

STATE OF MINNESOTA

EIGHTY-FIRST SESSION — 2000

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 6, 2000

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Steve Loopstra, Prayer Transformation Ministries, Minneapolis, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dorn	Howes	Luther	Pawlenty	Swenson
Abrams	Entenza	Huntley	Mahoney	Paymar	Sykora
Anderson, B.	Erhardt	Jaros	Mares	Pelowski	Tingelstad
Anderson, I.	Erickson	Jennings	Mariani	Peterson	Tomassoni
Bakk	Finseth	Johnson	Marko	Pugh	Trimble
Bishop	Folliard	Juhnke	McCollum	Reuter	Tuma
Boudreau	Fuller	Kahn	McElroy	Rhodes	Tunheim
Bradley	Gerlach	Kalis	McGuire	Rifenberg	Van Dellen
Broecker	Gleason	Kelliher	Milbert	Rostberg	Vandever
Buesgens	Goodno	Kielkucki	Molnau	Rukavina	Wagenius
Carlson	Gray	Knoblach	Mulder	Schumacher	Wejman
Carruthers	Greenfield	Koskinen	Mullery	Seagren	Wenzel
Cassell	Greiling	Krinkie	Murphy	Seifert, J.	Westerberg
Chaudhary	Gunther	Kubly	Ness	Seifert, M.	Westfall
Clark, J.	Haake	Kuisle	Nornes	Skoe	Westrom
Clark, K.	Hackbarth	Larsen, P.	Opatz	Skoglund	Wilkin
Daggett	Harder	Larsen, D.	Orfield	Smith	Winter
Davids	Hasskamp	Leighton	Osskopp	Solberg	Wolf
Dawkins	Hausman	Lenczewski	Osthoff	Stanek	Workman
Dehler	Hilty	Leppik	Otremba	Stang	Spk. Sviggum
Dempsey	Holberg	Lieder	Ozment	Storm	
Dorman	Holsten	Lindner	Paulsen	Swapinski	

A quorum was present.

Biernat, Haas and Rest were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Erickson moved that further reading of the Journals be suspended and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 2725 and H. F. No. 3119, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bishop moved that S. F. No. 2725 be substituted for H. F. No. 3119 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
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 2000 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:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2000</i>	<i>Date Filed 2000</i>
2411		252	11:00 a.m. March 1	March 1
2320		253	11:00 a.m. March 1	March 1

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Molnau from the Committee on Transportation Finance to which was referred:

H. F. No. 446, A bill for an act relating to motor vehicles; decreasing rate of depreciation for passenger automobile registration tax; allocating revenues from motor vehicle sales tax; proposing an amendment to the Minnesota Constitution, Article XIV, by adding a section to require certain percentages of motor vehicle sales tax revenue be deposited in highway user tax distribution fund and transit assistance fund; amending Minnesota Statutes 1998, sections 168.013, subdivision 1a; and 297B.09, subdivision 1.

Reported the same back with the following amendments:

Page 4, line 30, delete "50" and insert "70" and after the semicolon insert "and"

Page 4, delete line 31

Page 4, line 32, delete "(3)" and insert "(2)"

Page 5, line 3, after "fund" insert a period

Page 5, delete lines 4 and 5

Page 5, line 13, delete everything after "fund" and insert a question mark

Page 5, delete line 14

Amend the title as follows:

Page 1, line 8, delete "and"

Page 1, line 9, delete everything before the semicolon

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 672, A bill for an act relating to transportation; authorizing county review and approval of plats on real property that is bordering existing or proposed county highways; amending Minnesota Statutes 1998, section 505.03, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 462.358, subdivision 3b, is amended to read:

Subd. 3b. [REVIEW PROCEDURES.] The regulations shall include provisions regarding the content of applications for proposed subdivisions, the preliminary and final review and approval or disapproval of applications, and the coordination of such reviews with affected political subdivisions and state agencies. Subdivisions including lands abutting upon any existing or proposed trunk highway, county road or highway, or county state-aid highway shall also be subject to review. The regulations may provide for the consolidation of the preliminary and final review and approval or disapproval of subdivisions. Preliminary or final approval may be granted or denied for parts of subdivision applications. The regulations may delegate the authority to review proposals to the planning commission, but final approval or disapproval shall be the decision of the governing body of the municipality unless otherwise provided by law or charter. The regulations shall require that a public hearing shall be held on all subdivision applications prior to preliminary approval, unless otherwise provided by law or charter. The hearing shall be held following publication of notice of the time and place thereof in the official newspaper at least ten days before the day of the hearing. At the hearing, all persons interested shall be given an opportunity to make presentations. A subdivision application shall be preliminarily approved or disapproved within 120 days following delivery of an application completed in compliance with the municipal ordinance by the applicant to the municipality, unless an extension of the review period has been agreed to by the applicant. When a division or

subdivision to which the regulations of the municipality do not apply is presented to the city, the clerk of the municipality shall within ten days certify that the subdivision regulations of the municipality do not apply to the particular division.

If the municipality or the responsible agency of the municipality fails to preliminarily approve or disapprove an application within the review period, the application shall be deemed preliminarily approved, and upon demand the municipality shall execute a certificate to that effect. Following preliminary approval the applicant may request final approval by the municipality, and upon such request the municipality shall certify final approval within 60 days if the applicant has complied with all conditions and requirements of applicable regulations and all conditions and requirements upon which the preliminary approval is expressly conditioned either through performance or the execution of appropriate agreements assuring performance. If the municipality fails to certify final approval as so required, and if the applicant has complied with all conditions and requirements, the application shall be deemed finally approved, and upon demand the municipality shall execute a certificate to that effect. After final approval a subdivision may be filed or recorded.

Sec. 2. Minnesota Statutes 1998, section 505.03, subdivision 2, is amended to read:

Subd. 2. [~~PRELIMINARY PLAT APPROVAL; ROAD REVIEW.~~] (a) Any proposed preliminary plat in a city, town, or county, which includes lands abutting upon any existing or established trunk highway or proposed highway which has been designated by a centerline order filed in the office of the county recorder shall first be presented by the city, town, or county to the commissioner of transportation for written comments and recommendations. Where any preliminary plat includes land abutting upon an existing or established county or county state aid highway, it shall first be submitted to the county engineer for written comments and recommendations. Preliminary plats in a city or town involving both a trunk highway and a highway under county jurisdiction shall be submitted by the city or town to the county highway engineer as provided in paragraphs (b) and (c) and to the commissioner of transportation and the county highway engineer. Plats shall be submitted by the city, town, or county to the commissioner of transportation for review at least 30 days prior to the home rule charter or statutory city, town or county taking final action on the preliminary plat. The commissioner of transportation and/or the county highway engineer shall submit the written comments and recommendations to the city, town, or county within 30 days after receipt by them the commissioner of such a plat. Final action on such plat by the city, town, or county shall not be taken until after these required comments and recommendations have been received or until the 30-day period has elapsed.

(b) Any proposed preliminary plat or initial plat filing that includes land located in a city or town bordering an existing or proposed county road, highway, or county state-aid highway that is designated on a map or county highway plan filed in the office of the county recorder or registrar of titles, must be submitted by the city or town to the county engineer within five business days after receipt by the city or town of the preliminary plat or initial plat filing for written comments and recommendations. The county engineer's review shall be limited to factors of county significance in conformance with adopted county guidelines developed through a public hearing or a comprehensive planning process with comment by the cities and towns. The guidelines must provide for development and redevelopment scenarios, allow for variances, and reflect consideration of city or town adopted guidelines.

(c) Within 30 days after county receipt from the city or town of the preliminary plat or initial plat filing, the county engineer shall provide to the city or town written comments stating whether the plat meets county guidelines and describing any modifications necessary to bring the plat into conformity with the county guidelines. No city or town may approve a preliminary plat until it has received the county engineer's written comments and recommendations or until the county engineer's comment period has expired, whichever occurs first. Within ten business days following a city or town's approval of a preliminary plat, the city or town shall submit to the county board notice of its approval, along with a statement addressing the disposition of any written comments or recommendations made by the county engineer. In the event the city or town does not amend the plat to conform to the recommendations made by the county engineer, representatives from the county and city or town shall meet to discuss the differences and determine whether changes to the plat are appropriate prior to final approval. This requirement shall not extend the time deadlines for preliminary or final approval as required under this section, section 15.99 or 462.358, or any other law, nor shall this requirement prohibit final approval as required by this section.

(d) A legible preliminary drawing or print of a proposed preliminary plat shall be acceptable for purposes of review by the commissioner of transportation or the county highway engineer. To such drawing or print there shall be attached a written statement describing; (1) the outlet for and means of disposal of surface waters from the proposed platted area, (2) the land use designation or zoning category of the proposed platted area, (3) the locations of ingress and egress to the proposed platted area, and (4) a preliminary site plan for the proposed platted area, ~~if one has been prepared with dimensions to scale, authenticated by a registered engineer or land surveyor, showing the existing or proposed state highway, county road, or county highway and all existing and proposed rights-of-way, easements, general lot layouts, and lot dimensions.~~ Failure to obtain the written comments and recommendations of the commissioner of transportation or the county highway engineer shall in no manner affect the title to the lands included in the plat or the platting of said lands. ~~A certificate or other evidence shall be required to or upon the plat for filing in the office of the county recorder or registrar of titles as to the submission of or the obtaining of such written comments and recommendations. The home rule charter or statutory city, town or county shall provide the certificate or other evidence to the county recorder or registrar of titles. A city, town, or county shall file with the plat, in the office of the county recorder or registrar of titles, a certificate or other evidence showing submission of the preliminary plat to the commissioner or county highway engineer in compliance with this subdivision.~~

Delete the title and insert:

"A bill for an act relating to transportation; authorizing county review of plats on real property that is bordering existing or proposed county highways; authorizing dispute resolution between city and county; amending Minnesota Statutes 1998, sections 462.358, subdivision 3b; and 505.03, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 778, A bill for an act relating to commerce; regulating unclaimed property; authorizing a dormancy charge for money orders; defining a term; amending Minnesota Statutes 1998, section 345.31, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 345.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Jobs and Economic Development Finance.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1383, A bill for an act relating to professions; modifying provisions relating to optometrist licensing; amending Minnesota Statutes 1998, sections 148.57, subdivision 1; and 148.61, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 1394, A bill for an act relating to commerce; enacting revised article 9 of the Uniform Commercial Code as adopted by the National Conference of Commissioners on Uniform State Laws; appropriating money; amending Minnesota Statutes 1998, sections 336.1-105; 336.1-201; 336.2-103; 336.2-210; 336.2-326; 336.2-502; 336.2-716; 336.2A-103; 336.2A-303; 336.2A-307; 336.2A-309; 336.4-210; 336.7-503; 336.8-103; 336.8-106; 336.8-110; 336.8-301; 336.8-302; and 336.8-510; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1998, sections 336.9-101; 336.9-102; 336.9-103; 336.9-104; 336.9-105; 336.9-106; 336.9-107; 336.9-108; 336.9-109; 336.9-110; 336.9-112; 336.9-113; 336.9-114; 336.9-115; 336.9-116; 336.9-201; 336.9-202; 336.9-204; 336.9-205; 336.9-206; 336.9-207; 336.9-208; 336.9-301; 336.9-302; 336.9-303; 336.9-304; 336.9-305; 336.9-306; 336.9-307; 336.9-308; 336.9-309; 336.9-310; 336.9-311; 336.9-312; 336.9-313; 336.9-314; 336.9-315; 336.9-316; 336.9-317; 336.9-318; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-408; 336.9-410; 336.9-412; 336.9-413; 336.9-501; 336.9-502; 336.9-503; 336.9-504; 336.9-505; 336.9-506; 336.9-507; and 336.9-508; Minnesota Statutes 1999 Supplement, sections 336.9-203; 336.9-401; 336.9-402; and 336.9-411.

Reported the same back with the following amendments:

Page 87, line 1, before the period, insert "in the office of the county recorder or registrar of titles in the county where the real property is located"

Page 112, line 19, delete "and"

Page 112, line 23, delete the period and insert "; and

(6) if the obligation of the account debtor or other person obligated on collateral is secured by an interest in real property and the account debtor or other person obligated on collateral satisfies its obligation, must furnish the account debtor or the other person obligated on collateral with a release or satisfaction of the interest in real property sufficient for recording in the real property records applicable to that real property."

Page 112, delete lines 24 to 36 and insert:

"(b) [NONJUDICIAL ENFORCEMENT OF MORTGAGE.] (1) To exercise under subsection (a)(3) the right of a debtor to enforce a mortgage nonjudicially, the secured party must record in the office in which a record of the mortgage is recorded:

(A) an assignment of the mortgage to the secured party; or

(B) the secured party's sworn affidavit of assignment in recordable form stating:

(i) a default has occurred under a security agreement that creates or provides for a security interest in the obligation secured by the mortgage;

(ii) a true and correct copy of the security agreement is attached to the affidavit;

(iii) the secured party is entitled to enforce the mortgage nonjudicially;

(iv) the legal description of the real property encumbered by the mortgage;

(v) the parties to the mortgage, the date of the mortgage, the date of recording of the mortgage, the place of recording of the mortgage, and the identifying number or other indexing information that identifies the mortgage in the office of the county recorder or registrar of titles where the mortgage is recorded;

(vi) the secured party has succeeded to the interest of the debtor under the mortgage; and

(vii) the affidavit of assignment shall be an assignment to the secured party of the interest of the debtor under the mortgage.

(2) The affidavit of assignment is entitled to be recorded with the county recorder or the registrar of titles and upon recording, the affidavit of assignment shall be deemed an assignment to the secured party of the interest of the debtor under the mortgage."

Page 113, after line 16, insert:

"(f) [SECURED PARTY TO OBTAIN ASSIGNMENT OF DEBTOR'S INTEREST UNDER THE MORTGAGE.] If the obligation of an account debtor or other person obligated on collateral is secured by an interest in real property, the secured party promptly after commencing exercise of any of its rights under this section shall:

(1) file an assignment of the mortgage to the secured party;

(2) proceed under section 336.9-619 and record a transfer statement in the office of the county recorder or registrar of titles where the mortgage is recorded; or

(3) file an affidavit of assignment as provided under subsection (b)."

Page 126, delete lines 29 to 36

Page 127, delete lines 1 to 3 and insert:

"(a) [TRANSFER STATEMENT.] (1) In this section, "transfer statement" means a record authenticated by a secured party stating:

(A) that the debtor has defaulted in connection with an obligation secured by specified collateral;

(B) that the secured party has exercised its postdefault remedies with respect to the collateral;

(C) that, by reason of the exercise, a transferee has acquired the rights of the debtor in the collateral;

(D) the name and mailing address of the secured party, debtor, and transferee; and

(E) in addition, if the statement is to be filed in the real property records concerning a mortgage or other record evidencing an interest in real property, the statement must state the following information concerning the mortgage or other record evidencing an interest in real property:

(i) the name and title on the record;

(ii) the date on the record;

(iii) the names of the parties on the record;

(iv) the identity of the office of the county recorder or registrar of titles where the record is filed;

(v) the date the record was filed; and

(vi) the identifying number of the record in the office of the county recorder or registrar of titles.

(2) A transfer statement that is to be filed in the real property records must contain an acknowledgment by the secured party in a form sufficient to satisfy the requirements of chapter 358."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 1757, A bill for an act relating to insurance; simplifying regulation of health insurers and health maintenance organizations; amending Minnesota Statutes 1998, sections 62D.02, subdivision 8; 62D.08, by adding a subdivision; 62E.04, subdivision 4; and 62J.75; Minnesota Statutes 1999 Supplement, section 62A.65, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62D; and 62Q; repealing Minnesota Statutes 1998, sections 16B.93; 16B.94; 16B.95; 16B.96; 62D.08, subdivision 5; 62J.17; and 62Q.07; Minnesota Statutes 1999 Supplement, section 62Q.075.

Reported the same back with the following amendments:

Page 3, line 34, after the stricken language insert "The maximum annual out-of-pocket costs for covered services must be \$3,000 per individual and \$5,500 per family, subject to federal cost-of-living adjustments. The annual deductible may be up to \$2,300 per individual and \$4,600 per family, subject to federal cost-of-living adjustments."

Page 4, line 6, after "limit" insert ", of not less than \$1,000,000"

Page 4, delete lines 9 to 20 and insert:

"The commissioner shall accept the results of private accreditation organizations, professional review organizations, and other governmental agencies based upon a determination that the other organization's standards and procedures are no less stringent than state law. Documentation of audit procedures and work papers of these audit organizations must be available to the commissioner. The commissioner may use those results in exercise of regulatory authority. The commissioner may initiate and conduct any investigation deemed necessary if there is suspected violation of law."

Page 6, delete section 7

Page 6, line 13, after "restriction" insert ", subject to section 62D.02, subdivision 8, with respect to health maintenance organizations" and delete everything after the period

Page 6, delete line 14

Page 6, line 15, delete everything before "This"

Page 6, delete lines 21 and 22 and insert "16B.96; and 62Q.07, are repealed."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, delete "chapters 62D; and" and insert "chapter"

Page 1, line 10, delete "62D.08,"

Page 1, delete lines 11 and 12, and insert "and 62Q.07."

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 1841, A bill for an act relating to insurance; establishing an insurance compliance self-audit privilege; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 1, line 8, delete "60A.036" and insert "60A.039"

Page 2, delete lines 19 to 21 and insert:

"An "insurance compliance self-audit document" does not include (1) a document or other information contained within an insurance compliance self-audit document, but not prepared in connection with or result of a self-audit, or (2) a document, not prepared in connection with or as a result of a self-audit, requested by the commissioner in conjunction with the investigation of a consumer complaint where the document relates solely to the complainant's policy or any claim made against the policy and the complainant has provided the commissioner with written authorization requesting its release."

Page 2, line 26, delete ", or in an administrative proceeding,"

Page 2, line 31, delete "or administrative proceeding"

Page 3, line 7, delete the second comma and insert "or"

Page 3, line 8, delete ", or administrative"

Page 3, delete lines 12 to 25

Page 3, after line 25, insert:

"Subd. 3. [SUBMISSION PURSUANT TO EXAMINATION.] An insurer must submit, in connection with examinations conducted under chapter 60A or 60D, an insurance compliance self-audit document to the commissioner. The submission does not waive the privilege established under this section to which the insurer is otherwise entitled, and the submission is subject to sections 60A.03, subdivision 9, and 60A.031, subdivision 4, paragraph (f)."

