligibility for telephone assistance plan credits of each person receiving the credits or explaining why the determination has not been made and showing how and when the determination will be completed. Any enrollee for whom current income information cannot be obtained from state automated information systems who fails to provide regular updates of income documentation as required under this paragraph may be deemed ineligible for continued assistance.

If the department of human services determines that a current recipient of telephone assistance plan credits an enrollee's updated income information demonstrates that the enrollee is not eligible to receive the credits, it the department of human services shall notify, in writing, the recipient within ten working days and the telephone company serving the recipient within 20 working days of the determination. The notice must include the recipient's name, address, and telephone number.

Each telephone company shall remove telephone assistance plan credits against monthly charges in the earliest possible month following receipt of notice from the department of human services.

Each telephone company that disconnects a subscriber receiving the telephone assistance plan credit shall report the disconnection to the department of human services. The reports must be submitted monthly, identifying the subscribers disconnected. Telephone companies that do not disconnect a subscriber receiving the telephone assistance plan credit are not required to report.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the telephone company must notify the subscriber of the approval for the telephone assistance plan credit.

(d) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

(2) establish a uniform statewide level of telephone assistance plan credit that each telephone company shall extend to each eligible household in its service area first participating in the telephone assistance plan on or after August 1, 1998;

(3) establish a uniform statewide level of telephone assistance plan credit that each telephone company shall extend to each eligible household in its service area that was also a participant in the telephone assistance plan during the service provider's billing cycle immediately prior to August 1, 1998. The credit amount under this clause shall not be lower than the statewide level of telephone assistance plan credit the residential household was receiving during the billing cycle immediately prior to August 1, 1998, unless a lower credit amount is required in a final order of the Federal Communications Commission;

(3) (4) require each telephone company and radio common carrier to account to the commission on a periodic basis for surcharge revenues collected by the company or carrier, expenses incurred by the company, not to include expenses of collecting surcharges, and credits extended by the company under the telephone assistance plan;

(4) (5) require each telephone company and radio common carrier to remit surcharge revenues to the department of administration for deposit in the fund; and

(5) (6) remit to each telephone company from the surcharge revenue pool the amount necessary to compensate the company for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. In making reductions pursuant to this clause, the commission shall not reduce the level of credit established pursuant to clause (3) below the minimum level required by that clause until no further reductions can be made to the level of credit established pursuant to clause (2). This requirement does not apply if a final order of the Federal Communications Commission requires the level of credit established pursuant to clause (3) to be identical to the level of credit established pursuant to clause (2). Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each telephone company and radio common carrier shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the department of public service with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The department of public service shall investigate complaints against telephone companies with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 9. Minnesota Statutes 1996, section 237.70, is amended by adding a subdivision to read:

Subd. 8. [NOTIFICATION OF ELIGIBILITY.] (a) The department of human services shall notify households for whom information maintained in state automated information systems demonstrates income eligibility for telephone assistance that the household may qualify for that assistance. The notification form shall include a description of the additional information needed by the department to enroll the household in the telephone assistance plan. In order to be enrolled in the telephone assistance plan, the telephone subscriber must return the completed form to the department with the necessary information. Upon receipt of a completed form demonstrating

eligibility for telephone assistance, the department shall enroll the household in the plan, and shall at least annually review the household's income information maintained in state automated information systems to determine the household's continued eligibility for telephone assistance.

(b) The department of human services shall notify households under paragraph (a) on a random basis according to the following schedule:

(1) by July 1, 1999, one-third of the total number of persons eligible for notification under this subdivision as of July 1, 1998;

(2) by July 1, 2000, two-thirds of that total; and

(3) by July 1, 2001, and on a continuing basis thereafter, all persons eligible for notification.

(c) The departments of human services; children, families, and learning; and revenue are authorized to share income information contained in state automated information systems for purposes consistent with this section.

(d) Participants who were enrolled in the telephone assistance plan as of June 30, 1998, shall be counted toward the number of persons to be notified under paragraph (b), clause (1).

Sec. 10. Minnesota Statutes 1996, section 237.701, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the administrative expenses of the department of human services to implement sections 237.69 to 237.71, not to exceed ~~\$314,000 annually~~ \$500,000 in fiscal year 1998 and \$500,000 in fiscal year 1999;

(3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually; and

(4) reimbursement of the statewide indirect cost of the commission.

Sec. 11. [237.702] [OTHER TELEPHONE ASSISTANCE PLAN PROVISIONS.]

Subdivision 1. [OUTREACH.] The department of human services, in consultation with the department of public service and the public utilities commission, shall develop, implement, and maintain an outreach and marketing program to increase awareness of the availability of telephone assistance and to identify potentially eligible participants who do not have telephone service.

Subd. 2. [INCORPORATION INTO STATE UNIVERSAL SERVICE FUND.] The public utilities commission shall develop and implement the state universal service fund required under section 237.16, subdivision 9, by January 1, 2002. The commission shall incorporate the purpose, goals, and levels of funding of the telephone assistance plan into the purpose, goals, and funding of that universal service fund.

Sec. 12. [STUDY OF POSSIBLE FUNDING ALTERNATIVES.]

The department of public service shall review and analyze possible alternative mechanisms of funding for the telephone assistance plan established and funded pursuant to Minnesota Statutes, section 237.70, including, but not limited to, the propriety of, and mechanisms for, ensuring assistance to households participating in the telephone assistance plan prior to August 1, 1998, at levels at least equal to levels provided prior to that date. As part of its analysis of alternatives, the department shall analyze how each alternative could provide the level of funding necessary to preserve participation by eligible households in the telephone assistance plan. The department shall report its initial findings and recommendations to the legislature by January 15, 1999, and its final findings and recommendations by January 15, 2000.