Page 3, line 33, delete "or"

Page 3, line 34, delete "administrative"

Page 4, line 13, after "5." insert "[60A.037]" and before "The" insert paragraph coding

Page 4, line 25, after "6." insert "[60A.038]"

Page 4, line 26, delete "60A.036" and insert "60A.037"

Page 4, after line 30, insert:

"Sec. 7. [60A.039] [COMMISSIONER'S AUTHORITY NOT RESTRICTED.]

Nothing in sections 60A.033 to 60A.037, restricts the authority of the commissioner to examine and investigate insurers or conduct appropriate disciplinary actions or other administrative proceedings."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

Molnau from the Committee on Transportation Finance to which was referred:

H. F. No. 2005, A bill for an act relating to transportation; appropriating money for highways.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [~~GENERAL FUND SHARE TRANSPORTATION EXPENDITURES.~~] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. ~~The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.~~

(b) ~~Twenty-five~~ Fifty-four percent of the money net proceeds collected and received ~~under this chapter after June 30, 1990, and before July 1, 1991, must be transferred to deposited in~~ the highway user tax distribution fund and the transit assistance fund for apportionment as follows: ~~75~~ percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining ~~25~~ 46 percent of the money net proceeds must be ~~transferred to deposited in~~ the transit assistance general fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the metropolitan council.

(c) ~~The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1, for that period, the commissioner shall transfer to the general~~

~~fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.~~

Sec. 2. Minnesota Statutes 1998, section 473.39, is amended by adding a subdivision to read:

Subd. 1h. [OBLIGATIONS.] (a) After July 1, 2001, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, and 1g, the council may issue certificates of indebtedness, bonds, or other obligations under this section for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. The amount of the obligations issued under this subdivision in any year may not exceed an amount equal to the following limitations, except as provided in this subdivision:

(1) for 2002, the limitation is \$40,000,000; and

(2) for each subsequent year, the limitation is equal to the previous year's limitation calculated under this subdivision adjusted for inflation using the United States Department of Labor's Bureau of Labor Statistics Minneapolis-St. Paul Consumer Price Index for All Urban Consumers (CPI-U) for the previous taxes payable year or three percent, whichever amount is less.

(b) In any year in which the council does not issue obligations totaling the limitation calculated under this subdivision, the council's limitation for the following year is increased by the difference between the previous year's limitation calculated under this subdivision and the amount issued in the previous year, or 20 percent of the previous year's limitation, whichever is less. Any limitation increase carried forward under this subdivision is available only in the following year and is not a permanent increase in the annual limitation calculated under this subdivision.

Sec. 3. Minnesota Statutes 1998, section 473.39, is amended by adding a subdivision to read:

Subd. 1i. [PERFORMANCE-BASED FUNDING.] The commissioner of finance, in consultation with the chair of the metropolitan council, shall submit a recommendation for a performance-based funding mechanism for the metropolitan transit operations appropriation as part of the governor's biennial budget recommendations to the 2001 legislature.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective July 1, 2001, for money collected and received after June 30, 2001."

Delete the title and insert:

"A bill for an act relating to transportation; providing for deposit of revenues from the motor vehicle sales tax; authorizing indebtedness by the metropolitan council for transit purposes; amending Minnesota Statutes 1998, sections 297B.09, subdivision 1; and 473.39, by adding subdivisions."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2436, A bill for an act relating to animals; changing disposition of certain animals; providing for preservation of certain evidence; changing regulation of dangerous dogs; amending Minnesota Statutes 1998, sections 343.12; 343.235, subdivisions 1 and 3; 347.50; 347.51; 347.52; 347.53; 347.54, subdivisions 1 and 2; and 347.55; proposing coding for new law in Minnesota Statutes, chapters 343; and 347; repealing Minnesota Statutes 1998, section 347.54, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 343.12, is amended to read:

343.12 [DUTIES OF PEACE OFFICERS.]

Upon application of any animal control officer or agent appointed by the federation or a county or district society, it shall be the duty of, any sheriff or the agent's deputy or any police officer to investigate any alleged violation of the law relative to cruelty to animals, and to arrest any person found violating those laws. It shall also be the duty of those officers to take possession of any animals in their respective jurisdictions which have been cruelly treated, and deliver the same to the proper officers of the county or district for custody and care.

Sec. 2. Minnesota Statutes 1998, section 343.235, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] An animal taken into custody under section 343.12, 343.22 ~~or~~, 343.29, ~~or~~ 343.31 may be humanely disposed of at the discretion of the jurisdiction having custody of the animal ten days after the animal is taken into custody, provided that the procedures in subdivision 3 are followed. An animal raised for food or fiber products may not be seized or disposed of without prior examination by a licensed veterinarian pursuant to a warrant issued by a judge.

Sec. 3. Minnesota Statutes 1998, section 343.235, subdivision 3, is amended to read:

Subd. 3. [NOTICE; RIGHT TO HEARING.] (a) The authority taking custody of an animal under section 343.12, 343.22 ~~or~~, 343.29, ~~or~~ 343.31 shall give notice of this section by delivering or mailing it to a person claiming an interest in the animal or by posting a copy of it at the place where the animal is taken into custody or by delivering it to a person residing on the property, and telephoning, if possible. The notice must include:

(1) a description of the animal seized; the authority and purpose for the seizure; the time, place, and circumstances under which the animal was seized; and the location, address, telephone number, and contact person where the animal is kept;

(2) a statement that a person claiming an interest in the animal may post security to prevent disposition of the animal and may request a hearing concerning the seizure or impoundment and that failure to do so within ten days of the date of the notice will result in disposition of the animal; and

(3) a statement that all actual costs of the care, keeping, and disposal of the animal are the responsibility of the person claiming an interest in the animal, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law.

The notice must also include a form that can be used by a person claiming an interest in the animal for requesting a hearing under this subdivision.

(b) Upon request of a person claiming an interest in the animal, which request must be made within ten days of the date of seizure, a hearing must be held within five business days of the request, to determine the validity of the seizure and impoundment. If the seizure was done pursuant to a warrant under section 343.22, the hearing must be conducted by the judge who issued the warrant. If the seizure was done under section 343.12, 343.29, or 343.31, the municipality taking custody of the animal or, in the case of a humane society, the municipality from which the animal was seized, may either (1) authorize a licensed veterinarian with no financial interest in the matter or professional association with either party or (2) use the services of a hearing officer to conduct the hearing. A person claiming an interest in the animal who is aggrieved by a decision of a hearing officer under this subdivision may seek a court order governing the seizure or impoundment within five days of notice of the order.

(c) The judge or hearing officer may authorize the return of the animal, if the judge or hearing officer finds that:

(1) the animal is physically fit; and

(2) the person claiming an interest in the animal can and will provide the care required by law for the animal.

(d) The person claiming an interest in the animal is liable for all actual costs of care, keeping, and disposal of the animal, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law. The costs must be paid in full or a mutually satisfactory arrangement for payment must be made between the municipality and the person claiming an interest in the animal before return of the animal to the person.

Sec. 4. [343.236] [RECORD OF LIVE EVIDENCE.]

Subdivision 1. [PHOTOGRAPHIC RECORD.] (a) Photographs of animals seized during an investigation are competent evidence if the photographs are admissible into evidence under all rules of law governing the admissibility of photographs into evidence. A photographic record when satisfactorily identified is as admissible in evidence as an animal itself.

(b) A photograph may bear a written description of the animals seized, the name of the owner of the animals seized, the name of the arresting or investigating law enforcement officer, the date of the photograph, and the signature of the photographer.

Subd. 2. [VETERINARY INVESTIGATIVE REPORT.] (a) A report completed by a Minnesota licensed veterinarian following an examination of an animal seized during an investigation is competent evidence if it is admissible into evidence under all rules of law governing admissibility of evidence. A veterinary investigative report when satisfactorily identified is as admissible in evidence as the animal itself.

(b) The veterinary investigative report may bear a written description of the animal seized, the medical evaluation of the physical findings, the prognosis for recovery, the date of the examination, and the signature of the veterinarian performing the examination.

Sec. 5. Minnesota Statutes 1998, section 347.50, is amended to read:

347.50 [DEFINITIONS.]

Subdivision 1. [TERMS SCOPE.] For the purpose of The definitions in this section apply to sections 347.50 to 347.54, the terms defined in this section have the meanings given them 347.55.

Subd. 2. [DANGEROUS DOG.] "Dangerous dog" means any a dog that has:

(1) without provocation, inflicted substantial bodily harm on a human being on public or private property;

(2) killed a domestic animal without provocation while off the owner's property; or

~~(3) been found to be potentially dangerous, and after the owner has notice that the dog is potentially dangerous, the dog aggressively bites, attacks, or endangers the safety of humans or domestic animals been declared dangerous by an animal control authority.~~

Subd. 2a. [DESTRUCTIVE DOG.] "Destructive dog" means a dog that has been declared destructive by an animal control authority.

Subd. 3. [POTENTIALLY DANGEROUS DOG.] "Potentially dangerous dog" means ~~any~~ a dog that:

~~(1) when unprovoked, inflicts bites on a human or domestic animal on public or private property;~~

~~(2) when unprovoked, chases or approaches a person, including a person on a bicycle, upon the streets, sidewalks, or any public or private property, other than the dog owner's property, in an apparent attitude of attack; or~~

~~(3) has a known propensity, tendency, or disposition to attack unprovoked, causing injury or otherwise threatening the safety of humans or domestic animals has been declared potentially dangerous by an animal control authority.~~

Subd. 3a. [POTENTIALLY DANGEROUS DOG.] "Potentially dangerous dog" means a dog that has been declared potentially dangerous by an animal control authority.

Subd. 4. [PROPER ENCLOSURE.] "Proper enclosure" means securely confined indoors or in a securely enclosed and locked pen or structure suitable to prevent the ~~animal~~ dog from escaping and providing protection from the elements for the dog. ~~A~~ "Proper enclosure" does not include a porch, patio, or any part of a house, garage, or other structure that would allow the dog to exit of its own volition, or any house or structure in which windows are open or in which door or window screens are the only obstacles that prevent the dog from exiting.

Subd. 4a. [OWN.] "Own" means possess, harbor, keep, have an interest in, or have the care, custody, or control of a dog.

Subd. 5. [OWNER.] "Owner" means ~~any~~ a person, firm, corporation, organization, or department possessing, harboring, keeping, having an interest in, or having care, custody, or control of who owns a dog.

Subd. 6. [SUBSTANTIAL BODILY HARM.] "Substantial bodily harm" has the meaning given it ~~under~~ in section 609.02, subdivision 7a.

Subd. 6a. [GREAT BODILY HARM.] "Great bodily harm" has the meaning given in section 609.02, subdivision 8.

Subd. 7. [ANIMAL CONTROL AUTHORITY.] "Animal control authority" means ~~an agency of the state, county, municipality, or other governmental subdivision of the state which~~ the agency that is responsible for animal control operations in its jurisdiction.

Sec. 6. Minnesota Statutes 1998, section 347.51, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] No person may own a dangerous or destructive dog in this state unless the dog is kept in a proper enclosure and registered as provided in this section.

Sec. 7. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 1a. [DANGEROUS OR DESTRUCTIVE DESIGNATION AND APPEAL.] The representative of an animal control authority may declare a dog to be a dangerous, destructive, potentially dangerous, or potentially destructive dog. The owner of a dog designated dangerous or destructive has ten days to appeal the designation in accordance with section 347.545. Pending the outcome of the appeal, the dog must be kept in a proper enclosure.

Sec. 8. Minnesota Statutes 1998, section 347.51, subdivision 2, is amended to read:

Subd. 2. [REGISTRATION FOR DANGEROUS AND DESTRUCTIVE DOGS.] ~~A county~~ An animal control authority shall issue a certificate of registration to the owner of a dangerous or destructive dog if the owner presents sufficient evidence that:

(1) ~~a proper enclosure exists for the dangerous or destructive dog and a posting on the premises with a clearly visible warning sign, including a warning symbol to inform children, that there is a dangerous dog on the property; and~~

~~(2) a surety bond issued by a surety company authorized to conduct business in this state in a form acceptable to the county in the sum of at least \$50,000, payable to any person injured by the dangerous dog, or a policy of liability insurance issued by an insurance company authorized to conduct business in this state in the amount of at least \$50,000, insuring the owner for any personal injuries inflicted by the dangerous dog;~~

(2) the owner has paid an annual fee of not more than \$1,000, in addition to any regular dog licensing fees, to obtain a certificate of registration for a dangerous or destructive dog under this section;

(3) the owner has attached to the dog the standardized tag identifying the dog as dangerous or destructive and containing the uniform dangerous dog symbol, affixed to the dog's collar at all times;

(4) the owner has posted in a location conspicuous to the public and acceptable to the animal control authority a copy of the uniform warning symbol issued by the commissioner of public safety to inform children that there is a dangerous or destructive dog on the property; and

(5) the owner has had microchip identification implanted in the dangerous or destructive dog as required under section 347.515.

Sec. 9. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 2b. [ADDITIONAL REGISTRATION REQUIREMENT FOR DANGEROUS DOGS.] In addition to the requirements in subdivision 2, the owner of a dangerous dog must purchase a surety bond issued by a surety company authorized to conduct business in this state in a form acceptable to the county in the sum of at least \$300,000, payable to any person injured by the dangerous dog, or a policy of liability insurance issued by an insurance company authorized to conduct business in this state in the amount of at least \$300,000, insuring the owner for any personal injuries inflicted by the dangerous dog. The surety or insurance company must issue to the animal control authority a certificate of insurance that:

(i) acknowledges that the company knows that the insured owns a dangerous dog; and

(ii) provides for 30 days written notice to the animal control authority prior to cancellation of the policy.

The insurance requirements of this subdivision do not apply to dogs that have been declared destructive, potentially destructive, or potentially dangerous. The animal control authority shall upon request extend the period to obtain an insurance policy for up to 30 days.

Sec. 10. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 3a. [DECLARATION; DANGEROUS.] (a) An animal control authority may declare a dog dangerous if the dog:

(1) without provocation inflicted substantial bodily harm on a human being on public or private property; or

(2) had been found to be potentially dangerous, and after the owner has notice that the dog is potentially dangerous, the dog without provocation bit, attacked, or endangered the safety of a human on or off the owner's property.

Sec. 11. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 4a. [DECLARATION; DESTRUCTIVE.] An animal control authority may declare a dog to be destructive if the dog:

(1) kills a domestic animal while off the owner's property; or

(2) has been found to be potentially destructive, and after the owner has notice that the dog is potentially destructive, the dog without provocation inflicts a bite on a domestic animal while off the owner's property.

Sec. 12. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 4b. [DECLARATION; POTENTIALLY DANGEROUS.] An animal control authority may declare a dog to be potentially dangerous if the dog:

(1) without provocation inflicted a bite on a human on public or private property;

(2) without provocation chased or approached a person, including a person on a bicycle, upon the streets, sidewalks, or any public or private property, other than the dog owner's property, in an apparent attitude of attack; or

(3) has a known propensity, tendency, or disposition to attack without provocation, causing injury or otherwise threatening the safety of a human.

Sec. 13. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 4c. [DECLARATION; POTENTIALLY DESTRUCTIVE.] An animal control authority may declare a dog to be potentially destructive if the dog without provocation inflicted a bite on a domestic animal while off the owner's property.

Sec. 14. Minnesota Statutes 1998, section 347.51, is amended by adding a subdivision to read:

Subd. 4d. [DECLARATION; EXEMPTIONS.] An animal control authority may not declare a dog to be dangerous, destructive, potentially dangerous, or potentially destructive if:

(1) the dog is used by law enforcement officials for police work;

(2) the threat, injury, or damage was sustained by a person who was:

(i) committing, at the time, a trespass or other tort upon the premises occupied by the owner of the dog;

(ii) provoking, tormenting, abusing, or assaulting the dog or who can be shown to have repeatedly, in the past, provoked, tormented, abused, or assaulted the dog; or

(iii) committing or attempting to commit a crime; or

(3) the dog is a service dog attempting to protect itself or its owner against an attack by a human or another animal.

Sec. 15. [347.515] [MICROCHIP IDENTIFICATION.]

The owner of a dangerous, destructive, potentially dangerous, or potentially destructive dog must have a microchip implanted in the dog for identification, and the name of the microchip manufacturer and identification number of the microchip must be provided to the animal control authority. All costs related to purchase and implantation of the microchip must be borne by the dog's owner.

Sec. 16. Minnesota Statutes 1998, section 347.52, is amended to read:

347.52 [DANGEROUS OR DESTRUCTIVE DOGS; ADDITIONAL REQUIREMENTS.]

(a) An owner of a dangerous or destructive dog shall keep the ~~dangerous~~ dog, while on the owner's property, in a proper enclosure. If the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash and under the physical restraint of a responsible person. The muzzle must be made in a manner that will prevent the dog from biting any person or animal but that will not cause injury to the dog or interfere with its vision or respiration.

(b) An owner of a dangerous or destructive dog must renew the registration of the dog annually until the dog is deceased. If the dog is removed from the jurisdiction, it must be registered as a dangerous or destructive dog in its new jurisdiction.

(c) An owner of a dangerous or destructive dog must notify the animal control authority in writing of the death of the dog or its transfer to a new jurisdiction, and must, if requested by the animal control authority, execute an affidavit under oath setting forth either the circumstances of the dog's death and disposition or the complete name, address, and telephone number of the person to whom the dog has been transferred.

(d) An animal control authority may require a dangerous or destructive dog to be sterilized.

(e) A person who owns a dangerous or destructive dog and who rents property from another where the dog will reside must disclose to the property owner that the person owns a dangerous or destructive dog that will reside at the property.

Sec. 17. Minnesota Statutes 1998, section 347.53, is amended to read:

347.53 [~~POTENTIALLY DANGEROUS DOGS~~ ADDITIONAL REGULATIONS.]

(a) ~~Any statutory or home rule charter city, or any county; local unit of government~~ may regulate potentially dangerous dogs impose additional regulations and requirements on dogs or dog owners not inconsistent with state law. Except as provided in section 347.51, subdivision 8, nothing in sections 347.50 to 347.54 limits any restrictions the local jurisdictions may place on owners of potentially dangerous dogs.

(b) A local unit of government may not regulate dangerous, destructive, potentially dangerous, or potentially destructive dogs based solely on the specific breed of the dog. Ordinances inconsistent with this paragraph are void.

Sec. 18. Minnesota Statutes 1998, section 347.54, subdivision 1, is amended to read:

Subdivision 1. [SEIZURE.] (a) The animal control authority having jurisdiction ~~shall~~ may immediately seize any dangerous or destructive dog if:

(1) ~~after~~ after 14 days after the owner has notice that the dog is dangerous or destructive and appeal rights have expired, the dog is not ~~validly~~ registered under section 347.51;

(2) ~~after 14 days after the owner has notice that the dog is dangerous, the owner does not secure the proper liability insurance or surety coverage as required under section 347.51, subdivision 2~~ the registration under section 347.51 is not renewed annually;

(3) the dog is not maintained in the proper enclosure; or

(4) the dog is outside the proper enclosure and not under physical restraint of a responsible person as required under section 347.52.

(b) If an owner of a dog is convicted of a ~~crime for which the dog was originally seized~~ misdemeanor under section 347.55, the court ~~may shall~~ order that the dog be confiscated and destroyed in a proper and humane manner, and that the owner pay the costs incurred in confiscating, confining, and destroying the dog.

Sec. 19. Minnesota Statutes 1998, section 347.54, subdivision 2, is amended to read:

Subd. 2. [RECLAIMED.] A dangerous or destructive dog seized under subdivision 1 may be reclaimed by the owner of the dog upon payment of impounding and boarding fees, and presenting proof to the appropriate animal control authority that all of the requirements of sections 347.51 and 347.52 will be to 347.53 have been met. A dog not reclaimed under this subdivision within ~~seven~~ five regular business days may be disposed of as provided under section 35.71, subdivision 3, and the owner is liable to the animal control authority for costs incurred in confiscating, confining, and disposing of destroying the dog.

Sec. 20. [347.545] [APPEAL.]

The representative of the animal control authority shall, at or about the time the dog is declared dangerous or destructive, notify the owner of the dog of the owner's right to appeal the decision and determination. The notice must be in writing and must be delivered to the owner or an adult on the premises where the owner resides or posted on the property. The notice must include a copy of this statute and a form and instructions as to how to perfect an appeal.

The owner has ten days inclusive of the date the notice is served, weekends, and holidays to serve on the animal control authority written notice of appeal.

The appeal may be heard by an employee of the political subdivision or other person retained by the political subdivision so long as the person is not affiliated with or supervised by the animal control authority.

The appeal must be conducted in an informal manner. The rules of civil procedure and evidence are not applicable. The burden of proof is on the animal control authority to prove the dog dangerous or destructive by a preponderance of the evidence; provided that provocation, torment, abuse, and assault are affirmative defenses. The hearing need not be transcribed but may be transcribed at the sole expense of the party that requests it. The person hearing the matter shall make written findings adequate to support the determination made.

Either party may appeal the determination to the district court. The judge shall consider the written findings and order of the hearing officer and no other evidence. The district court judge shall uphold the determination of the hearing officer unless the judge determines that the findings of fact are inadequate to sustain the determination as a matter of law or that the hearing officer acted in an arbitrary and capricious manner.

Sec. 21. Minnesota Statutes 1998, section 347.55, is amended to read:

347.55 [PENALTY.]

~~Any person who violates any provision of section 347.51 or 347.52 (1)~~ Violation of sections 347.50 to 347.545 is guilty of a misdemeanor.

(2) It is a misdemeanor to remove a microchip from a dangerous, destructive, potentially dangerous, or potentially destructive dog, to fail to account for the dog's death or removal from the jurisdiction, or to sign a false affidavit with respect to the dog's death or removal from the jurisdiction.

Sec. 22. [609.2275] [HARM CAUSED TO SERVICE DOG.]

Subdivision 1. [MISDEMEANOR; CIVIL LIABILITY.] The owner of a dog that kills or without provocation causes substantial or great bodily harm to a service dog is guilty of a misdemeanor. The owner is also liable to the person or organization who paid for the acquisition and training of the service dog for the cost of replacing the service dog, including but not limited to the cost of training the service dog at a recognized school for seeing eye, hearing ear, service, or guide dogs.

Subd. 2. [DEFINITION.] As used in this section, "service dog" means a dog which may be properly identified as from a recognized school for seeing eye, hearing ear, service, or guide dogs.

Sec. 23. [REPEALER.]

Minnesota Statutes 1998, sections 347.51, subdivisions 2a, 3, 4, 5, 6, 7, 8, and 9; and 347.54, subdivision 3, are repealed."

Delete the title and insert:

"A bill for an act relating to animals; changing disposition of certain animals; providing for preservation of certain evidence; changing regulation of certain dogs; imposing penalties; amending Minnesota Statutes 1998, sections 343.12; 343.235, subdivisions 1 and 3; 347.50; 347.51, subdivisions 1, 2, and by adding subdivisions; 347.52; 347.53; 347.54, subdivisions 1 and 2; and 347.55; proposing coding for new law in Minnesota Statutes, chapters 343; 347; and 609; repealing Minnesota Statutes 1998, sections 347.51, subdivisions 2a, 3, 4, 5, 6, 7, 8, and 9; and 347.54, subdivision 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 2559, A bill for an act relating to natural resources; providing for the recovery of sunken logs in inland waters; proposing coding for new law in Minnesota Statutes, chapter 103G; repealing Minnesota Statutes 1998, section 514.53.

Reported the same back with the following amendments:

Page 2, line 3, after "LOGS" insert "OR HISTORICAL ARTIFACTS"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for title to certain historical artifacts;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 2564, A bill for an act relating to utilities; providing that costs for relocating utility facilities due to light rail construction be paid by the state; amending Minnesota Statutes 1998, section 216B.16, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 2598, A bill for an act relating to education; allowing school districts to dispose of surplus school computers; amending Minnesota Statutes 1998, section 123B.52, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 123B.52, is amended by adding a subdivision to read:

Subd. 6. [DISPOSING OF SURPLUS SCHOOL COMPUTERS.] Notwithstanding section 471.345 governing school district contracts made upon sealed bid or otherwise complying with the requirements for competitive bidding, other provisions of this section governing school district contracts or other law to the contrary, a school district under this subdivision may dispose of a surplus school computer and related equipment if the district disposes of the surplus property by conveying the property and title to:

(1) another school district;

(2) the state department of corrections;

(3) the board of trustees of the Minnesota state colleges and universities; or

(4) the family of a student residing in the district whose total family income meets the federal definition of poverty.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 2622, A bill for an act relating to homeless and runaway youth; requiring the commissioner of human services to establish and support a comprehensive initiative for homeless youth, youth at risk of homelessness, and runaways to the extent that funding is provided; providing for street outreach, drop-in services, basic center shelter, and transitional living programs; proposing coding for new law as Minnesota Statutes, chapter 257B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [257B.03] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to this chapter. Additionally, the terms "homeless youth," "youth at risk of homelessness," and "runaway" apply to any other statute or program addressing or serving those populations unless defined differently therein, or unless the context clearly indicates otherwise.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 3. [HOMELESS YOUTH.] "Homeless youth" means a person under the age of 21 years who is without shelter where appropriate care and supervision are available, whose parent or legal guardian is unable or unwilling to provide shelter and care, or who lacks a fixed, regular, and adequate nighttime residence. The following are not fixed, regular, and adequate nighttime residences:

(1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations;

(2) an institution that provides a temporary residence for individuals intended to be institutionalized;

(3) transitional housing; or

(4) a public or private place not designed for, nor ordinarily used as, a regular sleeping accommodation for human beings.

Homeless youth does not include persons incarcerated or otherwise detained under federal or state law.

Subd. 4. [YOUTH AT RISK OF HOMELESSNESS.] "Youth at risk of homelessness" means persons under the age of 21 years whose status or circumstances indicate a significant danger of experiencing homelessness in the near future. Status or circumstances that indicate a significant danger may include youth exiting out-of-home placement, youth who were previously homeless, youth whose parents or primary caregivers are or were previously homeless, and runaways.

Subd. 5. [RUNAWAY.] "Runaway" means an unmarried child under the age of 18 years who is absent from the home of a parent or other lawful placement without the consent of the parent, guardian, or lawful custodian.

Sec. 3. [257B.04] [HOMELESS AND RUNAWAY YOUTH INITIATIVE.]

Subdivision 1. The commissioner has responsibility for developing a comprehensive initiative for homeless youth, youth at risk of homelessness, and runaways. The commissioner shall contract with organizations and public and private agencies that provide street outreach, emergency shelter services, transitional living services, or family reunification services to provide services to such youth, to the extent that funds exist or become available. The commissioner shall contract for programs that ensure that voluntary services are provided to homeless youth, youth at risk of homelessness, and runaways in an appropriate and responsible manner.

Subd. 2. Nothing in this chapter relieves counties from existing responsibilities to provide services for homeless youth, youth at risk of homelessness, or runaways under section 626.556, chapter 256E, or other applicable laws.

Subd. 3. Nothing in this chapter is intended to preclude homeless youth ages 18 to 21 from utilizing other services or programs available for homeless adults.

Sec. 4. [257B.05] [STREET OUTREACH AND DROP-IN SERVICES.]

Street outreach and drop-in services programs under contract must be able to locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. Information, referrals, and services provided may include, but are not limited to:

- (1) family reunification services;
- (2) assistance in obtaining temporary shelter;
- (3) assistance in obtaining food, clothing, and medical care;
- (4) counseling regarding violence, prostitution, substance abuse, sexually transmitted diseases, and pregnancy;
- (5) referrals to other agencies that provide support services to homeless youth, youth at risk of homelessness, and runaways;
- (6) assistance with education, employment, and independent living skills;
- (7) follow-up and after-care services;
- (8) specialized services for highly vulnerable runaways and homeless youth, including teen parents, emotionally disturbed and mentally ill youth, and youth involved in prostitution; and
- (9) homelessness prevention.

Sec. 5. [257B.06] [EMERGENCY SHELTER SERVICES.]

Subdivision 1. [SCOPE.] Emergency shelter programs under contract must provide homeless youth and runaways with referral and walk-in access to emergency, short-term residential care. The programs should provide homeless youth and runaways with safe, dignified shelter and should help reunite runaways with their parents or legal guardians when required or appropriate in accordance with subdivision 3.

Subd. 2. [SERVICES PROVIDED.] The services provided at emergency shelters may include, but are not limited to:

- (1) family reunification services;
- (2) individual, family, and group counseling;
- (3) providing food;
- (4) providing clothing;
- (5) access to medical and dental care;
- (6) education and employment services;
- (7) recreation activities;
- (8) advocacy and referral services;
- (9) independent living skills training;

(10) after-care and follow-up services;

(11) transportation; and

(12) homelessness prevention.

Subd. 3. [PARENTAL AND LAW ENFORCEMENT NOTIFICATION.] An emergency shelter and its agents, employees, and volunteers must comply with court orders, section 626.556, chapter 260C, and all other applicable laws. In any event, unless other legal requirements require earlier or different notification or actions, an emergency shelter must attempt to notify a runaway's parent or legal guardian of the runaway's location and status within 72 hours. The notification must include a description of the runaway's physical and emotional condition and the circumstances surrounding the runaway's admission to the emergency shelter, unless there are compelling reasons not to provide the parent or legal guardian with this information. Compelling reasons may include circumstances in which the runaway is or has been a victim of child abuse, neglect, sexual exploitation, or abandonment.

Sec. 6. [257B.07] [TRANSITIONAL LIVING.]

Transitional living programs under contract must be able to help homeless youth and youth at risk of homelessness find and maintain safe, dignified housing. The programs should also provide related supportive services, or should refer youth to other organizations or agencies that provide such services. The program should be available to an individual for up to 24 consecutive months. Services provided may include, but are not limited to:

(1) education assessments and referrals to educational programs;

(2) career planning, employment, and independent living skills training;

(3) job placement;

(4) budgeting and money management;

(5) assistance in securing housing appropriate to needs and income;

(6) counseling regarding violence, prostitution, substance abuse, sexually transmitted diseases, and pregnancy;

(7) referral for medical services or chemical dependency treatment;

(8) parenting skills;

(9) after-care and follow-up services; and

(10) homelessness prevention."

Delete the title and insert:

"A bill for an act relating to homeless and runaway youth; requiring the commissioner of human services to establish and support a comprehensive initiative for homeless youth, youth at risk of homelessness, and runaways to the extent that funds exist or become available; providing for street outreach and drop-in services, emergency shelter services, and transitional living programs; proposing coding for new law as Minnesota Statutes, chapter 257B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 2631, A bill for an act relating to education; modifying the school district levy for crime prevention; amending Minnesota Statutes 1999 Supplement, section 126C.44.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 2644, A bill for an act relating to retirement; providing continued insurance coverage for spouses of certain retirees.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 2655, A bill for an act relating to crimes; increasing criminal penalties and driver license sanctions for underage persons who use any type of false identification to purchase or attempt to purchase alcoholic beverages or tobacco; authorizing retailers to seize false identification; amending Minnesota Statutes 1998, sections 171.171; 340A.702; and 609.685, subdivisions 2 and 3; Minnesota Statutes 1999 Supplement, sections 260B.235, subdivision 4; and 340A.503, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 171.171, is amended to read:

171.171 [SUSPENSION; ILLEGAL PURCHASE OF ALCOHOL OR TOBACCO.]

The commissioner shall suspend for a period of 90 days the license of a person who:

(1) is under the age of 21 years and is convicted of purchasing or attempting to purchase an alcoholic beverage in violation of section 340A.503 if the person used a license ~~or~~ Minnesota identification card, or any type of false identification to purchase or attempt to purchase the alcoholic beverage;

(2) is convicted under section 171.22, subdivision 1, clause (2), or 340A.503, subdivision 2, clause (3), of lending or knowingly permitting a person under the age of 21 years to use the person's license ~~or~~ Minnesota identification card, or other type of identification to purchase or attempt to purchase an alcoholic beverage;

(3) is under the age of 18 years and is found by a court to have committed a petty misdemeanor under section 609.685, subdivision 3, if the person used a license ~~or~~ Minnesota identification card, or any type of false identification to purchase or attempt to purchase the tobacco product; or

(4) is convicted under section 171.22, subdivision 1, clause (2), of lending or knowingly permitting a person under the age of 18 years to use the person's license ~~or~~ Minnesota identification card, or other type of identification to purchase or attempt to purchase a tobacco product.

Sec. 2. Minnesota Statutes 1999 Supplement, section 260B.235, subdivision 4, is amended to read:

Subd. 4. [DISPOSITIONS.] If the juvenile court finds that a child is a petty offender, the court may:

- (a) require the child to pay a fine of up to \$100;
- (b) require the child to participate in a community service project;
- (c) require the child to participate in a drug awareness program;
- (d) place the child on probation for up to six months;
- (e) order the child to undergo a chemical dependency evaluation and if warranted by this evaluation, order participation by the child in an outpatient chemical dependency treatment program;
- (f) order the child to make restitution to the victim; or
- (g) perform any other activities or participate in any other outpatient treatment programs deemed appropriate by the court.

In all cases where the juvenile court finds that a child has purchased or attempted to purchase an alcoholic beverage in violation of section 340A.503, if the child has a driver's license or permit to drive, and if the child used a driver's license, permit or Minnesota identification card, or any type of false identification to purchase or attempt to purchase the alcoholic beverage, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall suspend the child's license or permit for a period of 90 days.

In all cases where the juvenile court finds that a child has purchased or attempted to purchase tobacco in violation of section 609.685, subdivision 3, if the child has a driver's license or permit to drive, and if the child used a driver's license, permit, or Minnesota identification card, or any type of false identification to purchase or attempt to purchase tobacco, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall suspend the child's license or permit for a period of 90 days.

None of the dispositional alternatives described in clauses (a) to (f) shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Sec. 3. Minnesota Statutes 1999 Supplement, section 340A.503, subdivision 6, is amended to read:

Subd. 6. [PROOF OF AGE; DEFENSE; SEIZURE OF FALSE IDENTIFICATION.] (a) Proof of age for purchasing or consuming alcoholic beverages may be established only by one of the following:

- (1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person;
- (2) a valid military identification card issued by the United States Department of Defense;
- (3) a valid passport issued by the United States; or
- (4) in the case of a foreign national, by a valid passport.

(b) In a prosecution under subdivision 2, clause (1), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a) in selling, bartering, furnishing, or giving the alcoholic beverage.

(c) A licensed retailer or municipal liquor store may seize a form of identification listed under paragraph (a) if the retailer or municipal liquor store has reasonable grounds to believe that the form of identification has been falsified or is being used to violate any law. A retailer or municipal liquor store that seizes a form of identification as authorized under this paragraph must return the identification to the person from whom it was seized or to the person's parent or guardian, or deliver it to a law enforcement agency, within 48 hours of seizing it.

Sec. 4. Minnesota Statutes 1998, section 340A.702, is amended to read:

340A.702 [GROSS MISDEMEANORS.]

It is a gross misdemeanor:

- (1) to sell an alcoholic beverage without a license authorizing the sale;
- (2) for a licensee to refuse or neglect to obey a lawful direction or order of the commissioner or the commissioner's agent, withhold information or a document the commissioner calls for examination, obstruct or mislead the commissioner in the execution of the commissioner's duties or swear falsely under oath;
- (3) to violate the provisions of sections 340A.301 to 340A.312;
- (4) to violate the provisions of section 340A.508;
- (5) for any person, partnership, or corporation to knowingly have or possess direct or indirect interest in more than one off-sale intoxicating liquor license in a municipality in violation of section 340A.412, subdivision 3;
- (6) to sell or otherwise dispose of intoxicating liquor within 1,000 feet of a state hospital, training school, reformatory, prison, or other institution under the supervision and control, in whole or in part, of the commissioner of human services or the commissioner of corrections;
- (7) to violate the provisions of section 340A.502;
- (8) except as otherwise provided in section 340A.701, to violate the provisions of section 340A.503, subdivision 2, clause (1) or (3);
- (9) to withhold any information, book, paper, or other thing called for by the commissioner for the purpose of an examination;
- (10) to obstruct or mislead the commissioner in the execution of the commissioner's duties; ~~or~~
- (11) to swear falsely concerning any matter stated under oath; or
- (12) to violate the provisions of section 340A.503, subdivision 5, a second or subsequent time.