Sec. 13. [SAVINGS PROVISION.]

In the event that the federal support for telephone assistance is reduced or eliminated due to a finding by a court or federal agency that any portion of this act is inconsistent with federal law, regulation or order, the public utilities commission shall, until July 1, 1999, administer the telephone assistance plan under Minnesota Statutes, sections 237.69 to 237.711, to conform to federal requirements and to provide telephone assistance credit for a residential household in Minnesota:

- (1) that has a household member who subscribes to local exchange service;
- (2) whose household income is:
 - (i) 100 percent or less of federal poverty guidelines for single-person households and, until June 30, 1999, all other households; or
 - (ii) as of July 1, 1999, 125 percent or less of federal poverty guidelines for households with multiple persons; and
- (3) who has been certified as eligible for telephone assistance plan credits.

Sec. 14. [TAP SURCHARGE.]

Notwithstanding Minnesota Statutes, section 237.70, subdivision 6, the uniform recurring monthly surcharge imposed under that subdivision shall be six cents per access line until June 30, 1999.

Sec. 15. [REPEALER.]

Minnesota Statutes 1996, section 237.69, subdivision 9, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 3 is effective July 1, 1999. Until the effective date of section 3, the public utilities commission shall not:

- (1) impose the surcharge under Minnesota Statutes 1996, section 237.70, subdivision 6, on cellular and other nonwire access services or nonwire access line equivalents; or
- (2) require radio common carriers, as defined in Minnesota Statutes 1996, section 237.01, subdivision 4, to collect and remit the surcharge under Minnesota Statutes 1996, section 237.70, subdivision 7."

Delete the title and insert:

"A bill for an act relating to telecommunications; amending the state telephone assistance program to match federal requirements; modifying TAP eligibility and enrollment provisions; requiring the department of human services to automatically enroll eligible persons based on information in state information systems; regulating the TAP surcharge; requiring public utilities commission to develop and implement state universal service fund by January 1, 2002; changing authorized expenditures for the telephone assistance fund; requiring funding study and report; amending Minnesota Statutes 1996, sections 237.49; 237.69, subdivisions 4, 5, and by adding a subdivision; 237.70, subdivisions 3, 6, and by adding a subdivision; and 237.701, subdivision 1; Minnesota Statutes 1997 Supplement, section 237.70, subdivisions 4a and 7; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1996, section 237.69, subdivision 9."

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

Senate Conferees: (Signed) Steve Kelley, Steven G. Novak, Dennis R. Frederickson

House Conferees: (Signed) Karen Clark, Loren Jennings, Harry Mares

Mr. Kelley, S.P. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2718 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2718 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 35 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Junge	Marty	Price
Beckman	Higgins	Kelley, S.P.	Metzen	Ranum
Berglin	Hottinger	Kelly, R.C.	Morse	Robling
Betzold	Janezich	Kiscaden	Murphy	Spear
Cohen	Johnson, D.H.	Krentz	Novak	Stumpf
Foley	Johnson, D.J.	Langseth	Pappas	Ten Eyck
Frederickson	Johnson, J.B.	Lourey	Piper	Vickerman

Those who voted in the negative were:

Belanger	Kleis	Lessard	Robertson	Scheevel
Berg	Knutson	Limmer	Runbeck	Scheid
Day	Larson	Ourada	Sams	Terwilliger
Dille	Lesewski	Pariseau	Samuelson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2586 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2586

A bill for an act relating to corrections; requiring sex offender treatment facilities to provide certain information regarding sex offenders; clarifying which law enforcement agency may request the end-of-confinement review committee to reassess the risk level to which an offender has been assigned; adjusting the time within which certain requirements of the community notification law must be met; eliminating duplicative efforts on notifying victims of certain information; amending Minnesota Statutes 1996, sections 241.67, subdivision 8, and by adding a subdivision; 244.052, subdivision 1; and 611A.037, subdivision 2; Minnesota Statutes 1997 Supplement, section 244.052, subdivisions 3, 4, and 5.

April 2, 1998

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2586, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2586 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 241.67, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION PROJECT.] (a) For the purposes of this project, a sex offender is an adult who has been convicted, or a juvenile who has been adjudicated, for a sex offense or a sex-related offense ~~and has been sentenced to sex offender treatment as a condition of probation~~ which would require registration under section 244.166.

(b) The commissioner shall develop a long-term project to accomplish the following:

(1) provide follow-up information on each sex offender for a period of three years following the offender's completion of or termination from treatment;

(2) provide treatment programs in several geographical areas in the state;

(3) provide the necessary data to form the basis to recommend a fiscally sound plan to provide a coordinated statewide system of effective sex offender treatment programming; and

(4) provide an opportunity to local and regional governments, agencies, and programs to establish models of sex offender programs that are suited to the needs of that region.

(c) The commissioner shall provide the legislature with an annual report of the data collected and the status of the project by October 15 of each year, beginning in 1993.

(d) The commissioner shall establish an advisory task force consisting of county probation officers from community corrections act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force concerning the establishment and operation of the project.

Sec. 2. Minnesota Statutes 1996, section 241.67, is amended by adding a subdivision to read:

Subd. 9. [INFORMATION ON SEX OFFENDER TREATMENT.] (a) All sex offender treatment facilities that provide treatment to sex offenders who begin treatment as a condition of probation shall provide the commissioner relevant information on the treatment of those offenders as the commissioner requests for the purpose of this evaluation. The information disclosed to the commissioner shall only be reported in aggregate and that information must not be used to designate additional sanctions for any individual offender. Information disclosed to the commissioner shall not be admissible as evidence in any judicial or administrative proceeding without the offender's consent.

(b) All county corrections agencies or court services officers shall provide the commissioner information as requested regarding juveniles and adults as defined in subdivision 8, paragraph (a) for the purpose of completing the requirements of subdivision 8.