Sec. 5. Minnesota Statutes 1998, section 609.685, subdivision 1a, is amended to read:

Subd. 1a. [GROSS MISDEMEANOR.] (a) Whoever sells tobacco to a person under the age of 18 years is guilty of a gross misdemeanor.

(b) It is an affirmative defense to a charge under this subdivision if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

(c) A retailer may seize a form of identification listed in section 304A.503, subdivision 6, if the retailer has reasonable grounds to believe that the form of identification has been falsified or is being used to violate any law. A retailer that seizes a form of identification as authorized under this paragraph must return the identification to the person from whom it was seized or to the person's parent or guardian, or deliver it to a law enforcement agency, within 48 hours of seizing it.

Sec. 6. Minnesota Statutes 1998, section 609.685, subdivision 2, is amended to read:

Subd. 2. [MISDEMEANOR.] (a) Whoever furnishes tobacco or tobacco-related devices to a person under the age of 18 years is guilty of a misdemeanor.

(b) A person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco-related devices and who uses a driver's license, permit, Minnesota identification card, or any type of false identification to misrepresent the person's age, is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1998, section 609.685, subdivision 3, is amended to read:

Subd. 3. [PETTY MISDEMEANOR.] Except as otherwise provided in subdivision 2, whoever possesses, smokes, chews, or otherwise ingests, purchases, or attempts to purchase tobacco or tobacco related devices and is under the age of 18 years is guilty of a petty misdemeanor. This subdivision does not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 2000, and apply to violations occurring on or after that date."

Amend the title as follows:

Page 1, line 8, after "subdivisions" insert "1a," and after "2" insert a comma

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 2667, A bill for an act relating to state government; requiring a plan to recruit and retain minority employees in state government.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 2694, A bill for an act relating to financial institutions; permitting location of a branch bank in Vasa township under certain conditions.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 2796, A bill for an act relating to agricultural real estate; requiring certain disclosures to a third party signer of a debt instrument; defining terms; providing a remedy; proposing coding for new law in Minnesota Statutes, chapter 47.

Reported the same back with the following amendments:

Page 1, line 12, after "estate" insert ", farm equipment, farm supplies,"

Page 2, line 13, delete "or" and after "agency" insert "; a farm implement dealer; a grain elevator; a supplier of farm-related building and other supplies; a supplier of feed, seed, or fertilizer; a mortgage banker; farm credit services; or any other entity extending credit for farm-related purposes"

Page 2, delete lines 14 to 35 and insert:

"(e) "Clear written disclosure of the nature and extent of the obligations" means the "notice to guarantor" required for certain loans under Federal Reserve Board Regulation AA, Code of Federal Regulations, title 12, section 227, provided in a manner that complies with that regulation. A financial institution other than a bank may replace the word "bank" in the notice with a term appropriate to that financial institution."

Amend the title as follows:

Page 1, line 2, delete "agricultural real estate" and insert "agriculture"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce.

The report was adopted.

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 2798, A bill for an act relating to agriculture; allowing alternative uses for certain feedlot penalty orders; amending Minnesota Statutes 1999 Supplement, section 116.072, subdivision 13.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 2807, A bill for an act relating to game and fish; requiring changes to the perch limit on inland waters.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [YELLOW PERCH.]

The commissioner may not promulgate a rule that would result in the daily limit for yellow perch being less than 20 and the possession limit lower than 50 for inland waters until December 1, 2001.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; restricting rulemaking authority for yellow perch limits."

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 2810, A bill for an act relating to commerce; protecting the privacy of financial data; enhancing federal requirements and providing state enforcement; proposing coding for new law in Minnesota Statutes, chapter 45.

Reported the same back with the following amendments:

Page 2, line 1, delete "bank's" and insert "financial institution's" and delete "and the"

Page 2, line 2, delete "facsimile number"

Page 2, line 6, delete "bank's" and insert "financial institution's"

Page 2, line 7, delete "and the facsimile number"

Page 2, line 16, delete "bank's" and insert "financial institution's" and delete the first comma and insert "and mailing" and delete ", and the facsimile number"

Page 2, line 20, after "number" insert "or a facsimile number"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 2837, A bill for an act relating to immigration; requiring commissioner of children, families, and learning to use the SAVE system to verify immigration status of applicants for child care assistance; requiring commissioner of human services to use the SAVE system to verify immigration status of applicants for assistance; amending Minnesota Statutes 1998, sections 119B.02, by adding a subdivision; 256.01, by adding a subdivision; and 256J.32, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 20, delete "Sec. 2." and insert "Section 1."

Page 2, delete lines 15 to 34 and insert:

"Sec. 2. [REPORTS ON SAVE IMPLEMENTATION.]

On January 15, 2002, and January 15, 2003, the commissioner shall report to the chairs of the house health and human services policy committee and the senate health and family security committee on the usage and costs of the SAVE program over the previous year. These reports must include summary, nonidentifying information on the number of inquiries per month that were submitted to the SAVE system, the number of times secondary verifications were pursued as a result of the inquiries submitted to SAVE, and the number of times the county determined, as a result of information provided through the SAVE system, that an applicant to a program listed in section 256.01, subdivision 18, was ineligible for benefits due to the applicant's immigration status.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 2001."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4

Page 1, line 5, delete everything before "requiring"

Page 1, line 7, after the semicolon, insert "requiring a report on the usage and cost of the SAVE program;"

Page 1, line 8, delete everything after the comma and insert "section"

Page 1, line 9, delete "subdivision;" and delete "; and" and insert a period

Page 1, delete line 10

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 2877, A bill for an act relating to agriculture; establishing an agri-business investigative unit in the office of the attorney general; authorizing "support family farms" license plates and requiring holders of such plates to contribute to the attorney general's agri-business investigation fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 8; and 168.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 3, line 32, delete "paid to the registrar"

Page 3, delete line 33

Page 3, line 34, delete everything before the period and insert "credited to a special account in the general fund"

Page 4, after line 2, insert:

"Sec. 2. [APPROPRIATION.]

The amount credited to the special account under section 1, subdivision 5, is annually appropriated to the commissioner of agriculture for purposes of the farm advocates program."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "general;"

Page 1, line 8, delete "chapters 8;" and insert "chapter"

Page 1, line 9, delete "and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 2935, A bill for an act relating to health; regulating dental benefit plans; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reported the same back with the following amendments:

Page 3, delete lines 12 to 16 and insert:

"(ii)(A) a list of the codes measured; (B) a dentist's personal frequency data within each code so that the accuracy of the data can be verified; and (C) an individual dentist's representation of scoring compared to classification points and how the dentist compares with peers in each category including the cutoff point of the score impacting qualification in order to inform the dentist about how the dentist may qualify or retain qualification for differentiated provider reimbursement or continued participation in the dental organization's provider network."

Page 3, line 21, delete "impact" and insert "methodology"

Page 4, line 17, delete "this" and after "section" insert "62Q.76"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2936, A bill for an act relating to transportation; allowing entry on property for examination and survey; allowing towns to recover certain costs incurred in establishing cartways; amending Minnesota Statutes 1998, sections 164.07, by adding a subdivision; and 164.08, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 14, after the period, insert "The town board shall make a good faith effort to provide notice to the owner of the times it anticipates entry upon the property will occur."

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 2939, A bill for an act relating to juveniles; providing for adult court jurisdiction over certain juvenile offenders who are accused of committing a serious crime with a firearm; amending Minnesota Statutes 1999 Supplement, sections 260B.007, subdivision 6; 260B.103, subdivision 1; 260B.125, subdivision 5; 609.055, subdivision 2; and 641.14.

Reported the same back with the following amendments:

Page 3, line 11, delete "609.066" and insert "609.055"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 2949, A bill for an act relating to waste management; decreasing the non-mixed-municipal solid waste tax; repealing certain accounting and recordkeeping requirements; amending Minnesota Statutes 1998, sections 115A.554; 115A.918, subdivision 1; 297H.02, subdivision 2; 297H.03, subdivision 2; 297H.04, subdivision 2; and 297H.13, by adding a subdivision; repealing Minnesota Statutes 1998, sections 115A.929; 115A.981; and 297H.13, subdivisions 3, 4, and 6.

Reported the same back with the following amendments:

Page 2, after line 35, insert:

"Sec. 6. Minnesota Statutes 1998, section 297H.13, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION OF REVENUES.] (a) \$22,000,000, ~~or 50 percent, whichever is greater,~~ of the amounts remitted under this chapter must be credited to the solid waste fund established in section 115B.42.

(b) The remainder must be deposited into the general fund and is intended to be used for the administration of state and county programs and functions related to recycling, reducing the amount of solid waste, managing household and very small quantity generator hazardous waste, and other similar environmental programs and activities."

Page 3, line 10, delete "7" and insert "8"

Page 3, line 11, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before "by" insert "subdivision 2, and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 2962, A bill for an act relating to natural resources; providing for seizure and administrative forfeiture of certain firearms and abandoned property; modifying authority to issue trespass citations; modifying provisions for forfeited vehicles; imposing residency requirements for conservation officers; requiring assessment of gross violations; providing civil penalties; appropriating money; amending Minnesota Statutes 1998, sections 97B.002, subdivision 1; and 609.5312, subdivision 4; Minnesota Statutes 1999 Supplement, section 169.1217, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Page 5, delete section 5

Page 5, line 17, delete "6" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete "conservation officers;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 2974, A bill for an act relating to insurance; conforming state statutes to the National Association of Insurance Commissioners model legislation providing uniform accounting principles; amending Minnesota Statutes 1998, sections 60A.11, subdivision 22; 60A.12, subdivision 5; 60A.121, subdivision 9, and by adding subdivisions; 60A.123; 60A.129, subdivisions 3 and 5; and 66A.16, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 1998, sections 60A.12, subdivisions 1, 3, 4, 7, 8, and 9; 60A.125, subdivision 3; and 60A.128.

Reported the same back with the following amendments:

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

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

Pages 14 and 15, delete section 9

Page 20, after line 30, insert:

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

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

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

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

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

68A.02 [UNEARNED PREMIUM RESERVE.]

Upon issuance of each contract of title insurance issued on or after January 1, 1964, through January 1, 2001, by a domestic real estate title insurance company, there shall be reserved initially a sum equal to ten percent of the original premium charged therefor. At the end of each calendar year following the year in which the contract of title insurance is issued, there shall be a reduction in the sum so reserved in the amount of one-twentieth of such sum. On any contract of title insurance issued prior to January 1, 1964, by a domestic real estate title insurance company, a reserve shall be set up on January 1, 1964, and thereafter maintained in such sum as would have been required if the foregoing requirements with respect to title insurance reserves had existed at and after the date of the contract of title insurance. Such sums herein required to be reserved shall at all times and for all purposes be considered and constitute unearned portions of the original premiums on such contracts of title insurance, shall be charged as a reserve liability of the real estate title insurance company in determining its financial condition, and, for the purpose of applying the provisions of section 60A.23, subdivision 4, shall be deemed to constitute the whole amount of the premiums on the unexpired risks of such real estate title insurance company.

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

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

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

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

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

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

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

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

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

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

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

(c) The insurer shall calculate an adjusted statutory or unearned premium reserve as of the year of first application of paragraph (a), clause (2), item (ii). The adjusted reserve must be calculated as if paragraph (a), clause (2), item (ii) had been in effect for all years beginning 20 years before the year of first application of paragraph (a), clause (2), item (ii). For purposes of this calculation, the balance of the reserve as of that date is considered to be zero. If the adjusted reserve so calculated exceeds the aggregate amount set aside for statutory or unearned premiums in the insurer's most recent annual statement filed with the commissioner, the insurer shall, out of total charges for policies of title insurance, increase its statutory or unearned premium reserve by an amount equal to one-sixth of that excess in each of the succeeding six years, beginning with the calendar year that includes the year of first application of paragraph (a), clause (2), item (ii), until the entire excess has been added.

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

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

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

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

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

Sec. 15. Minnesota Statutes 1999 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that:

(1) no person shall make more than ten sales of securities of the same issuer pursuant to this exemption, exclusive of sales according to clause (2), during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (i) the seller reasonably believes that all buyers are purchasing for investment, and (ii) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone; and

(2) no issuer shall make more than 25 sales of its securities according to this exemption, exclusive of sales pursuant to clause (1), during any period of 12 consecutive months; provided further, that the issuer meets the conditions in clause (1) and, in addition meets the following additional conditions: (i) files with the commissioner, ten days before a sale according to this clause, a statement of issuer on a form prescribed by the commissioner; and (ii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyers in this state in connection with a sale according to this clause except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) An offer or sale of securities by an issuer made in reliance on the exemptions provided by Rule 505 or 506 of Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.508, subject to the conditions and definitions provided by Rules 501 to 503 of Regulation D, if the offer and sale also satisfies the conditions and limitations in clauses (1) to (10).

(1) The exemption under this paragraph is not available for the securities of an issuer if any of the persons described in Rule 252(c) to (f) of Regulation A promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.251 to 230.263:

(i) has filed a registration statement that is the subject of a currently effective order entered against the issuer, its officers, directors, general partners, controlling persons, or affiliates, according to any state's law within five years before the filing of the notice required under clause (5), denying effectiveness to, or suspending or revoking the effectiveness of, the registration statement;

(ii) has been convicted, within five years before the filing of the notice required under clause (5), of a felony or misdemeanor in connection with the offer, sale, or purchase of a security or franchise, or a felony involving fraud or deceit, including but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is subject to an effective administrative order or judgment entered by a state securities administrator within five years before the filing of the notice required under clause (5), that prohibits, denies, or revokes the use of an exemption from securities registration, that prohibits the transaction of business by the person as a broker-dealer or agent, or that is based on fraud, deceit, an untrue statement of a material fact, or an omission to state a material fact; or

(iv) is subject to an order, judgment, or decree of a court entered within five years before the filing of the notice required under clause (5), temporarily, preliminarily, or permanently restraining or enjoining the person from engaging in or continuing any conduct or practice in connection with the offer, sale, or purchase of a security, or the making of a false filing with a state.

A disqualification under paragraph (h) involving a broker-dealer or agent is waived if the broker-dealer or agent is or continues to be licensed in the state in which the administrative order or judgment was entered against the person or if the broker-dealer or agent is or continues to be licensed in this state as a broker-dealer or agent after notifying the commissioner of the act or event causing disqualification.

The commissioner may waive a disqualification under paragraph (h) upon a showing of good cause that it is not necessary under the circumstances that use of the exemption be denied.

A disqualification under paragraph (h) may be waived if the state securities administrator or agency of the state that created the basis for disqualification has determined, upon a showing of good cause, that it is not necessary under the circumstances that an exemption from registration of securities under the state's laws be denied.

It is a defense to a violation of paragraph (h) based upon a disqualification if the issuer sustains the burden of proof to establish that the issuer did not know, and in the exercise of reasonable care could not have known, that a disqualification under paragraph (h) existed.

(2) This exemption must not be available to an issuer with respect to a transaction that, although in technical compliance with this exemption, is part of a plan or scheme to evade registration or the conditions or limitations explicitly stated in paragraph (h).

(3) No commission, finder's fee, or other remuneration shall be paid or given, directly or indirectly, for soliciting a prospective purchaser, unless the recipient is appropriately licensed, or exempt from licensure, in this state as a broker-dealer.

(4) Nothing in this exemption is intended to or should be in any way construed as relieving issuers or persons acting on behalf of issuers from providing disclosure to prospective investors adequate to satisfy the antifraud provisions of the securities law of Minnesota.

(5) The issuer shall file with the commissioner a notice on form D as adopted by the Securities and Exchange Commission according to Regulation D, Code of Federal Regulations, title 17, section 230.502. The notice must be filed not later than 15 days after the first sale in this state of securities in an offering under this exemption. Every notice on form D must be manually signed by a person duly authorized by the issuer and must be accompanied by a consent to service of process on a form prescribed by the commissioner.

(6) A failure to comply with a term, condition, or requirement of paragraph (h) will not result in loss of the exemption for an offer or sale to a particular individual or entity if the person relying on the exemption shows that: (i) the failure to comply did not pertain to a term, condition, or requirement directly intended to protect that particular individual or entity, and the failure to comply was insignificant with respect to the offering as a whole; and (ii) a good faith and reasonable attempt was made to comply with all applicable terms, conditions, and requirements of paragraph (h), except that, where an exemption is established only through reliance upon this provision, the failure to comply shall nonetheless constitute a violation of section 80A.08 and be actionable by the commissioner.

(7) The issuer, upon request by the commissioner, shall, within ten days of the request, furnish to the commissioner a copy of any and all information, documents, or materials furnished to investors or offerees in connection with the offer and sale according to paragraph (h).

(8) Neither compliance nor attempted compliance with the exemption provided by paragraph (h), nor the absence of an objection or order by the commissioner with respect to an offer or sale of securities undertaken according to this exemption, shall be considered to be a waiver of a condition of the exemption or considered to be a confirmation by the commissioner of the availability of this exemption.

(9) The commissioner may, by rule or order, increase the number of purchasers or waive any other condition of this exemption.

(10) The determination whether offers and sales made in reliance on the exemption set forth in paragraph (h) shall be integrated with offers and sales according to other paragraphs of this subdivision shall be made according to the integration standard set forth in Rule 502 of Regulation D promulgated by the Securities and Exchange Commission,

Code of Federal Regulations, title 17, section 230.502. If not subject to integration according to that rule, offers and sales according to paragraph (h) shall not otherwise be integrated with offers and sales according to other exemptions set forth in this subdivision.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative organized under chapter 308A or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in the cooperative, or when such securities are issued as patronage dividends. This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise. ~~This exemption only applies when the issuing cooperative is seeking to raise up to \$1,000,000.~~

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

(r) Any transaction as to which the commissioner by rule or order finds that registration is not necessary in the public interest and for the protection of investors.

(s) An offer or sale of a security issued in connection with an employee's stock purchase, savings, option, profit sharing, pension, or similar employee benefit plan, if the following conditions are met:

(1) the issuer, its parent corporation or any of its majority-owned subsidiaries offers or sells the security according to a written benefit plan or written contract relating to the compensation of the purchaser; and

(2) the class of securities offered according to the plan or contract, or if an option or right to purchase a security, the class of securities to be issued upon the exercise of the option or right, is registered under section 12 of the Securities Exchange Act of 1934, or is a class of securities with respect to which the issuer files reports according to section 15(d) of the Securities Exchange Act of 1934; or

(3) the issuer fully complies with the provisions of Rule 701 as adopted by the Securities and Exchange Commission, Code of Federal Regulations, title 12, section 230.701.

The issuer shall file not less than ten days before the transaction, a general description of the transaction and any other information that the commissioner requires by rule or otherwise or, if applicable, a Securities and Exchange Form S-8. Annually, within 90 days after the end of the issuer's fiscal year, the issuer shall file a notice as provided with the commissioner.

(t) Any sale of a security of an issuer that is a pooled income fund, a charitable remainder trust, or a charitable lead trust that has a qualified charity as the only charitable beneficiary.

(u) Any sale by a qualified charity of a security that is a charitable gift annuity if the issuer has a net worth, otherwise defined as unrestricted fund balance, of not less than \$300,000 and either: (1) has been in continuous operation for not less than three years; or (2) is a successor or affiliate of a qualified charity that has been in continuous operation for not less than three years."

Page 20, after line 34, insert:

"Sec. 17. [EFFECTIVE DATE.]

Section 15 is effective retroactively from July 1, 1999."

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete "insurance" and insert "commerce"

Page 1, line 5, after the semicolon, insert "regulating the registration of certain securities;"

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

Page 1, line 9, after the semicolon, insert "68A.01, subdivision 4, and by adding a subdivision; and 68A.02; Minnesota Statutes 1999 Supplement, section 80A.15, subdivision 2;"

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 2996, A bill for an act relating to utilities; requiring electric utilities to provide cost and fuel source information to utility customers; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [216B.68] [DEFINITIONS.]

For purposes of sections 216B.68 to 216B.688, the following terms have the meanings given them:

(1) "commission" means the public utilities commission;

(2) "department" means the department of commerce;

(3) "electric utility" means the persons, their lessees, trustees, and receivers, separately or jointly, now or hereafter operating, maintaining, or controlling in Minnesota equipment or facilities for providing electric service, and that fall within the definition of "public utility" in section 216B.02, subdivision 4, and includes equipment and facilities owned by municipalities, municipal associations, cooperatives, and cooperative associations;

(4) "jurisdictional electric utilities" means those electric utilities subject to rate regulation by the commission; and

(5) "nonjurisdictional electric utilities" means those electric utilities not subject to rate regulation by the commission.

Sec. 2. [216B.682] [PURPOSE.]

The purpose of sections 216B.68 to 216B.688 is to provide information to electric utility customers for the purposes of education and awareness.

Sec. 3. [216B.684] [FUNCTIONAL COST SEPARATION.]

(a) Prior to September 1, 2000, the commission shall develop guidelines that jurisdictional electric utilities must use to functionally separate electric generation, transmission, and distribution assets. Electric transmission asset separation guidelines must take into account the seven factors for determining distribution assets that are specified in Federal Energy Regulatory Commission orders under United States Code, title 16, sections 824d and 824e. To the extent possible, the guidelines should be equally applicable to the facilities of all jurisdictional electric utilities.

(b) By February 1, 2001, each jurisdictional electric utility shall submit to the commission a plan to provide functionally separated cost information to their customers that is consistent with the functional guidelines approved by the commission pursuant to paragraph (a).

(c) By February 1, 2001, each nonjurisdictional electric utility shall develop (1) guidelines that must be used to functionally separate their applicable electric generation, transmission, and distribution assets, and (2) a plan to provide functionally separated cost information to their customers. Electric transmission asset separation guidelines must take into account the seven factors for determining distribution assets that are specified in the Federal Energy Regulatory Commission orders under United States Code, title 16, sections 824d and 824e. To the extent possible, (1) the governing body of each cooperative electric association must develop guidelines that are consistent with those approved by the commission pursuant to paragraph (a); and (2) the governing body of each municipal electric utility should develop guidelines that take into consideration those approved by the commission pursuant to paragraph (a). The guidelines and the plan for nonjurisdictional utilities must be submitted to the respective governing body for approval. Plans for nonjurisdictional electric utilities to provide functionally separated cost information to their customers must also be submitted to the department for informational purposes only.

(d) By May 1, 2001, the commission shall issue an order approving or modifying each jurisdictional electric utility's plan submitted pursuant to paragraph (b) and the respective governing bodies of nonjurisdictional electric utilities shall approve or modify each nonjurisdictional electric utility's plan submitted pursuant to paragraph (c). The approved plan must include, but is not limited to, showing functionally separated cost information on each customer bill no later than July 1, 2001, except that the approved plan of a municipal electric utility may authorize

the functionally separated cost information, required to be provided no later than July 1, 2001, to be shown on the customer bill, or on a separate bill insert included with the customer bill, on at least a biannual basis. In considering or modifying a utility's plan, the commission and respective governing bodies shall consider whether the functionally separated cost information is consistent with:

(1) the cost separation guidelines approved by the commission or the respective governing body pursuant to paragraph (a) or (c); and

(2) promoting customer understanding of the information.

(e) Nothing in this section is intended to preclude the commission or any nonjurisdictional governing body from implementing an expedited schedule for the functional separation of any utility cost or pursuing additional functional cost separation.

Sec. 4. [216B.686] [FUEL SOURCE INFORMATION.]

By July 1, 2001, electric utilities shall clearly and prominently identify on customers' bills or in a separate bill insert, on at least a biannual basis, the percentage of its total retail energy sales that come from the following categories of generators: coal, nuclear, natural gas, wind, biomass, hydropower, and other. The category of "other" must be used for any sources of power whose generation category the utility cannot reasonably or reliably verify.

Sec. 5. [216B.687] [CUSTOMER INFORMATION PLAN.]

The department, after consultation with interested parties, shall design a customer information plan to inform customers of the issues surrounding retail choice of electric energy suppliers. The plan should build upon the cost and fuel source information provided by sections 216B.684 and 216B.686, and should inform customers of the issues involved with choosing an energy supplier, including the price, reliability, and environmental impacts of various fuels, and other appropriate issues. The department shall present the plan to the legislature by January 1, 2001, and shall implement the plan no later than the date retail electric customers in the state have the ability to choose their electric energy supplier.

Sec. 6. [216B.688] [INFORMATION CONTENT ACCURACY.]

The suppliers of the information shall take reasonable steps to ensure the validity and accuracy of the information, such as following accepted standards for reporting and formatting the data, but may not be held liable for its content."

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3023, A bill for an act relating to crime; creating the felony of gambling fraud; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [609.763] [LAWFUL GAMBLING FRAUD.]

Subdivision 1. [CRIME.] A person is guilty of a crime and may be sentenced as provided in subdivision 2 if the person does any of the following:

- (1) knowingly claims a lawful gambling prize using altered or counterfeited gambling equipment;
- (2) knowingly claims a lawful gambling prize by means of fraud, deceit, or misrepresentation;
- (3) manipulates any form of lawful gambling or tampers with any gambling equipment with intent to influence the outcome of a game or the receipt of a prize; or
- (4) knowingly places or uses false information on a prize receipt or on any other form approved for use by the gambling control board or the alcohol and gambling enforcement division of the department of public safety.

Subd. 2. [PENALTY.] A person who violates subdivision 1 may be sentenced as follows:

- (1) if the dollar amount involved is \$500 or less, the person is guilty of a misdemeanor;
- (2) if the dollar amount involved is more than \$500 but not more than \$2,500, the person is guilty of a gross misdemeanor; and
- (3) if the dollar amount involved is more than \$2,500, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both.

In a prosecution under this section, the dollar amounts obtained in violation of subdivision 1 within any 12-month period may be aggregated and the defendant charged accordingly. When two or more offenses are committed by the same person in two or more counties, the defendant may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 2000, and applies to crimes committed on or after that date."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3030, A bill for an act relating to transportation; prohibiting trucks from Hennepin county road No. 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TRUCK TRAFFIC RESTRICTION.]

(a) No person may operate a truck, as defined in Minnesota Statutes, section 169.01, subdivision 49, with a registered gross weight of 9,000 pounds or more, in the city of Eden Prairie on Hennepin county highway No. 1 from its intersection with marked trunk highway No. 169 to its intersection with Flying Cloud Drive, except for:

(1) a highway maintenance vehicle of the county;

(2) a utility vehicle while engaged in utility work; or

(3) a truck making a delivery to or a pick up at a location on that section of Hennepin county highway No. 1, if the truck follows the most direct route to that location.

(b) Violation of this section is a petty misdemeanor.

(c) Hennepin county shall erect appropriate signs identifying that portion of the highway to which this section applies.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 2000."

With the recommendation that when so amended the bill pass.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3033, A bill for an act relating to taxation; requiring approval by voters of certain cities and towns prior to imposition of a local sales and use tax; amending Minnesota Statutes 1999 Supplement, section 297A.48, subdivision 1a.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3052, A bill for an act relating to human services; extending participation in the prepayment demonstration project for Itasca county; amending Minnesota Statutes 1998, section 256B.69, subdivision 2.

Reported the same back with the following amendments:

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 3107, A bill for an act relating to civil law; civil commitment; providing for notice to certain relatives of patients receiving or hospitalized for psychiatric or mental health care; modifying consent provisions for voluntary mental health treatment for certain minors; modifying provisions related to early intervention mental health treatment and civil commitment; amending Minnesota Statutes 1998, sections 253B.065, by adding a subdivision; 253B.066, subdivision 1; and 253B.15, subdivision 8; Minnesota Statutes 1999 Supplement, sections 253B.04, subdivision 1; and 253B.065, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [144.334] [RIGHT TO REQUEST PATIENT INFORMATION.]

Upon an oral or written request by a spouse, parent, child, or sibling for information about a patient who is being evaluated for or diagnosed with mental illness, a provider must notify the requesting individual of the right under section 144.335, subdivision 3a, paragraph (f), to have the provider request the patient's authorization to release information about the patient to a designated individual.

Sec. 2. Minnesota Statutes 1999 Supplement, section 253B.04, subdivision 1, is amended to read:

Subdivision 1. [VOLUNTARY ADMISSION AND TREATMENT.] (a) Voluntary admission is preferred over involuntary commitment and treatment. Any person 16 years of age or older may request to be admitted to a treatment facility as a voluntary patient for observation, evaluation, diagnosis, care and treatment without making formal written application. Any person under the age of 16 years may be admitted as a patient with the consent of a parent or legal guardian if it is determined by independent examination that there is reasonable evidence that (1) ~~the proposed patient is mentally ill~~ has a mental illness, or is mentally retarded; or chemically dependent; and (2) the proposed patient is suitable for treatment. The head of the treatment facility shall not arbitrarily refuse any person seeking admission as a voluntary patient.

(b) In addition to the consent provisions of paragraph (a), a person who is 16 or 17 years of age who refuses to consent personally to admission may be admitted as a patient for mental illness or chemical dependency treatment with the consent of a parent or legal guardian if it is determined by an independent examination that there is reasonable evidence that the proposed patient is chemically dependent or has a mental illness and is suitable for treatment. The person conducting the examination shall notify the proposed patient and the parent or legal guardian of this determination."

Delete the title and insert:

"A bill for an act relating to civil law; civil commitment; providing for notice to certain relatives of patients receiving or hospitalized for psychiatric or mental health care; modifying consent provisions for voluntary mental health treatment for certain minors; amending Minnesota Statutes 1999 Supplement, section 253B.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144."

With the recommendation that when so amended the bill pass.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 3121, A bill for an act relating to insurance; providing coverages, notice and filing requirements, and rate increase disclosures; regulating motor vehicle insurance contracts; regulating workers' compensation self-insurance; amending Minnesota Statutes 1998, sections 60A.085; 60A.09, subdivision 4a; 62A.024; 62A.105, subdivision 2; 62A.146; 62A.30, subdivision 2; 62A.31, by adding subdivisions; 62A.315; 62A.316; 62A.65, subdivision 8; 62Q.107; 65B.16; 65B.29, subdivisions 2 and 3; 65B.44, subdivision 3; 65B.55, subdivision 2; 72A.201, subdivision 6; 79A.04, subdivisions 1, 2, 7, and 9; and 79A.11, subdivision 2, and by adding a subdivision; Minnesota Statutes 1999 Supplement, section 65B.44, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 72A.

Reported the same back with the following amendments:

Pages 3 and 4, delete section 3

Page 15, after line 32, insert:

"Sec. 11. Minnesota Statutes 1998, section 62E.04, subdivision 4, is amended to read:

Subd. 4. [MAJOR MEDICAL COVERAGE.] Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy, which has a lifetime benefit limit of less than \$1,000,000, at the time of application and annually to every holder of such an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of \$5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any copayment authorized by the commissioner, up to a maximum lifetime limit of \$500,000. The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan."

Pages 18 and 19, delete section 17

Pages 20 to 24, delete sections 19 and 20

Page 30, after line 2, insert:

"Sec. 24. Minnesota Statutes 1999 Supplement, section 79A.22, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL STANDARDS.] Commercial self-insurance groups shall have and maintain:

(1) combined net worth of all of the members in an amount at least equal to ~~12~~ 10 times the group's selected retention level of the workers' compensation reinsurance association. For purposes of this clause, the amount of any retained surplus by the group is considered part of the combined net worth of all the members;

(2) sufficient assets and liquidity in the group's common claims fund to promptly and completely meet all obligations of its members under this chapter and chapter 176.

Sec. 25. Minnesota Statutes 1998, section 79A.22, subdivision 3, is amended to read:

Subd. 3. [NEW MEMBERSHIP.] The commercial self-insurance group shall file with the commissioner the name of any new employer that has been accepted in the group prior to the initiation date of membership along with the member's signed indemnity agreement and evidence the member has deposited sufficient premiums with the group as required by the commercial self-insurance group's bylaws or plan of operation. The security deposit of the group ~~will~~ shall be increased quarterly to an amount equal to 50 percent of the new ~~member's premium~~ members' premiums for that quarter. If the total increase of new members' premiums for the first quarter is less than five percent of the total annual premium of the group, no quarterly increase is necessary until the cumulative quarterly increases for

that calendar year exceed five percent of the total premium of the group. The ~~department of commerce commissioner~~ may, at ~~its~~ the commissioner's option, review the financial statement of any applicant whose premium equals 25 percent or more of the group's total premium.

Sec. 26. Minnesota Statutes 1998, section 79A.22, subdivision 11, is amended to read:

Subd. 11. [DISBURSEMENT OF FUND SURPLUS.] (a) One hundred percent of any surplus money for a fund year in excess of 125 percent of the amount necessary to fulfill all obligations under the Workers' Compensation Act, chapter 176, for that fund year may be declared refundable to a member at any time. The date shall be no earlier than 18 months following the end of such fund year. The first disbursement of fund surplus may not be made prior to the ~~completion of an operational audit by the commissioner~~ written approval of the commissioner. There can be no more than one refund made in any 12-month period. When all the claims of any one fund year have been fully paid, as certified by an actuary, all surplus money from that fund year may be declared refundable.

(b) The commercial self-insurance group shall give notice to the commissioner of any refund. Said notice shall be accompanied by a statement from the commercial self-insurer group's certified public accountant certifying that the proposed refund is in compliance with paragraph (a).

Sec. 27. Minnesota Statutes 1999 Supplement, section 79A.23, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED REPORTS TO COMMISSIONER.] Each commercial self-insurance group shall submit the following documents to the commissioner.

(a) An annual report shall be submitted by April 1 showing the incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation on a calendar year basis, in a manner and on forms available from the commissioner. In addition each group will submit a quarterly interim loss report showing incurred losses for all its membership.

(b) Each commercial self-insurance group shall submit within 45 days of the end of each quarter:

(1) a schedule showing all the members who participate in the group, their date of inception, and date of withdrawal, if applicable;

(2) a separate section identifying which members were added or withdrawn during that quarter; and

(3) an internal financial statement and copies of the fiscal agent's statements supporting the balances in the common claims fund.

(c) The commercial self-insurance group shall submit an annual certified financial audit report of the commercial self-insurance group fund by April 1 of the following year. The report must be accompanied by an expense schedule showing the commercial self-insurance group's operational costs for the same year including service company charges, accounting and actuarial fees, fund administration charges, reinsurance premiums, commissions, and any other costs associated with the administration of the group program.

(d) An officer of the commercial self-insurance group shall, under oath, attest to the accuracy of each report submitted under paragraphs (a), (b), and (c). Upon sufficient cause, the commissioner shall require the commercial self-insurance group to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors:

(1) where the losses reported appear significantly different from similar types of groups;

(2) where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or

(3) where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of the commercial self-insurance group.

If any discrepancy is found, the commissioner shall require changes in the commercial self-insurance group's business plan or service company recordkeeping practices.

(e) Each commercial self-insurance group shall submit by September 15 a copy of the group's annual federal and state income tax returns or provide proof that it has received an exemption from these filings.

(f) With the annual loss report each commercial self-insurance group shall report to the commissioner any worker's compensation claim where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(g) Each commercial self-insurance group shall submit by May 1 a list of all members and the percentage of premium each represents to the total group's premium for the previous calendar year.

(h) Each commercial self-insurance group shall submit by October 15 the following documents prepared by the group's certified public accountant:

(1) a compiled combined financial statement of group members and a list of members included in this statement. An "Agreed Upon Procedures" report, as determined by the commissioner, indicating combined net worth, total assets, ~~cash flow~~, and net income of the group members may be filed in lieu of the compiled combined financial statement; and

(2) a report that the statements which were combined have met the requirements of subdivision 2.

(i) If any group member comprises over 25 percent of total group premium, that member's financial statement must be reviewed or audited, and, at the commissioner's option, must be filed with the ~~department of commerce commissioner~~ by October 15 of the following year.

(j) Each commercial self-insurance group shall submit a copy of each member's accountant's report letter from the reports used in compiling the combined financial statements. This requirement does not apply to any group that has been in existence for at least three years.

Sec. 28. Minnesota Statutes 1999 Supplement, section 79A.23, subdivision 2, is amended to read:

Subd. 2. [REQUIRED REPORTS FROM MEMBERS TO GROUP.] (a) Each member of the commercial self-insurance group shall, by September 15, submit to the group its most recent annual financial statement, together with other financial information the group may require. These financial statements submitted must not have a fiscal year end date older than January 15 of the group's calendar year end. Individual group members constituting at least 25 percent of the group's annual premium shall submit to the group reviewed or audited financial statements. The remaining members must submit compilation level statements.