Sec. 3. Minnesota Statutes 1996, section 244.052, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) ~~"accepted for supervision" means accepted from another state under a reciprocal agreement under the interstate compact authorized by section 243.16;~~

(2) ~~"confinement" means confinement in a state correctional facility or a state treatment facility;~~

(3) (2) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release; and

(4) (3) "sex offender" and "offender" mean a person who has been convicted of an offense for which registration under section 243.166 is required or a person who has been committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, regardless of whether the person was convicted of any offense.

Sec. 4. Minnesota Statutes 1997 Supplement, section 244.052, subdivision 3, is amended to read:

Subd. 3. [END-OF-CONFINEMENT REVIEW COMMITTEE.] (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where sex offenders are confined. The committees shall assess on a case-by-case basis:

~~(1) the public risk posed by sex offenders who are about to be released from confinement; and,~~

~~(2) the public risk posed by sex offenders who are accepted from another state under a reciprocal agreement under the interstate compact authorized by section 243.16.~~

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) ~~an employee of the department of corrections from the~~ a victim's services unit professional.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a sex offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

(1) private medical data under section 13.42 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The sex offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

~~(d)(i) Except as otherwise provided in item (ii), at least 90 days before a sex offender is to be released from confinement or accepted for supervision, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender and the law enforcement agency that was responsible for the charge resulting in confinement shall be notified of the time and place of the committee's meeting and. The offender has a right to be present and be heard at the meeting. The law enforcement agency may provide material in writing that is relevant to the offender's risk level to the chair of the committee. The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released. Offenders accepted for supervision shall be assessed by whichever committee the commissioner directs.~~

(ii) If an offender is received for confinement in a facility with less than 90 days remaining in the offender's term of confinement, the offender's risk shall be assessed at the first regularly scheduled end of confinement review committee that convenes after the appropriate documentation for the risk assessment is assembled by the committee. The commissioner shall make reasonable efforts to ensure that offender's risk is assessed and a risk level is assigned or reassigned at least 30 days before the offender's release date.

(e) The committee shall assign to risk level I a sex offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the sex offender is released from confinement ~~or accepted for supervision~~, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. The committee shall give the report to the offender and to the law enforcement agency at least 60 days before an offender is released from confinement ~~or accepted for supervision~~. If the risk assessment is performed under the circumstances described in paragraph (d), item (ii), the report shall be given to the offender and the law enforcement agency as soon as it is available. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

- (i) the degree of likely force or harm;
- (ii) the degree of likely physical contact; and
- (iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

- (i) the relationship of prior victims to the offender;
- (ii) the number of prior offenses or victims;
- (iii) the duration of the offender's prior offense history;

(iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and

(v) the offender's prior history of other antisocial acts;

(3) the offender's characteristics. This factor includes consideration of the following:

- (i) the offender's response to prior treatment efforts; and
- (ii) the offender's history of substance abuse;

(4) the availability of community supports to the offender. This factor includes consideration of the following:

- (i) the availability and likelihood that the offender will be involved in therapeutic treatment;
- (ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;

(iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and

(iv) the offender's lack of education or employment stability;

(5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and

(6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.

(h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment must occur within 30 days of receipt of the report indicating the offender's risk level assignment. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

(i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after two years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. The committee shall follow the process outlined in paragraphs (a) to (e), and (g) in the reassessment.

(j) The commissioner shall establish an end-of-confinement review committee to assign a risk level to offenders who are released from a federal correctional facility in Minnesota or another state and who intend to reside in Minnesota, and to offenders accepted from another state under a reciprocal agreement for parole supervision under the interstate compact authorized by section 243.16. The committee shall make reasonable efforts to conform to the same timelines as applied to Minnesota cases. Offenders accepted from another state under a reciprocal agreement for probation supervision are not assigned a risk level, but are considered downward dispositional departures. The probation or court services officer and law enforcement officer shall manage such cases in accordance with section 244.10, subdivision 2a. The policies and procedures of the committee for federal offenders and interstate compact cases must be in accordance with all requirements as set forth in this section, unless restrictions caused by the nature of federal or interstate transfers prevents such conformance.

Sec. 5. Minnesota Statutes 1997 Supplement, section 244.052, subdivision 4, is amended to read:

Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO PUBLIC.] (a) The law enforcement agency in the area where the sex offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), if the agency determines that disclosure of the information is relevant and necessary to protect the public and to counteract the offender's dangerousness. The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall consider the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency also may disclose the information to other members of the community whom the offender is likely to encounter.

Notwithstanding the assignment of a sex offender to risk level II or III, a law enforcement agency may not make the disclosures permitted by clause (2) or (3), if: the offender is placed or resides in a residential facility that is licensed as a residential program, as defined in section 245A.02, subdivision 14, by the commissioner of human services under chapter 254A, or the commissioner of corrections under section 241.021; and the facility and its staff are trained in the supervision of sex offenders. However, if an offender is placed or resides in a licensed facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency may make the disclosures permitted by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who decides to disclose information under this subdivision shall make a good faith effort to make the notification ~~at least 14 days before an offender is released from confinement or accepted for supervision~~ within 14 days of receipt of a confirmed address from the department of corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official that decides to disclose information under this subdivision shall not disclose the identity of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency may continue to disclose information on an offender under this subdivision for as long as the offender is required to register under section 243.166.