(b) For groups that have been in existence for at least three years, individual group members may satisfy the requirements of paragraph (a) by submitting compiled, reviewed, or audited statements or the most recent federal income tax return filed by the member.

Sec. 29. Minnesota Statutes 1999 Supplement, section 79A.23, subdivision 3, is amended to read:

Subd. 3. [OPERATIONAL AUDIT.] (a) The commissioner, prior to authorizing surplus distribution of a commercial self-insurance group's first fund year or no later than after the third anniversary of the group's authority to self-insure, ~~shall~~ may conduct an operational audit of the commercial self-insurance group's claim handling and

reserve practices as well as its underwriting procedures to determine if they adhere to the group's business plan. The commissioner may select outside consultants to assist in conducting the audit. After completion of the audit, the commissioner shall either renew or revoke the commercial self-insurance group's authority to self-insure. The commissioner may also order any changes deemed necessary in the claims handling, reserving practices, or underwriting procedures of the group.

(b) The cost of the operational audit shall be borne by the commercial self-insurance group.

Sec. 30. Minnesota Statutes 1999 Supplement, section 79A.24, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 125 percent of the commercial self-insurance group's estimated future liability for the payment of compensation as determined by an actuary. ~~If all the members of the commercial self-insurance group have submitted reviewed or audited financial statements to the group's accountant has been in existence for three years,~~ this minimum deposit shall be 110 percent of the commercial self-insurance group's estimated future liability for the payment of workers' compensation as determined by an actuary. ~~The group must file a letter with the commissioner from the group's accountant which confirms that the compiled combined financial statements were prepared from members reviewed or audited financial statements only before the lower security deposit is allowed.~~ Each actuarial study shall include a projection of future losses during a one-year period until the next scheduled actuarial study, less payments anticipated to be made during that time. Deduction should be made for the total amount which is estimated to be returned to the commercial self-insurance group from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the required reports are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the group's selected retention limit of the workers' compensation reinsurance association. The posting or depositing of security under this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

Sec. 31. Minnesota Statutes 1999 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that:

(1) no person shall make more than ten sales of securities of the same issuer pursuant to this exemption, exclusive of sales according to clause (2), during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (i) the seller reasonably believes that all buyers are purchasing for investment, and (ii) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone; and

(2) no issuer shall make more than 25 sales of its securities according to this exemption, exclusive of sales pursuant to clause (1), during any period of 12 consecutive months; provided further, that the issuer meets the conditions in clause (1) and, in addition meets the following additional conditions: (i) files with the commissioner, ten days before a sale according to this clause, a statement of issuer on a form prescribed by the commissioner; and (ii) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyers in this state in connection with a sale according to this clause except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) An offer or sale of securities by an issuer made in reliance on the exemptions provided by Rule 505 or 506 of Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.508, subject to the conditions and definitions provided by Rules 501 to 503 of Regulation D, if the offer and sale also satisfies the conditions and limitations in clauses (1) to (10).

(1) The exemption under this paragraph is not available for the securities of an issuer if any of the persons described in Rule 252(c) to (f) of Regulation A promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.251 to 230.263:

(i) has filed a registration statement that is the subject of a currently effective order entered against the issuer, its officers, directors, general partners, controlling persons, or affiliates, according to any state's law within five years before the filing of the notice required under clause (5), denying effectiveness to, or suspending or revoking the effectiveness of, the registration statement;

(ii) has been convicted, within five years before the filing of the notice required under clause (5), of a felony or misdemeanor in connection with the offer, sale, or purchase of a security or franchise, or a felony involving fraud or deceit, including but not limited to forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to defraud;

(iii) is subject to an effective administrative order or judgment entered by a state securities administrator within five years before the filing of the notice required under clause (5), that prohibits, denies, or revokes the use of an exemption from securities registration, that prohibits the transaction of business by the person as a broker-dealer or agent, or that is based on fraud, deceit, an untrue statement of a material fact, or an omission to state a material fact; or

(iv) is subject to an order, judgment, or decree of a court entered within five years before the filing of the notice required under clause (5), temporarily, preliminarily, or permanently restraining or enjoining the person from engaging in or continuing any conduct or practice in connection with the offer, sale, or purchase of a security, or the making of a false filing with a state.

A disqualification under paragraph (h) involving a broker-dealer or agent is waived if the broker-dealer or agent is or continues to be licensed in the state in which the administrative order or judgment was entered against the person or if the broker-dealer or agent is or continues to be licensed in this state as a broker-dealer or agent after notifying the commissioner of the act or event causing disqualification.

The commissioner may waive a disqualification under paragraph (h) upon a showing of good cause that it is not necessary under the circumstances that use of the exemption be denied.

A disqualification under paragraph (h) may be waived if the state securities administrator or agency of the state that created the basis for disqualification has determined, upon a showing of good cause, that it is not necessary under the circumstances that an exemption from registration of securities under the state's laws be denied.

It is a defense to a violation of paragraph (h) based upon a disqualification if the issuer sustains the burden of proof to establish that the issuer did not know, and in the exercise of reasonable care could not have known, that a disqualification under paragraph (h) existed.

(2) This exemption must not be available to an issuer with respect to a transaction that, although in technical compliance with this exemption, is part of a plan or scheme to evade registration or the conditions or limitations explicitly stated in paragraph (h).

(3) No commission, finder's fee, or other remuneration shall be paid or given, directly or indirectly, for soliciting a prospective purchaser, unless the recipient is appropriately licensed, or exempt from licensure, in this state as a broker-dealer.

(4) Nothing in this exemption is intended to or should be in any way construed as relieving issuers or persons acting on behalf of issuers from providing disclosure to prospective investors adequate to satisfy the antifraud provisions of the securities law of Minnesota.

(5) The issuer shall file with the commissioner a notice on form D as adopted by the Securities and Exchange Commission according to Regulation D, Code of Federal Regulations, title 17, section 230.502. The notice must be filed not later than 15 days after the first sale in this state of securities in an offering under this exemption. Every notice on form D must be manually signed by a person duly authorized by the issuer and must be accompanied by a consent to service of process on a form prescribed by the commissioner.

(6) A failure to comply with a term, condition, or requirement of paragraph (h) will not result in loss of the exemption for an offer or sale to a particular individual or entity if the person relying on the exemption shows that: (i) the failure to comply did not pertain to a term, condition, or requirement directly intended to protect that particular individual or entity, and the failure to comply was insignificant with respect to the offering as a whole; and (ii) a good faith and reasonable attempt was made to comply with all applicable terms, conditions, and requirements of paragraph (h), except that, where an exemption is established only through reliance upon this provision, the failure to comply shall nonetheless constitute a violation of section 80A.08 and be actionable by the commissioner.

(7) The issuer, upon request by the commissioner, shall, within ten days of the request, furnish to the commissioner a copy of any and all information, documents, or materials furnished to investors or offerees in connection with the offer and sale according to paragraph (h).

(8) Neither compliance nor attempted compliance with the exemption provided by paragraph (h), nor the absence of an objection or order by the commissioner with respect to an offer or sale of securities undertaken according to this exemption, shall be considered to be a waiver of a condition of the exemption or considered to be a confirmation by the commissioner of the availability of this exemption.

(9) The commissioner may, by rule or order, increase the number of purchasers or waive any other condition of this exemption.

(10) The determination whether offers and sales made in reliance on the exemption set forth in paragraph (h) shall be integrated with offers and sales according to other paragraphs of this subdivision shall be made according to the integration standard set forth in Rule 502 of Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, section 230.502. If not subject to integration according to that rule, offers and sales according to paragraph (h) shall not otherwise be integrated with offers and sales according to other exemptions set forth in this subdivision.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative organized under chapter 308A or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in the cooperative, or when such securities are issued as patronage dividends. This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise. ~~This exemption only applies when the issuing cooperative is seeking to raise up to \$1,000,000.~~

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

(r) Any transaction as to which the commissioner by rule or order finds that registration is not necessary in the public interest and for the protection of investors.

(s) An offer or sale of a security issued in connection with an employee's stock purchase, savings, option, profit sharing, pension, or similar employee benefit plan, if the following conditions are met:

(1) the issuer, its parent corporation or any of its majority-owned subsidiaries offers or sells the security according to a written benefit plan or written contract relating to the compensation of the purchaser; and

(2) the class of securities offered according to the plan or contract, or if an option or right to purchase a security, the class of securities to be issued upon the exercise of the option or right, is registered under section 12 of the Securities Exchange Act of 1934, or is a class of securities with respect to which the issuer files reports according to section 15(d) of the Securities Exchange Act of 1934; or

(3) the issuer fully complies with the provisions of Rule 701 as adopted by the Securities and Exchange Commission, Code of Federal Regulations, title 12, section 230.701.

The issuer shall file not less than ten days before the transaction, a general description of the transaction and any other information that the commissioner requires by rule or otherwise or, if applicable, a Securities and Exchange Form S-8. Annually, within 90 days after the end of the issuer's fiscal year, the issuer shall file a notice as provided with the commissioner.

(t) Any sale of a security of an issuer that is a pooled income fund, a charitable remainder trust, or a charitable lead trust that has a qualified charity as the only charitable beneficiary.

(u) Any sale by a qualified charity of a security that is a charitable gift annuity if the issuer has a net worth, otherwise defined as unrestricted fund balance, of not less than \$300,000 and either: (1) has been in continuous operation for not less than three years; or (2) is a successor or affiliate of a qualified charity that has been in continuous operation for not less than three years."

Page 30, delete line 4 and insert:

"Sections 2, 5, 8, 9, and 24 to 30 are effective the day after final"

Page 30, line 5, after the second period, insert "Section 31 is effective retroactively from July 1, 1999."

Renumber the sections in sequence and correct the internal references

Delete the title and insert:

"A bill for an act relating to commerce; providing coverages, notice and filing requirements related to insurance; regulating motor vehicle insurance contracts; regulating workers' compensation self-insurance; regulating the registration of certain securities; amending Minnesota Statutes 1998, sections 60A.085; 60A.09, subdivision 4a; 62A.105, subdivision 2; 62A.146; 62A.30, subdivision 2; 62A.31, by adding subdivisions; 62A.315; 62A.316; 62A.65, subdivision 8; 62E.04, subdivision 4; 62Q.107; 65B.16; 65B.29, subdivisions 2 and 3; 65B.55, subdivision 2; 79A.04, subdivisions 1, 2, 7, and 9; 79A.11, subdivision 2, and by adding a subdivision; and 79A.22, subdivisions 3 and 11; Minnesota Statutes 1999 Supplement, sections 65B.44, subdivision 2; 79A.22, subdivision 2; 79A.23, subdivisions 1, 2, and 3; 79A.24, subdivision 2; and 80A.15, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3122, A bill for an act relating to human services; modifying provisions in health care programs; requiring group residential review; amending Minnesota Statutes 1999 Supplement, sections 256B.0945, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 256D.03, subdivision 3; and 256L.03, subdivision 5; Laws 1999, chapter 245, article 8, section 84; repealing Laws 1998, chapter 407, article 5, section 44.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 3172, A bill for an act relating to agriculture; changing eligibility and maximum loan amounts for certain rural finance authority loan programs; amending Minnesota Statutes 1998, sections 41B.03, subdivisions 1 and 2; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 2; and 41B.045, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Agriculture and Rural Development Finance.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3176, A bill for an act relating to child protection; repealing certain unfunded county mandates; amending Minnesota Statutes 1999 Supplement, section 626.556, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3209, A bill for an act relating to health care; modifying the major commitment expenditure report requirements; amending Minnesota Statutes 1998, section 62J.17, subdivisions 2, 5a, and 6a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 62J.17, is amended by adding a subdivision to read:

Subd. 8. [RADIATION THERAPY FACILITIES.] This subdivision shall apply only to those major spending commitments that are related to the purchase, construction, or leasing of a radiation therapy facility.

(a) [DEFINITION OF PROVIDER.] The term "provider" shall mean:

(1) a provider as defined in section 62J.03, subdivision 8;

(2) a person or organization that, upon engaging in an activity related to a major spending commitment, will become a provider as defined in section 62J.03, subdivision 8;

(3) an organization under common control with an organization described in clause (1) or (2); or

(4) an organization that manages a person or organization described in clause (1), (2), or (3).

(b) [CRITERIA FOR REVIEW.] In conducting the retrospective or prospective review, the commissioner shall consider the criteria described in subdivision 5a, paragraph (a), in determining whether the major spending commitment was appropriate. In addition, the commissioner shall consider the following criteria:

(1) the alternatives available to patients in terms of avoiding an unwarranted duplication based on whether additional capacity is needed of services, facilities, or equipment in and around the location of the major spending commitment; and

(2) the best interests of the patients, including conflicts of interest that may be present in influencing the utilization of the services, facility, or equipment relating to the major spending commitment.

(c) [PENALTIES AND REMEDIES.] In addition to subdivision 6a, paragraph (c), the commissioner has the authority to pursue the following remedies:

(1) assessment of fines against providers violating subdivision 6a, paragraph (a), of up to triple the amount of the major spending commitment;

(2) securing a permanent injunction against providers violating subdivision 6a, paragraph (a), halting the purchase or construction of a facility, prohibiting the operation of a facility, or the providing of a service related to the major spending commitment; and

(3) obtaining a court order to invalidate any purchase agreement, management agreement, lease, or other contract relating to the major spending commitment or the conduct of any activity relating to the major spending commitment.

(d) [SCOPE OF PROSPECTIVE REVIEW.] If a provider fails the retrospective review of a major spending commitment that is identified under this subdivision, the prospective review and approval required under subdivision 6a shall be limited to major spending commitments that are identified under this subdivision.

(e) [EXEMPTION.] The provisions of this subdivision do not apply to radiation therapy facilities owned and operated or managed by a hospital licensed under chapter 144."

Delete the title and insert:

"A bill for an act relating to health care; modifying the major commitment expenditure report requirements; amending Minnesota Statutes 1998, section 62J.17, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3222, A bill for an act relating to state government; modifying reporting requirements for health-related boards; changing membership requirements for the health professionals services program committee; amending Minnesota Statutes 1998, sections 147.01, subdivision 4; 148B.04, subdivision 4; 148B.285, subdivision 3; 214.07; 214.10, subdivision 8; 214.31; and 214.32, subdivision 1; Minnesota Statutes 1999 Supplement, section 148.691, subdivision 3.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Krinkie from the Committee on State Government Finance to which was referred:

H. F. No. 3223, A bill for an act relating to insurance; making the state of Minnesota a contributing member of the comprehensive health association in respect of self-insured employee health plans; appropriating money; amending Minnesota Statutes 1998, sections 62E.02, subdivision 23; and 62E.10, subdivision 1.

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

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3247, A bill for an act relating to human services; permitting nursing facilities to place beds on layaway status; adjusting nursing facility reimbursement; amending Minnesota Statutes 1998, sections 144A.071, by adding a subdivision; and 256B.431, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3272, A bill for an act relating to taxation; prohibiting local units of government from imposing certain taxes on motor vehicles; authorizing a limited local excise tax on motor vehicles.

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

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3286, A bill for an act relating to human services; requiring the commissioner to develop proposals to provide respite care for family adult foster care providers.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Lindner from the Committee on Jobs and Economic Development Policy to which was referred:

H. F. No. 3290, A bill for an act relating to occupational safety and health; classifying certain communications regarding discrimination complaints as privileged; amending Minnesota Statutes 1998, section 182.669, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3297, A bill for an act relating to technology business; identifying and defining technology business and activity; providing for regulation of technology business by the department of administration; amending Minnesota Statutes 1999 Supplement, section 16B.61, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 4, line 17, after the period, insert "This section does not prohibit a unit of local government from charging a franchise fee to the operator of a cable communications system."

Page 7, after line 28, insert:

"Sec. 9. [APPROPRIATION.]

Registration fees received in fiscal year 2001 are appropriated to the commissioner for purposes of administering Minnesota Statutes, sections 16B.971 to 16B.977."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "appropriating money;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3303, A bill for an act relating to crime prevention; clarifying that the criminal code penalty for failure to pay over state funds includes within its scope the failure to remit a tax; amending Minnesota Statutes 1998, sections 289A.63, subdivision 1; and 609.445.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 297B.10, is amended to read:

297B.10 [PENALTIES.]

(1) Any person, including persons other than the purchaser, who prepares, completes, or submits a false or fraudulent motor vehicle purchaser's certificate with intent to defeat or evade the tax imposed under this chapter or any purchaser who fails to complete or submit a motor vehicle purchaser's certificate with intent to defeat or evade the tax or who attempts to defeat or evade the tax in any manner, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event the person is guilty of a felony. The term "person" as used in this section includes any officer or employee of a corporation or a member or employee of a partnership who as an officer, member, or employee is under a duty to perform the act with respect to which the violation occurs. Notwithstanding the provisions of section 628.26 or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of the offense.

(2) Any person who collects the tax imposed under this chapter from a purchaser and willfully fails to remit the tax is guilty of a felony.

(3) Any person who violates any of the provisions of this chapter, unless the violation be of the type referred to in clause (1) or (2), is guilty of a misdemeanor.

~~(3)~~ (4) When two or more offenses in clause (1) or (2) are committed by the same person within six months, the offenses may be aggregated; further, if the offenses are committed in more than one county, the accused may be prosecuted for all the offenses aggregated under this clause in any county in which one of the offenses was committed.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; creating a new criminal penalty for failure to pay over sales tax on motor vehicles collected from a purchaser; amending Minnesota Statutes 1998, section 297B.10."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Davids from the Committee on Commerce to which was referred:

H. F. No. 3310, A bill for an act relating to health plans; regulating contract stacking; providing a remedy; amending Minnesota Statutes 1999 Supplement, section 62Q.74, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 3325, A bill for an act relating to agriculture; extending the time period for certain seed germination tests; amending Minnesota Statutes 1998, section 21.86, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 11, after "(a)" insert "Except as provided in clauses (1) to (3)."

Page 1, line 13, reinstate the stricken language and delete the new language

Page 1, line 14, after the period, insert:

"(1) When advertised or offered for sale as agricultural seed, native grass and forb seeds must have been tested for percentage of germination as required by section 21.82 within a 14-month period, exclusive of the calendar month in which the test was completed.

(2)"

Page 1, line 20, after the period, insert:

"(3)"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Holsten from the Committee on Environment and Natural Resources Finance to which was referred:

H. F. No. 3340, A bill for an act relating to the environment; providing reimbursement for the removal of certain petroleum storage tanks.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 116.073, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE.] (a) Pollution control agency staff designated by the commissioner and department of natural resources conservation officers may issue citations to ~~a person who~~:

(1) a person who disposes of solid waste as defined in section 116.06, subdivision 22, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property;

(2) a person who fails to report or recover ~~oil or hazardous substance~~ discharges as required under section 115.061; ~~or~~

(3) a person who fails to take discharge preventive or preparedness measures required under chapter 115E:

~~In addition, pollution control agency staff designated by the commissioner may issue citations to; or~~

(4) owners and operators of facilities dispensing petroleum products who violate sections 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151 and parts 7001.4200 to 7001.4300. The citations for violation of sections 116.46 to 116.50 and Minnesota Rules, chapter 7150, may be issued only after the owners and operators have had

a 90-day period to correct all the violations stated in a letter issued previously by pollution control agency staff. A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose of or otherwise manage the waste or discharged oil or hazardous substance, reimburse any government agency that has disposed of the waste or discharged oil or hazardous substance and contaminated debris for the reasonable costs of disposal, or correct any ~~underground~~ storage tank violations.

(b) Until June 1, 2004, citations for violation of sections 115E.045 and 116.46 to 116.50 and Minnesota Rules, chapters 7150 and 7151, may be issued only after the owners and operators have had a 90-day period to correct violations stated in writing by pollution control agency staff, unless there is a discharge associated with the violation or the violation is of Minnesota Rules, part 7151.6400, subpart 1, item B, or 7151.6500."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying authority to issue citations for storage tank violations;"

Page 1, line 3, before the period, insert "; amending Minnesota Statutes 1999 Supplement, section 116.073, subdivision 1"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Broecker from the Committee on Judiciary Finance to which was referred:

H. F. No. 3361, A bill for an act relating to crime prevention; specifying that the board of public defense rather than the county in which prosecution originated may be responsible for certain costs related to providing a criminal defense; amending Minnesota Statutes 1998, section 611.21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 477A.0121, subdivision 4, is amended to read:

Subd. 4. [PUBLIC DEFENDER COSTS.] Each calendar year, 1.5 percent of the total appropriation for this section shall be ~~retained by the commissioner of revenue to make reimbursements to the commissioner of finance for payments made under section 611.27 appropriated to the board of public defense.~~ The reimbursements appropriation shall be to defray the additional costs associated with court-ordered counsel under section 611.27. ~~Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county criminal justice aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.~~ This appropriation shall not cancel and shall be available until expended.

Sec. 2. Minnesota Statutes 1998, section 611.21, is amended to read:

611.21 [SERVICES OTHER THAN COUNSEL.]

(a) Private counsel ~~appointed by the court for an indigent defendant,~~ or representing a defendant who, at the outset of the prosecution, has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), may file an ex parte application requesting investigative, expert, or other

services necessary to an adequate defense in the case. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to obtain the services on behalf of the defendant. The court may establish a limit on the amount which may be expended or promised for such services. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained, but such ratification shall be given only in unusual situations. The court shall determine reasonable compensation for the services and direct payment by the county in which the prosecution originated, to the organization or person who rendered them, upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source.

(b) The compensation to be paid to a person for such service rendered to a defendant under this section, or to be paid to an organization for such services rendered by an employee, may not exceed \$1,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court as necessary to provide fair compensation for services of an unusual character or duration and the amount of the excess payment is approved by the chief judge of the district. The chief judge of the judicial district may delegate approval authority to an active district judge.

(c) If the court denies authorizing counsel to obtain services on behalf of the defendant, the court shall make written findings of fact and conclusions of law that state the basis for determining that counsel may not obtain services on behalf of the defendant. When the court issues an order denying counsel the authority to obtain services, the defendant may appeal immediately from that order to the court of appeals and may request an expedited hearing.

(d) The provisions of this section do not apply to representation by a public defender appointed by the court.

Sec. 3. Minnesota Statutes 1998, section 611.27, subdivision 5, is amended to read:

Subd. 5. [DISTRICT PUBLIC DEFENDER BUDGETS.] The board of public defense may only fund those items and services in district public defender budgets which were included in the original budgets of district public defender offices as of January 1, 1990. All other public defense related costs remain the responsibility of the counties unless the state specifically appropriates for these. The cost of additional state funding of these items and services must be offset by reductions in local aids in the same manner as the original state takeover, or by the use of county criminal justice aid under section 477A.0121, subdivision 4, which has been appropriated to the board of public defense.

Sec. 4. Minnesota Statutes 1998, section 611.27, subdivision 13, is amended to read:

Subd. 13. [PUBLIC DEFENSE SERVICES; CORRECTIONAL FACILITY INMATES.] All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded on a monthly basis to the state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been appointed under a court order, the state public defender shall forward to the ~~commissioner of finance~~ board of public defense all billings for services rendered under the court order. The ~~commissioner board~~ shall pay for services from county criminal justice aid ~~retained by the commissioner of revenue~~ appropriated to the board for that purpose under section 477A.0121, subdivision 4.

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility are the responsibility of the state board of public defense. In such cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 5. Minnesota Statutes 1998, section 611.27, subdivision 15, is amended to read:

Subd. 15. [COSTS OF TRANSCRIPTS.] In appeal cases and postconviction cases where the state public defender's office does not have sufficient funds to pay for transcripts and other necessary expenses because it has spent or committed all of the transcript funds in its annual budget, the state public defender may forward to the

~~commissioner of finance board of public defense~~ all billings for transcripts and other necessary expenses. The ~~commissioner board~~ shall pay for these transcripts and other necessary expenses from county criminal justice aid ~~retained by the commissioner of revenue appropriated to the board~~ under section 477A.0121, subdivision 4.

Sec. 6. Minnesota Statutes 1998, section 611.27, is amended by adding a subdivision to read:

Subd. 16. [SERVICES OTHER THAN COUNSEL.] An assistant public defender, who has been appointed by the court to represent an indigent defendant, may request, from the board of public defense, funds to pay for investigative, expert, or other services necessary to an adequate defense in the case. The board of public defense shall pay for the services from funds appropriated for that purpose.

Sec. 7. [SEVERABILITY.]

Notwithstanding the provisions of Minnesota Statutes, section 645.20, the provisions of this bill are not severable. If one provision of this bill does not become effective, all of the other provisions of this bill do not become effective.

Sec. 8. [CERTIFY EXPENSES.]

By September 1, 2000, the association of Minnesota counties and the board of public defense shall certify to the commissioner of finance the amount of money that the counties have spent on defense services other than counsel under Minnesota Statutes, section 611.21, for fiscal year ending on June 30, 2000.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 2001, for cases assigned to the public defender on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; providing that certain public defense costs shall be paid from criminal justice aid; requiring the board of public defense to pay for certain public defense services for correctional facility inmates from criminal justice aid; authorizing payment for public defense services other than counsel; requiring certification of the amount of money spent on services other than counsel; appropriating money; amending Minnesota Statutes 1998, sections 477A.0121, subdivision 4; 611.21; and 611.27, subdivisions 5, 13, 15, and by adding a subdivision."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3365, A bill for an act relating to vulnerable adults; modifying provisions concerning medical errors and neglect; requiring health licensing boards to make determinations regarding employment disqualifications; amending Minnesota Statutes 1998, section 626.5572, subdivision 17; Minnesota Statutes 1999 Supplement, section 245A.04, subdivision 3d; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Page 9, delete line 6 and insert "does not result in substantial acute or chronic injury or illness, or permanent disability above and beyond his or her preexisting condition"

Page 9, line 7, delete "disability"

Page 9, line 8, after "reported" insert "and recorded"

Page 9, line 9, after "facility" insert "in order to evaluate and identify corrective action"

Page 9, line 11, strike the second "and" and insert a comma and after "certification" insert ", and ombudsman"

Page 9, line 32, after "licensed" insert "and nonlicensed"

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3369, A bill for an act relating to agriculture; prohibiting tampering with anhydrous ammonia; imposing penalties; amending Minnesota Statutes 1998, sections 18C.005, by adding subdivisions; 18C.201, by adding a subdivision; 18D.325, by adding a subdivision; and 18D.331, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, delete lines 20 to 25

Page 2, line 26, delete "5" and insert "4"

Amend the title as follows:

Page 1, line 6, delete everything before "and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 3375, A bill for an act relating to health; modifying provisions for health care purchasing alliances; amending Minnesota Statutes 1998, sections 62T.03; 62T.05; 62T.06, subdivisions 1 and 2; and 62T.11; Minnesota Statutes 1999 Supplement, section 62T.04; proposing coding for new law in Minnesota Statutes, chapter 62T; repealing Minnesota Statutes 1998, section 62T.13.

Reported the same back with the following amendments:

Page 4, line 19, delete "surplus" and insert "solvency"

Page 4, line 20, after the period, insert "For the purposes of this subdivision, "subordinated solvency contribution" means a contribution to the accountable provider network by a purchasing alliance member that is evidenced by a promissory note or other instrument that allows for repayment of the contribution in the manner provided in a contract approved by the commissioner."

Page 5, line 8, delete "three" and insert "six"

With the recommendation that when so amended the bill pass.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3378, A bill for an act relating to St. Louis county; increasing the authorized number for a position in the unclassified service; amending Minnesota Statutes 1998, section 383C.035.

Reported the same back with the following amendments:

Page 2, after line 35, insert:

"Sec. 2. Minnesota Statutes 1998, section 383C.073, is amended to read:

383C.073 [BOARD MEMBERS; COMPENSATION.]

Notwithstanding the provisions of any law contrary thereto in St. Louis county, the members, except the members who are also members of the board of county commissioners, of all boards and commissions created by law shall receive for attending meetings of said board or commission an amount determined by the board of county commissioners of up to ~~\$50~~ \$100 per day ~~but not to exceed \$1,500 in any one year~~, and each shall be repaid necessary expenses for such attendance, a certified statement of which shall be filed with and approved by said board or commission."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "increasing the per diem ceiling for certain boards and commissions;" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 383C.073"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3384, A bill for an act relating to health; providing a grant to the board of regents of the University of Minnesota for type 1 diabetes research; appropriating money; amending Minnesota Statutes 1999 Supplement, section 144.395, subdivision 2.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 3, line 2, delete "Minnesota Statutes," and insert "section 2"

Page 3, line 3, delete everything before "to"

Page 3, after line 34, insert:

"Sec. 2. [APPROPRIATION.]

\$10,000,000 is appropriated in fiscal year 2001 from the general fund to the commissioner of health for transfer to the board of regents of the University of Minnesota to fund type 1 diabetes research according to section 1. This appropriation is available to the board of regents only if the funds are used to supplement and not supplant existing funding from the board of regents for the diabetes institute for immunology and transplantation. No portion of this appropriation may be used by the commissioner for administrative expenses associated with implementing this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "; amending"

Page 1, delete line 5

Page 1, line 6, delete everything before the period

With the recommendation that when so amended the bill be re-referred to the Committee on Health and Human Services Finance without further recommendation.

The report was adopted.

Broecker from the Committee on Judiciary Finance to which was referred:

H. F. No. 3392, A bill for an act relating to courts; clarifying when fine and fee transfers occur and what proceeds apply.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 273.1398, subdivision 4a, is amended to read:

Subd. 4a. [AID OFFSET FOR COURT COSTS.] (a) By July 15, 1999, the supreme court shall determine and certify to the commissioner of revenue for each county, other than counties located in the eighth judicial district, the county's share of the costs assumed under Laws 1999, chapter 216, article 7, during the fiscal year beginning July 1, 2000, less an amount equal to the county's share of transferred fines collected by the district courts in the county during calendar year 1998.

(b) Payments to a county under subdivision 2 or section 273.166 for calendar year 2000 must be permanently reduced by an amount equal to 75 percent of the net cost to the state for assumption of district court costs as certified in paragraph (a).

(c) Payments to a county under subdivision 2 or section 273.166 for calendar year 2001 must be permanently reduced by an amount equal to 25 percent of the net cost to the state for assumption of district court costs as certified in paragraph (a).

(d) Payments to a county under subdivision 2 for calendar year 2001 are permanently increased by an amount equal to 7.5 percent of the county's share of transferred fines collected by the district courts in the county during calendar year 1998, as determined under paragraph (a).

Sec. 2. Minnesota Statutes 1999 Supplement, section 275.71, subdivision 2, is amended to read:

Subd. 2. [LEVY LIMIT BASE.] (a) The levy limit base for a local governmental unit for taxes levied in 1997 shall be equal to the sum of:

(1) the amount the local governmental unit levied in 1996, less any amount levied for debt, as reported to the department of revenue under section 275.62, subdivision 1, clause (1), and less any tax levied in 1996 against market value as provided for in section 275.61;

(2) the amount of aids the local governmental unit was certified to receive in calendar year 1997 under sections 477A.011 to 477A.03 before any reductions for state tax increment financing aid under section 273.1399, subdivision 5;

(3) the amount of homestead and agricultural credit aid the local governmental unit was certified to receive under section 273.1398 in calendar year 1997 before any reductions for tax increment financing aid under section 273.1399, subdivision 5;

(4) the amount of local performance aid the local governmental unit was certified to receive in calendar year 1997 under section 477A.05; and

(5) the amount of any payments certified to the local government unit in 1997 under sections 298.28 and 298.282.

If a governmental unit was not required to report under section 275.62 for taxes levied in 1997, the commissioner shall request information on levies used for debt from the local governmental unit and adjust its levy limit base accordingly.

(b) The levy limit base for a local governmental unit for taxes levied in 1998 is equal to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72 and multiplied by the increase that would have occurred under subdivision 3, clause (3), if that clause had been in effect for taxes levied in 1997.

(c) The levy limit base for a city with a population greater than 2,500 for taxes levied in 1999 is limited to its adjusted levy limit base in the previous year, subject to adjustments under section 275.72.

(d) The levy limit base for a county for taxes levied in 1999 is limited to the difference between (1) its adjusted levy limit base in the previous year subject to adjustments under section 275.72, and (2) one-half of the county's share of the net cost to the state for assumption of district court costs, as reported by the supreme court to the commissioner of revenue under section 273.1398, subdivision 4a, paragraph (a).

(e) The levy limit base for a county for taxes levied in 2000 is limited to the following amount:

(1) its adjusted levy limit base in the previous year, subject to adjustments under section 275.72, minus

(2) one-half of the county's share of the net cost to the state for assumption of district court costs, as reported by the supreme court to the commissioner of revenue under section 273.1398, subdivision 4a, paragraph (a), plus

(3) the increase in its homestead and agricultural credit aid under section 273.1398, subdivision 4a, paragraph (d).

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective beginning with aids payable in 2001. Section 2 is effective for taxes levied in 2000, payable in 2001, provided that the levy limits under Minnesota Statutes, sections 275.71 to 275.74 are still in effect."

Delete the title and insert:

"A bill for an act relating to state aids; adjusting aid amounts related to the state assumption of district court costs; amending Minnesota Statutes 1999 Supplement, sections 273.1398, subdivision 4a; and 275.71, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 3421, A bill for an act relating to utilities; regulating an electric cooperative's election to be regulated; amending Minnesota Statutes 1998, section 216B.026, subdivisions 1 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 216B.026, subdivision 1, is amended to read:

Subdivision 1. [ELECTION.] A cooperative electric association may elect to become subject to rate regulation by the commission pursuant to sections 216B.03 to 216B.23. The election shall be approved by a majority of members or stockholders voting by mail ballot initiated by petition of not less than five percent of the members or stockholders of the association, as determined by membership figures submitted by the association to the rural electric administration for the month in which the petition was submitted. For a cooperative electric association that is the product of a merger or consolidation of three or more associations between December 30, 1996, and January 1, 2001, the number of members or stockholders necessary to initiate the petition shall be no less than one percent of the members or stockholders of the association.

Sec. 2. Minnesota Statutes 1998, section 216B.026, subdivision 4, is amended to read:

Subd. 4. [ELECTION PROCEDURE; EFFECT.] If the department determines that the petition meets the ~~five~~ percent requirement of subdivision 1, a balloting of members on the question of regulation of electric rates by the commission shall be supervised by the department. The ballot to be used for the election shall be approved by the board of directors of the association and the department. In the event of a dispute on balloting procedures, the dispute shall be resolved through informal proceedings before the commission after notice to all parties. The association shall mail ballots to the association's members who shall return the ballots to the department. The department shall keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the association shall count the ballots. If a majority of the association's members or spouses who vote, elect to become subject to rate regulation by the commission, the election shall be effective 30 days after certified copies of the resolutions approving the election are filed with the commission. These provisions also apply to associations that wish to be deregulated. Any cooperative that is regulated by the commission, pursuant to sections 216B.03 to 216B.23 may follow the procedures set forth above. Any association subject to regulation of rates by the commission shall be exempt from the provisions of sections 216B.48, 216B.49, 216B.50, and 216B.51.

Sec. 3. [EFFECTIVE DATE.]

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

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 3424, A bill for an act relating to real property; requiring the secretary of state to establish a task force to study and make recommendations on electronic filing of real estate documents.

Reported the same back with the following amendments:

Page 2, line 2, delete "and" and insert:

"(8) the commissioner of revenue; and"

Page 2, line 3, delete "(8)" and insert "(9)"

Page 2, line 19, delete "and budget"

Page 2, line 20, after the period, insert "The task force shall expire no later than June 30, 2003."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3445, A bill for an act relating to state employment; modifying legislative employment provisions; amending Minnesota Statutes 1998, sections 3.07; 3.09; 3.095; and 352D.02, subdivisions 1 and 1c; Minnesota Statutes 1999 Supplement, sections 3.096; and 43A.24, subdivision 2.

Reported the same back with the following amendments:

Page 5, after line 25, insert:

"Sec. 6. Minnesota Statutes 1998, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] (a) "State employee" includes:

- (1) employees of the Minnesota historical society;
- (2) employees of the state horticultural society;
- (3) employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed before July 1, 1963;
- (4) employees of the Minnesota crop improvement association;
- (5) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (6) employees of the state universities employed under the university activities program;

(7) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);

(8) employees of the armory building commission;

(9) ~~permanent~~ employees of the legislature appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;

(10) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(11) employees of the Minnesota safety council;

(12) any employees on authorized leave of absence from the transit operating division of the former metropolitan transit commission who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division;

(13) employees of the metropolitan council, metropolitan parks and open space commission, metropolitan sports facilities commission, metropolitan mosquito control commission, or metropolitan radio board unless excluded or covered by another public pension fund or plan under section 473.415, subdivision 3;

(14) judges of the tax court;

(15) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(16) seasonal help in the classified service employed by the department of revenue; and

(17) a person who renders teaching or other service for the Minnesota state colleges and universities system and who also renders service on a part-time basis for an employer with employees covered by the general state employees retirement plan of the Minnesota state retirement system, for all service with the Minnesota state colleges and universities system, if the person's nonteaching service comprises at least 50 percent of the combined total salary received by the person as determined by the chancellor of the Minnesota state colleges and universities system or if the person is certified for general state employees retirement plan coverage by the chancellor of the Minnesota state colleges and universities system.