Sec. 6. Minnesota Statutes 1997 Supplement, section 244.052, subdivision 5, is amended to read:

Subd. 5. [RELEVANT INFORMATION PROVIDED TO LAW ENFORCEMENT.] At least 60 days before a sex offender is released from confinement ~~or accepted for supervision~~, the department of corrections or the department of human services, in the case of a person who was

committed under section 253B.185 or Minnesota Statutes 1992, section 526.10, shall give to the law enforcement agency that investigated the offender's crime of conviction or, where relevant, the law enforcement agency having primary jurisdiction where the offender was committed, all relevant information that the departments have concerning the offender, including information on risk factors in the offender's history. Within five days after receiving the offender's approved release plan from the office of adult release, the appropriate department shall give to the law enforcement agency having primary jurisdiction where the offender plans to reside all relevant information the department has concerning the offender, including information on risk factors in the offender's history and the risk level to which the offender was assigned. If the offender's risk level was assigned under the circumstances described in paragraph (d), item (ii), the appropriate department shall give the law enforcement agency all relevant information that the department has concerning the offender, including information on the risk factors in the offender's history and the offender's risk level within five days of the risk level assignment or reassignment.

Sec. 7. Minnesota Statutes 1996, section 609.3452, is amended by adding a subdivision to read:

Subd. 4. [IMMUNITY FROM CRIMINAL PROSECUTION.] If an offender is ordered by the court to undergo sex offender treatment as part of the offender's sentence, no statement made by the offender during the course of the treatment concerning crimes committed before the commencement of treatment may be used against the offender in any criminal prosecution.

Sec. 8. Minnesota Statutes 1996, section 611A.037, subdivision 2, is amended to read:

Subd. 2. [NOTICE TO VICTIM.] The officer conducting a presentence or predispositional investigation shall make reasonable and good faith efforts to contact assure that the victim of that crime and to provide that victim is provided with the following information by contacting the victim or assuring that another public or private agency has contacted the victim: (i) the charge or juvenile court petition to which the defendant has been convicted or pleaded guilty, or the juvenile respondent has admitted in court or has been found to have committed by the juvenile court, and of any plea agreement between the prosecution and the defense counsel; (ii) the victim's right to request restitution pursuant to section 611A.04; (iii) the time and place of the sentencing or juvenile court disposition and the victim's right to be present; and (iv) the victim's right to object in writing to the court, prior to the time of sentencing or juvenile court disposition, to the proposed sentence or juvenile dispositional alternative, or to the terms of the proposed plea agreement. To assist the victim in making a recommendation under clause (iv), the officer shall provide the victim with information about the court's options for sentencing and other dispositions. Failure of the officer to comply with this subdivision does not give any rights or grounds for postconviction or postjuvenile disposition relief to the defendant or juvenile court respondent, nor does it entitle a defendant or a juvenile court respondent to withdraw a plea of guilty.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment and apply to offenders released from confinement, sentenced, or accepted for supervision on or after that date, or who move to a new address on or after that date."

Amend the title as follows:

Page 1, line 9, before "eliminating" insert "providing certain immunity;"

Page 1, line 13, before "and" insert "609.3452, by adding a subdivision;"

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

Senate Conferees: (Signed) Randy C. Kelly, Steven Morse, Warren Limmer

House Conferees: (Signed) Dave Bishop, Wesley J. "Wes" Skoglund, Thomas Pugh

Mr. Kelly, R.C. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2586 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2586 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Messages From the House and Reports of Committees.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 3, 1998

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

I have vetoed and am returning Chapter 365, Senate File Number 2532, the Family and Early Childhood Omnibus Bill.

The spending in this bill far exceeds the budget that I had submitted to the 1998 Legislature in this area and is the main reason for the veto of this bill.

Last year I proposed an historic budget increase for child care, Head Start and other children and family programs. The basic sliding fee child care program, for instance, received an increase of over 130% over the last biennium. With these funds, we have provided subsidized day care to over 5,600 families. The Head Start program received a funding increase of 63%, enough to provide services to an additional 900 children.

In addition, the tax credits for dependent care provisions, in an omnibus appropriations bill, are troublesome. First of all, tax credits belong in a tax bill and, constitutionally, they should be contained in a house file and not a senate file. Financially, this provision creates future tails that will place these credits in direct competition, under the purview of the same legislative finance divisions, with vital children and family programs that we have developed. This is not acceptable.

Finally, it may be well for the legislature to remember that when they went to the people for a constitutional amendment allowing for annual sessions, the understanding was that the legislature wanted this session to be brief, focused on emergency legislation including the bond bill, and that the bulk of the time would be spent reviewing and evaluating programs that the legislature created. It appears obvious that the legislature has drifted far off this target. Even-year legislative sessions

should not be allowed to become full-blown tax and spend sessions. How about considering limiting even-year sessions to three weeks and giving the public a constitutional amendment that will allow them to create a unicameral legislature?

Warmest regards,
Arne H. Carlson, Governor

Ms. Junge moved that S.F. No. 2532 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 3654:

H.F. No. 3654: A bill for an act relating to utilities; modifying the membership of the legislative electric energy task force; requiring comprehensive study of electric industry restructuring; amending Minnesota Statutes 1997 Supplement, section 216C.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

Jennings, Hilty and Ozment have been appointed as such committee on the part of the House.

House File No. 3654 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 3, 1998

Mr. Moe, R.D., for Mr. Novak, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3654, 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, with the exception of the reports pertaining to appointments. The motion prevailed.

Ms. Berglin from the Committee on Human Resources Finance, to which was referred

S.F. No. 3411: A bill for an act relating to public safety; providing for matching funds for federal disaster relief; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATIONS.]

The sums in the column under "APPROPRIATIONS" are appropriated from the general fund to be spent for tornado relief, as specified in this act, in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action. The appropriations are available until June 30, 1999, unless otherwise specified. If there is a shortage of funds in any of the programs under section 2, 3, 4, or

5, unused funds in any of the other programs under these sections may be transferred by interagency agreement to cover the shortfall.

SUMMARY

PUBLIC SAFETY	\$	8,300,000
HOUSING FINANCE AGENCY		4,000,000
TRADE AND ECONOMIC DEVELOPMENT		5,150,000
AGRICULTURE		4,000,000
REVENUE		500,000
HUMAN SERVICES		650,000
FINANCE		5,000,000
TOTAL	\$	27,600,000
		APPROPRIATIONS
	\$	

Sec. 2. PUBLIC SAFETY

Subdivision 1. To the commissioner of public safety for the purposes of this section

8,300,000

Subd. 2. Disaster Assistance Match

8,000,000

For the state and local match of public assistance disaster funds under Minnesota Statutes, section 12.221. This appropriation is available to fund 100 percent of the state and local match obligations projects incurred through the receipt of federal public assistance for reported damages, in the individual assistance program.

Subd. 3. Complement Increase

300,000

To increase the complement of the division of emergency management by four full-time equivalent professional positions for the balance of the biennium. The authorization for the increase in complement by four full-time equivalent professional positions expires June 30, 1999.

Sec. 3. HOUSING FINANCE

Subdivision 1. For transfer to the housing development fund for the programs specified in this section

4,000,000

Subd. 2. Affordable Rental Investment Fund

500,000

For the affordable rental investment fund under Minnesota Statutes, section 462A.21, subdivision 8b, to be used for rental housing. Notwithstanding Minnesota Statutes, section 462A.21, subdivision 8b, assistance provided from this appropriation for the rehabilitation of existing rental housing may be in the form of

forgivable loans. In making forgivable loans from this appropriation, the agency shall determine the circumstances, terms, and conditions under which all or any portion of the grant shall be repaid. This appropriation is available until expended.

Subd. 3 Community

Rehabilitation Fund Program

3,500,000

For the community rehabilitation fund program under Minnesota Statutes, section 462A.206. This appropriation is available until spent.

Subd. 4 Transfers

Money appropriated under this section may be transferred between the affordable rental investment fund account and the community rehabilitation fund account.

Sec. 4. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for purposes of this section

5,150,000

Subd. 2. Minnesota Investment Fund

4,000,000

To the Minnesota investment fund for grants to local units of government for locally administered operating loan programs for businesses directly and adversely affected by the tornadoes. Loan criteria and requirements must be locally established with approval by the department. For the purposes of this appropriation, Minnesota Statutes, sections 116J.8731, subdivisions 3, 4, 5, and 7, and 116J.991, are waived. Businesses that receive grants or loans from this appropriation shall set goals for jobs retained and wages paid within the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

Subd. 3. Public Infrastructure

1,000,000

For grants to local units of government to assist with the cost of repair and replacement of publicly owned buildings; storm sewers, wastewater and municipal utility service; drinking water systems; and streets, bridges, and other infrastructure.

Subd. 4. Technical Assistance

150,000

For grants to local units of government for technical assistance for loan programs.

Sec. 5. AGRICULTURE

4,000,000

To the rural finance authority for department of agriculture loans under Minnesota Statutes, chapter 41B, to farmers for repairs to farm buildings and for working capital operating loans.

Sec. 6. REVENUE

500,000

To the commissioner of revenue to be apportioned among the counties within the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action to provide reimbursement for abatements granted for taxes payable in 1998 to properties damaged in the March 29, 1998, tornadoes. The apportionment shall be based upon the amount of tornado-related market value loss in each county. Counties must be reimbursed only for property taxes that are actually abated, not to exceed each county's apportioned amount.

Sec. 7. HUMAN SERVICES

Subdivision 1. To the commissioner of human services for purposes of this section

650,000

Subd. 2. Social Service Agencies - Social Services

400,000

For grants to counties and nonprofit social service agencies for social services and farm advocacy outreach.

Subd. 3. Counties - Day Care

250,000

For grants to counties for after-school and expanded day care services.

Sec. 8. FINANCE

5,000,000

A contingency appropriation to the commissioner of finance for allocations to programs at the request of the governor, for unanticipated needs to aid disaster victims. Before transfer of funds to specific programs, the commissioner must seek a recommendation on the proposed spending from the legislative commission on planning and fiscal policy. If no recommendation is received by the commissioner from the commission within ten days of notice, the recommendation is considered to be positive.

Sec. 9. [TEMPORARY WAIVER OF FEES, ASSESSMENTS, OR TAXES.]

Notwithstanding any law to the contrary, for fiscal years 1998 and 1999, an agency, with the approval of the governor, may waive fees that would otherwise be charged for agency services. The waiver of fees must be confined to geographic areas within counties included in the area

designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action and to the minimum periods of times necessary to deal with the emergency situation. The agency must promptly report the reasons for and the impact of any suspended fees to the chairs of the legislative committees that oversee the policy and budgetary affairs of the agency. This section expires January 15, 1999.

Sec. 10. [EARLY PAYMENT OF STATE AIDS.]

Notwithstanding Minnesota Statutes, sections 273.1398, subdivision 6, and 477A.015, the commissioner of revenue, in consultation with the division of emergency management, shall make payments of homestead and agricultural credit aid and local government aid as provided in this section to all qualified local units of government that the commissioner determines have suffered financial hardship. As used in this section, "qualified local units of government" means counties, home rule charter or statutory cities, and towns that suffered damage in the tornadoes and storms of March 29, 1998.

Payment of the homestead and agricultural credit aid and local government aid that would otherwise have been payable on July 20, 1998, shall be made as soon as practicable after the date of final enactment of this act.

Sec. 11. [TORNADO DAMAGED SCHOOL RECONSTRUCTION.]

In order to expedite school reconstruction of school buildings destroyed by the tornadoes of March 29, 1998, the affected school districts may enter into construction contracts, including but not limited to design-build, that the districts determine to be in their best interests. Construction of these educational facilities is emergency construction and not subject to competitive bid requirements of Minnesota Statutes, sections 123.37 and 471.345, or other law or charter or the requirements of Minnesota Statutes, section 16B.335. The department of children, families, and learning shall notify the chairs of the senate finance committees, the house ways and means committee, and the house capital investment committee that the projects have been approved under review and comment and necessary contracts have been executed.

Sec. 12. [SCHOOL FACILITY STORM DAMAGE RELATED BETTERMENT.]

A district may make an additional levy for facility betterment under this section. To make this levy, a district must:

- (1) qualify under Minnesota Statutes, section 124.239, in fiscal year 1998; and
- (2) have had damage to an instructional facility in excess of \$1,000,000 related to tornadoes on March 29, 1998.

The levy must be directly related to the costs of the betterment of the damaged facility and may only be for costs not otherwise paid for by insurance or other proceeds. The total costs related to the levy may not exceed two percent of a district's 1995 adjusted net tax capacity. The project must be approved under Minnesota Statutes, section 121.15, and be a part of the plan under Minnesota Statutes, section 124.239. The district may either bond for the costs under Minnesota Statutes, section 124.239, subdivision 3, or levy under Minnesota Statutes, section 124.239, subdivision 5. The levy may be spread over more than one year. The levy is not eligible for state-aid payments under Minnesota Statutes, section 124.239, subdivision 3a or 5a, 124.83, or 124.95, or any other aid program. A district must consult with and receive approval from the city in which its administrative offices are located prior to making this levy.

Sec. 13. [SOLID WASTE MANAGEMENT TAX WAIVER.]

Notwithstanding any law to the contrary, the commissioner of revenue may waive solid waste management taxes under Minnesota Statutes, chapter 297H, for construction debris generated from repair and demolition activities in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action due to tornado and other weather damage on March 29, 1998, and disposed of in a waste management facility designated by the commissioner of the pollution control agency.

The commissioner of revenue's authority under this section to waive the taxes expires for waste transported to the designated facilities after March 31, 1999.

Sec. 14. [WAITING WEEK WAIVER.]

The waiting week requirement under Minnesota Statutes, section 268.08, subdivision 1, clause (3), does not apply to persons who became unemployed and filed an application for reemployment insurance benefits as a direct result of the March 29, 1998, tornado and resulting storm damage.

Sec. 15. [WAIVER OF LIMITATION FOR FACILITY CHANGES.]

The limitation under Minnesota Statutes 1996, section 268.362, subdivision 1, paragraph (a), on the type of facilities which may be rehabilitated, improved, or constructed as part of a work experience component to provide education and work experience to targeted youth is waived and shall include low-income private residences, private businesses, municipal parks, and other land areas in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

Sec. 16. [12.331] [LOCAL ASSISTANCE BETWEEN POLITICAL SUBDIVISIONS.]

Subdivision 1. [AUTHORITY BETWEEN POLITICAL SUBDIVISIONS.] When the public interest requires it because of an emergency, a political subdivision may request the assistance of another political subdivision. Upon receiving such a request, a political subdivision, called the "sending political subdivision," may go to the assistance of the requesting political subdivision, called the "receiving political subdivision." The receiving political subdivision may accept and use the personnel, equipment, and supplies of the sending political subdivision as agreed upon by both political subdivisions.

Subd. 2. [EFFECT.] Unless there is a written agreement between the political subdivisions establishing the rules for conducting these activities, the provisions of paragraphs (a) to (d) shall apply while the political subdivisions are engaged in the activities described in subdivision 1.

(a) For the purposes of worker's compensation insurance, the employees, officers, and members of the sending political subdivision have the same powers, duties, rights, privileges, and immunities as if they were performing similar services in the sending political subdivision and are considered to be acting within the scope of and in the course of their regular employment, as employees of the sending political subdivision.

(b) For the purposes of chapter 466, the employees and officers of the sending political subdivision are deemed to be employees, as defined in section 466.01, subdivision 6, of the receiving political subdivision.

(c) The sending political subdivision shall be responsible for any damages to its equipment.

(d) The receiving political subdivision shall reimburse the sending political subdivision for the supplies used and the compensation paid to the officers and members of the forces furnished, during the time when the rendition of aid prevents them from performing their duties in the sending political subdivision, and for the actual travel and maintenance expenses of the officers and members while so engaged. A claim for loss, damage, or expense in using equipment or supplies or for additional expenses incurred in operating or maintaining them must not be allowed unless within 90 days after the loss, damage, or expense is sustained or incurred, an itemized notice of it, verified by an officer or employee of the municipality having knowledge of the facts, is filed with the clerk of the receiving political subdivision.

Subd. 3. [RETROACTIVE EFFECT.] Notwithstanding other laws this section is effective retroactive to March 29, 1998.

Sec. 17. [PROPERTY TAX ABATEMENTS; PROPERTY DAMAGED BY TORNADO.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding the requirements of Minnesota Statutes, section 375.192, the county board of a qualified county may grant abatements of the full amount of taxes on eligible property for taxes payable in 1998 as provided in this section. The owner of the property is not required to apply for the abatement.

Subd. 2. [DEFINITIONS.] (a) As used in this section, the terms defined in this subdivision have the meanings given them.

(b) "Qualified county" means any county in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action.

(c) "Eligible property" means a parcel of taxable property located in a qualified county that contains a structure that has been determined by the assessor to have lost over 50 percent of its estimated market value due to wind damage. In the case of agricultural property, the abatement is limited to the taxes on the parcel attributable to the value of the house, garage, and surrounding one acre, if the house has lost over 50 percent of its estimated market value, and the tax attributable to the value of any farm buildings and structures that have lost over 50 percent of their estimated market value.

Subd. 3. [ASSESSORS' DUTIES.] As soon as practicable, local and county assessors in qualified counties shall notify the county board and property owners of parcels of eligible property.

Sec. 18. [DISASTER AREA; DUE DATE EXTENDED FOR BUSINESS PROPERTY TAXES.]

(a) Notwithstanding Minnesota Statutes, section 279.01, subdivision 1, a penalty shall not accrue if (1) because of a natural disaster, a taxpayer is unable to pay the first half of the payable 1998 property taxes on class 3a or 3b property, classified under Minnesota Statutes, section 273.13, subdivision 24, located in an area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action and (2) the taxpayer pays the first half of the payable 1998 taxes by October 15, 1998.

(b) If the first one-half payment is paid after October 15, 1998, then all penalties that would have occurred on the due date under Minnesota Statutes, section 279.01, subdivision 1, shall be charged on the amount of the unpaid tax.

(c) The property taxpayer shall attach to the payment a statement that the property is located in the disaster area and qualified for an extension under this section.

Sec. 19. [1997-1998 AVERAGE DAILY MEMBERSHIP.]

Notwithstanding Minnesota Statutes, section 124.17, the 1997-1998 average daily membership for a school building closed due to tornado damage for part of the school year and reopened before the end of the school year shall be the greater of the amount that would have been computed if the school building had not reopened or the amount computed using actual data for the entire school year.

Sec. 20. [FISCAL YEAR 1999 DECLINING PUPIL UNIT AID.]

For fiscal year 1999 only, a school district with one or more school buildings closed during the 1997-1998 school year due to tornado damage is eligible for declining pupil unit aid equal to the greater of zero or the product of the general education formula allowance for fiscal year 1999 times the difference between the district's actual pupil units for the 1997-1998 school year and the district's actual pupil units for the 1998-1999 school year.

Sec. 21. [SCHOOL DISTRICT AVERAGE DAILY MEMBERSHIP.]

For fiscal year 1999, the commissioner of children, families, and learning may adjust school district average daily membership data calculated under Minnesota Statutes, section 124.17, for those school districts affected by tornado damage in the spring of 1998 for students who have not yet returned to their resident school districts because school facilities or homes are not available for occupancy.

Sec. 22. [TEMPORARY AUTHORITY TO SUSPEND RULES.]

Notwithstanding any law to the contrary, for fiscal years 1998 and 1999, an agency with the approval of the governor, may temporarily suspend specific agency rules because of the effects of the March 29, 1998 tornadoes. The suspension of rules must be confined to geographic areas affected within counties located in the area designated under Presidential Declaration of Major Disaster, DR1212, whether included in the original declaration or added later by federal government action, and to the minimum periods of time necessary to deal with the emergency situation. The agency must promptly report the reasons for and the impact of any suspended rules to the chairs of the legislative committees that oversee the policy and budgetary affairs of the agency and to the chairs of the legislative committees on governmental operations. This section expires January 15, 1999.

Sec. 23. [FEDERAL FUNDS.]

State agencies may apply for any federal funds available for tornado relief. Notwithstanding Minnesota Statutes, section 3.3005, the commissioner of finance may submit the request to receive and spend federal funds to the legislative advisory commission required under Minnesota Statutes, section 3.3005, any time after the application is made for those funds. If a recommendation is not made within five days, no further review by the legislative advisory commission is required, and the commissioner shall approve or disapprove the request. If a recommendation is made for further review, the commissioner may proceed according to Minnesota Statutes, section 3.3005, subdivision 5. This section expires January 15, 1999.

Sec. 24. Minnesota Statutes 1997 Supplement, section 41B.043, subdivision 2a, is amended to read:

Subd. 2a. [SNOW OR, FLOOD, OR OTHER NATURALLY CAUSED DAMAGE.] A prospective borrower applying for a loan participation through an eligible lender may refinance an existing debt in order to repair or replace farm driveways, drainage ditches and tile lines, grassed waterways, or agricultural buildings damaged due to snow or, flooding, or other weather-related causes.

Sec. 25. [41B.047] [DISASTER RECOVERY LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority shall establish and implement a disaster recovery loan program to help farmers clean up, repair, or replace farm structures and septic and water systems, as well as replacement of seed, other crop inputs, feed, and livestock.

Subd. 2. [REVOLVING FUND.] There is established in the state treasury a disaster recovery revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the disaster recovery loan program, including costs incurred by the authority to establish and administer the program.

Subd. 3. [ELIGIBILITY.] To be eligible for this program, a borrower must:

(1) be a resident of Minnesota or a domestic family farm corporation or family farm partnership as defined in section 500.24, subdivision 2;

(2) certify that the damage or loss was sustained within a county that was the subject of a state or federal disaster declaration;

(3) demonstrate an ability to repay the loan;

(4) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000; and

(5) have received at least 50 percent of average annual gross income from farming for the past three years.

Subd. 4. [LOANS.] (a) The authority may participate in a disaster recovery loan with an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited to 45

percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed four percent.

(b) Standards for loan amortization shall be set by the rural finance authority not to exceed ten years.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for the disaster recovery loans must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for a disaster recovery loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the disaster recovery revolving fund.

(f) Disaster recovery loans under this program will be made using money in the disaster recovery revolving fund established under subdivision 2.

Sec. 26. Minnesota Statutes 1997 Supplement, section 168.16, is amended to read:

168.16 [REFUNDS; APPROPRIATION.]

After the tax upon any motor vehicle shall have been paid for any year, refund shall be made for errors made in computing the tax or fees and for the error on the part of an owner who may in error have registered a motor vehicle that was not before, nor at the time of registration, nor at any time thereafter during the current past year, subject to tax in this state as provided by section 168.012. Unless otherwise provided in this chapter, a claim for a refund of an overpayment of registration tax must be filed within 3-1/2 years from the date of payment. The refundment shall be made from any fund in possession of the registrar and shall be deducted from the registrar's monthly report to the commissioner of finance. A detailed report of the refundment shall accompany the report. The former owner of a transferred vehicle by an assignment in writing endorsed upon the registration certificate and delivered to the registrar within the time provided herein may sell and assign to the new owner thereof the right to have the tax paid by the former owner accredited to the owner who duly registers the vehicle. Any owner at the time of such occurrence, whose vehicle is declared by an insurance company to be a total loss due to flood or tornado damage, permanently destroyed, or sold to the federal government, the state, or political subdivision thereof, and any owner who sells a rental motor vehicle and transfers the license plates issued to that motor vehicle under section 168.15, subdivision 3, shall upon filing a verified claim be entitled to a refund of the unused portion of the tax paid upon the vehicle, computed as follows:

(1) if the vehicle is registered under the calendar year system of registration, the refund is computed pro rata by the month, 1/12 of the annual tax paid for each month of the year remaining after the month in which the plates and certificate were returned to the registrar;

(2) in the case of a vehicle registered under the monthly series system of registration, the amount of the refund is equal to the sum of the amounts of the license fee attributable to those months remaining in the licensing period after the month in which the plates and certificate were returned to the registrar.

There is hereby appropriated to the persons entitled to a refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment. Refunds under this section to licensed motor vehicle lessors must be made annually in a manner the registrar determines.

Sec. 27. [TORNADO DAMAGES; STATE EMPLOYEE VACATION DONATION.]

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to 40 hours of accrued vacation time, in addition to that donated under Minnesota Statutes, section

43A.181, in the biennium ending June 30, 1999, to the account established by subdivision 2. The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2. A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

Subd. 2. [TORNADO DISASTER BENEFIT ACCOUNT.] The tornado disaster benefit account, consisting of money transferred under subdivision 1, is administered by the commissioner of employee relations. Money in the account is appropriated to the commissioner for purposes of this section.

Subd. 3. [USE OF ACCOUNT ASSETS.] Expenditures from the account established by subdivision 2 must be used to assist needy families and individuals affected by the tornadoes occurring on March 29, 1998. The commissioner must consult with charitable organizations and collective bargaining units in targeting the money appropriately.

Sec. 28. [EFFECTIVE DATE.]

Except as otherwise provided in this act, this act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to tornado and other natural disaster relief; providing for temporary waivers of certain programs and other relief; appropriating money; amending Minnesota Statutes 1997 Supplement, sections 41B.043, subdivision 2a; and 168.16; proposing coding for new law in Minnesota Statutes, chapters 12; and 41B."

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which were referred the following appointments as reported in the Journal for January 20, 1998:

BOARD OF INVENTION

Fred Amram
Daniel Ferber

PUBLIC UTILITIES COMMISSION

Gregory Scott

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

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for January 22, 1998:

PUBLIC UTILITIES COMMISSION

J. LeRoy Koppendrayer

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

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

RECESS

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

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

APPOINTMENTS

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

S.F. No. 2050: Mses. Junge, Kiscaden and Mr. Kelley, S.P.

H.F. No. 2970: Messrs. Morse, Metzen and Terwilliger.

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. Hottinger, Frederickson, Beckman, Vickerman and Neuville introduced--

S.F. No. 3417: A bill for an act relating to tornado relief; providing for temporary waivers of certain programs and other relief; appropriating money; amending Minnesota Statutes 1997 Supplement, sections 41B.043, subdivision 2a; and 168.16; proposing coding for new law in Minnesota Statutes, chapters 12; and 41B.

Referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 9:00 to 10:00 a.m. and from 3:25 to 4:05 p.m. Mr. Spear was excused from the Session of today from 9:00 to 10:30 a.m. Mr. Price was excused from the Session of today from 9:45 to 10:00 a.m. Mr. Johnson, D.E. was excused from the Session of today at 10:15 a.m. Mr. Solon and Ms. Wiener were excused from the Session of today at 1:30 p.m. Mr. Neuville was excused from the Session of today at 2:00 p.m. Ms. Flynn was excused from the Session of today at 3:25 p.m. Mrs. Fischbach was excused from the Session of today at 3:30 p.m. Mrs. Pariseau was excused from the Session of today from 3:45 to 3:55 p.m. Mr. Oliver was excused from the Session of today at 3:55 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, April 6, 1998. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Friday, April 3, 1998

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 6343 to 6345 and 6470 to 6471

CHAPTER LAWS

S.F. Nos.	H.F. Nos.	Session Laws	
		Chapter No.	Page
2040		338	6344
2267		339	6344
	2308	340	6344
	3297	341	6344
	113	342	6344
2966		343	6344
2489		344	6344
	3042	345	6344

MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
1378	6346	2708	6352	
2099	6345	3654	6471	
2118	6345			
2751	6345			
2928	6352			
3298	6346			

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
3411	6471				

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
2050	6347		
2099	6351		
2099	6352		

22566453
 25866463
 27186456
 29266347
 33536355
 33676395
 34116354
 34156355

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
2050	.....6481	2970	..... 6481

SPECIAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
2592	.....6348	3654	..... 6347

CONFERENCE COMMITTEE REPORTS AND THIRD READINGS

S.F. Nos.	Page	H.F. Nos.	Page
2256	.....6453	2708	..... 6353
2586	.....6463		
2718	.....6456		
3353	.....6355		
3367	.....6395		

RECONSIDERATION

S.F. Nos.	Page	H.F. Nos.	Page
2099	.....6354		

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F. Nos. 3415 to 3416Page 6347
 S.F. No. 3417Page 6481