(b) Employees specified in paragraph (a), clause (15), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer."

Page 6, line 25, after the second "legislature" insert "who is appointed without a limit on the duration of the employment"

Page 7, line 35, after "legislature" insert "without a limit on the duration of the employment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before "and" insert "352.01, subdivision 2a;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 3464, A bill for an act relating to utilities; allowing members of electric cooperative that has merged or been consolidated into new cooperative to revoke the merger or consolidation and reestablish former electric cooperative; amending Minnesota Statutes 1998, section 308A.801, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 308A.

Reported the same back with the following amendments:

Page 2, line 25, after "involving" insert "three or more" and after "cooperatives" insert "effective after December 29, 1996, and before January 1, 2001,"

Page 2, line 34, delete "at least 25" and insert "one percent of"

Page 3, line 11, delete "at least 25"

Page 3, line 13, before the period, insert "and that the petition is signed by at least one percent of the members or stockholders of the existing electric cooperative who reside or are located in the service territory of the particular former electric cooperative"

Page 4, line 34, after "members" insert "or stockholders"

Page 7, line 7, delete "hire" and insert "contract with"

Page 7, line 30, after "members" insert "or stockholders"

Page 7, line 32, after "members" insert "or stockholders"

Page 8, line 5, after "members" insert "or stockholders"

Page 8, line 7, after "members" insert "or stockholders"

Page 8, line 9, after "members" insert "or stockholders"

Page 8, after line 32, insert:

"(c) To the extent permitted by law, the existing electric cooperative shall transfer the pension funds of employees of the existing electric cooperative who leave to work for the reestablished former electric cooperative to the reestablished former electric cooperative. For purposes of this section, the pension funds of an employee includes the amount of pension funds the employee accrued as of the date of the merger or consolidation plus the amount of benefits the employee would have accrued prior to the time the employee leaves to work for the reestablished former electric cooperative had the pension plan of the existing electric cooperative remained invested as it had been invested by the former electric cooperative. The pension funds shall be managed by the reestablished former electric cooperative for the benefit of the employees to whom they belong."

Page 8, line 36, after "involving" insert "three or more"

Page 9, line 1, after "cooperatives" insert "effective after December 29, 1996, and before January 1, 2001,"

Page 9, line 3, after "members" insert "or stockholders"

Page 11, after line 13, insert:

"(c) To the extent permitted by law, the existing electric cooperative shall transfer the pension funds of employees of the existing electric cooperative who leave to work for a reestablished former electric cooperative to that reestablished former electric cooperative. For purposes of this section, the pension funds of an employee includes the amount of pension funds the employee accrued as of the date of the merger or consolidation plus the amount of benefits the employee would have accrued prior to the time the employee leaves to work for that reestablished former electric cooperative had the pension plan of the existing electric cooperative remained invested as it had been invested by the respective former electric cooperative. The pension funds shall be managed by the reestablished former electric cooperative for the benefit of the employees to whom they belong."

Page 11, line 21, delete "less"

Page 11, delete line 22 and insert "after December 29, 1996, and before January 1, 2001,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 3520, A bill for an act relating to environment; modifying reimbursement provisions for certain settlements made under the Environment Response and Liability Act; amending Minnesota Statutes 1998, section 115B.17, subdivision 19.

Reported the same back with the following amendments:

Page 3, delete lines 19 to 36

Page 4, delete lines 1 to 5 and insert:

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

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

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3530, A bill for an act relating to metropolitan government; providing for additional bonding authority for the financing of metropolitan area transit and paratransit capital expenditures; amending Minnesota Statutes 1999 Supplement, section 473.39, subdivision 1g.

Reported the same back with the following amendments:

Page 1, line 14, delete "\$52,000,000" and insert "\$55,400,000"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3550, A bill for an act relating to public safety; authorizing commissioner of public safety to award public safety grants; continuing certain rule authority of commissioner of public safety; changing per diem payments to members of the board of private detectives and protective agents and requiring changes in rules regarding training programs; amending Minnesota Statutes 1998, sections 299A.01, subdivision 2, and by adding a subdivision; 326.33, subdivision 6; and 326.3361, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3571, A bill for an act relating to gambling; regulating and prohibiting certain activities with respect to gambling; regulating shipment of gambling devices; providing penalties; amending Minnesota Statutes 1998, sections 299L.07, subdivision 10; 349.2125, subdivision 1; 609.75, by adding subdivisions; 609.76, subdivision 2, and by adding subdivisions; and 609.762, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240; and 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 299L.07, subdivision 2a, is amended to read:

Subd. 2a. [RESTRICTIONS.] (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or otherwise provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law Number 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value;

(3) another distributor licensed under this section; or

(4) a person in another state who is authorized under the laws of that state to possess the gambling device.

Sec. 2. Minnesota Statutes 1998, section 299L.07, subdivision 10, is amended to read:

Subd. 10. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into or out of Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended.

Sec. 3. Minnesota Statutes 1998, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals or paddleticket cards not stamped or bar coded in accordance with this chapter or chapter 297E;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce between locations outside this state, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clauses (1) and (12);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18;

(11) any gambling equipment not in conformity with law or board rule;

(12) any pull-tab or tipboard deal in the possession of a person other than a licensed distributor or licensed manufacturer for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal from a licensed distributor; ~~and~~

(13) any pull-tab or tipboard deals or portions of deals on which the tax imposed under chapter 297E has not been paid; and

(14) any device prohibited by section 609.76, subdivisions 4 to 6.

Sec. 4. Minnesota Statutes 1998, section 609.75, is amended by adding a subdivision to read:

Subd. 4a. [ASSOCIATED EQUIPMENT.] Associated equipment means any equipment used in connection with gambling that would not be classified as a gambling device, including but not limited to: cards, dice, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines or games of chance, devices for weighing or counting money, and links which connect progressive slot machines.

Sec. 5. Minnesota Statutes 1998, section 609.75, is amended by adding a subdivision to read:

Subd. 10. [GAME.] A game means any game played with cards, dice, equipment, or any mechanical or electronic device or machine for money or other value, whether or not approved by law, and includes, but is not limited to: card and dice games of chance, slot machines, banking or percentage games, video games of chance, sports pools, pari-mutuel betting, and race book. "Game" does not include any private social bet.

Sec. 6. Minnesota Statutes 1998, section 609.75, is amended by adding a subdivision to read:

Subd. 12. [AUTHORIZED GAMBLING ACTIVITY.] An authorized gambling activity means any form of gambling authorized by and operated in conformance with law.

Sec. 7. Minnesota Statutes 1998, section 609.75, is amended by adding a subdivision to read:

Subd. 13. [AUTHORIZED GAMBLING ESTABLISHMENT.] An authorized gambling establishment means any premises where gambling authorized by law is occurring.

Sec. 8. Minnesota Statutes 1998, section 609.76, subdivision 2, is amended to read:

Subd. 2. [~~FELONY GAMBLING~~ FELONY GAMBLING SPORTS BOOKMAKING.] Whoever engages in sports bookmaking is guilty of a felony.

Sec. 9. Minnesota Statutes 1998, section 609.76, is amended by adding a subdivision to read:

Subd. 3. [CHEATING.] Whoever cheats in a game, as described in this subdivision, is subject to the following penalties:

(i) if the person holds a license related to gambling or is an employee of the licensee, the person is guilty of a felony; and

(ii) any other person is guilty of a gross misdemeanor. Any person who is a repeat offender is guilty of a felony.

A person cheats in a game by intentionally:

(1) altering or misrepresenting the outcome of a game or event on which wagers have been made, after the outcome is determined, but before the outcome is revealed to the players;

(2) placing, canceling, increasing, or decreasing a bet after acquiring knowledge, not available to other players, of the outcome of the game or subject of the bet, or of events affecting the outcome of the game or subject of the bet;

(3) claiming or collecting money or anything of value from a game or authorized gambling establishment not won or earned from the game or authorized gambling establishment;

(4) manipulating a gambling device or associated equipment to affect the outcome of the game or the number of plays or credits available on the game; or

(5) otherwise altering the elements of chance or methods of selection or criteria which determine the result of the game or amount or frequency of payment of the game.

Sec. 10. Minnesota Statutes 1998, section 609.76, is amended by adding a subdivision to read:

Subd. 4. [CERTAIN DEVICES PROHIBITED.] (a) Whoever uses or possesses a probability-calculating or outcome-affecting device at an authorized gambling establishment is guilty of a felony. For purposes of this subdivision, a "probability-calculating" or "outcome-affecting" device is any device to assist in:

(1) projecting the outcome of a game other than pari-mutuel betting authorized by chapter 240;

(2) keeping track of or counting cards used in a game;

(3) analyzing the probability of the occurrence of an event relating to a game other than pari-mutuel betting authorized by chapter 240; or

(4) analyzing the strategy for playing or betting in a game other than pari-mutuel betting authorized by chapter 240.

For purposes of this section, a book, graph, periodical, chart, or pamphlet is not a "probability-calculating" or "outcome-affecting" device.

(b) Whoever uses, or possesses with intent to use, a key or other instrument for the purpose of opening, entering, and affecting the operation of any game or gambling device or for removing money, chips, tokens, or other contents from therein, is guilty of a felony. This paragraph does not apply to an agent or employee of an authorized gambling establishment acting within the scope of employment.

Sec. 11. Minnesota Statutes 1998, section 609.76, is amended by adding a subdivision to read:

Subd. 5. [COUNTERFEIT CHIPS PROHIBITED.] Whoever intentionally uses counterfeit chips or tokens to play a game designed to be played with or operated by chips or tokens is guilty of a felony. For purposes of this subdivision, counterfeit chips or tokens are chips or tokens not approved by the government regulatory agency for use in an authorized gambling activity.

Sec. 12. Minnesota Statutes 1998, section 609.76, is amended by adding a subdivision to read:

Subd. 6. [MANUFACTURE, SALE, AND MODIFICATION PROHIBITED.] (a) Whoever manufactures, sells, distributes, or otherwise provides cards, chips, tokens, dice, or other equipment or devices intended to be used to violate this section, is guilty of a felony.

(b) Whoever intentionally marks, alters, or otherwise modifies lawful associated equipment or gambling devices for the purpose of violating this section is guilty of a felony.

Sec. 13. Minnesota Statutes 1998, section 609.76, is amended by adding a subdivision to read:

Subd. 7. [INSTRUCTION.] Whoever instructs another person to violate the provisions of this section, with the intent that the information or knowledge conveyed be used to violate this section, is guilty of a felony.

Sec. 14. Minnesota Statutes 1998, section 609.76, is amended by adding a subdivision to read:

Subd. 8. [VALUE OF CHIPS OR TOKENS.] The value of chips or tokens approved for use in a game designed to be played with or operated by chips or tokens, as the term "value" is used in section 609.52, is the amount or denomination shown on the face of the chip or token representing United States currency. Chips used in tournament play at a card club at a class A facility have no United States currency value.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 and 9 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to gambling; regulating and prohibiting certain activities with respect to gambling; regulating shipment of gambling devices; providing penalties; amending Minnesota Statutes 1998, sections 299L.07, subdivisions 2a and 10; 349.2125, subdivision 1; 609.75, by adding subdivisions; and 609.76, subdivision 2, and by adding subdivisions."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 3576, A bill for an act relating to the environment; modifying reporting requirements for solid waste and wastewater treatment facilities; extending exemption period for certain toxics in packaging; amending Minnesota Statutes 1998, sections 115.03, subdivision 1; and 115A.965, subdivision 3; repealing Minnesota Statutes 1998, sections 115A.981; and 297H.13, subdivision 6.

Reported the same back with the following amendments:

Page 9, after line 2, insert:

"Sec. 3. Minnesota Statutes 1998, section 383B.235, is amended by adding a subdivision to read:

Subd. 3. [EXISTING FACILITY MAY USE CAPACITY.] Notwithstanding subdivisions 1 and 2, an existing resource recovery facility may reclaim, burn, use, process, or dispose of mixed municipal solid waste to its maximum yearly facility capacity. Such operation shall continue to be in compliance with all environmental laws or regulations administered by the pollution control agency or federal agencies.

Sec. 4. [REPORT; AGENCY NAME.]

By September 1, 2000, the pollution control agency shall report to the legislative committees with jurisdiction over environmental policy and budget issues on a recommendation for a change to the name of the agency, the options considered, and the process used to develop the recommendation."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing full capacity use for existing resource recovery facility in Hennepin county; requiring a report;"

Page 1, line 6, delete "and"

Page 1, line 7, after the semicolon, insert "and 383B.235, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3586, A bill for an act relating to municipalities; clarifying the use of alternative dispute resolution in certain proceedings; requiring special procedures to implement annexation of substantially all of a town; instructing the revisor; requiring a report; providing for retroactive effect, with an exception; allocating certain costs; repealing a certain alternative dispute procedure; amending Minnesota Statutes 1999 Supplement, section 414.12; proposing coding for new law in Minnesota Statutes, chapter 414; repealing Minnesota Statutes 1998, section 414.10.

Reported the same back with the following amendments:

Page 2, line 12, after the period, insert "In the case of detachment of lands from a municipality, if the parties do not agree to resolve a boundary adjustment matter by mediation or arbitration, then the case shall be referred to an administrative law judge to conduct hearings and issue final orders under sections 414.01 to 414.09."

Page 4, line 6, after "matters" insert ", private property protection organizations."

Page 4, line 7, delete everything after the period

Page 4, delete lines 8 and 9 and insert "The office of strategic and long-range planning may adopt or amend rules governing use of mediation and arbitration in boundary adjustment disputes. Until May 1, 2002, these rules are exempt from chapter 14."

Page 4, line 26, after the period, insert "Section 3 is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3596, A bill for an act relating to the environment; providing for grants for special purpose districts with environmental responsibilities; authorizing pilot projects for the restructuring of the organization and operation of special purpose districts; authorizing grants from the board of government innovation and cooperation for the development and implementation of pilot projects.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 3601, A bill for an act relating to education; repealing the vendor selection process for educational services provided at the Minnesota correctional facility-Red Wing; repealing Laws 1999, chapter 216, article 4, section 12.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3614, A bill for an act relating to crime prevention; appropriating funds from the automobile theft prevention special revenue account for automobile theft prevention activities; removing certain types of vehicles from the surcharge for auto theft prevention; amending Minnesota Statutes 1998, section 168A.40, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 23, reinstate the stricken language

Page 1, line 24, reinstate the stricken language and delete "means a policy of insurance" and after "covering" insert "only"

Page 1, line 25, delete "168.11" and insert "168.011"

Page 2, line 2, after "van" insert "but not commuter vans as defined in section 168.126"

Page 2, after line 11, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 2001."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3623, A bill for an act relating to state government; clarifying that certain ethical requirements apply to constitutional officers; amending Minnesota Statutes 1998, section 43A.38, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 3630, A bill for an act relating to environment; encouraging recycling of construction debris by public entities; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [115A.975] [DISPOSAL OF ARSENIC-TREATED LUMBER.]

(a) Treated lumber infused with arsenic may not be used as mulch or animal bedding.

(b) A waste hauler or a person operating a construction debris recycling facility may not knowingly send or transport treated lumber to a resource recovery facility or to an unlined solid waste disposal facility, including, but not limited to, an unlined construction or demolition debris land disposal facility."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "restricting disposal of arsenic-treated lumber;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3642, A bill for an act relating to health; modifying provisions for application for and distribution of medical education funds; amending Minnesota Statutes 1999 Supplement, section 62J.692, subdivisions 1, 3, and 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McElroy from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 3651, A bill for an act relating to state government; transferring certain powers and duties from the department of children, families, and learning to the department of economic security; providing requirements for the energy assistance program; requiring a report; instructing the revisor to renumber certain sections; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [ENERGY ASSISTANCE PROGRAM.]

(a) The commissioner of economic security shall establish policies and procedures to address the findings in the department of administration's evaluation of Minnesota's energy assistance program published in December 1999.

(b) The commissioner of economic security shall develop:

(1) outcome measures, in accordance with federal recommendations, by which to evaluate subgrantee performance and the program as a whole;

(2) methods to identify the eligible population for the energy assistance program;

(3) procedures to improve program consistency across the state. This shall address program start and end dates, eligibility determination, eligibility verification, and application and payment processing times; and

(4) improved internal management practices. This includes program oversight, evaluation and auditing of the service delivery agencies, computer software system, and overall management. The report shall also include proposals for the utilization of technology to provide for the most cost-effective service delivery.

Sec. 2. [REPORT.]

The commissioner of economic security shall submit a report to the legislature detailing the costs and benefits of operating the energy assistance program. The report shall be submitted to the senate jobs, energy and community development committee, and the house jobs and economic development policy committee by January 30, 2001.

Sec. 3. [TRANSFER OF ENERGY ASSISTANCE AND WEATHERIZATION RESPONSIBILITIES.]

Energy assistance and weatherization responsibilities under Minnesota Statutes, sections 119A.40, 119A.41, 119A.42, and 119A.425 are transferred from the department of children, families, and learning to the department of economic security.

Sec. 4. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>column A</u>	<u>column B</u>
<u>119A.40</u>	<u>268.985</u>
<u>119A.41</u>	<u>268.986</u>
<u>119A.42</u>	<u>268.987</u>
<u>119A.425</u>	<u>268.989</u>

Sec. 5. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to state government; transferring certain powers and duties from the department of children, families, and learning to the department of economic security; providing requirements for the energy assistance program; requiring a report; instructing the revisor to renumber certain sections."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Family and Early Childhood Education Finance.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 3658, A bill for an act relating to statutes of limitations; waiving limitations on actions for compensation initiated by December 31, 2010, by persons forced to perform labor between 1929 and 1945 by the governments of Germany or Japan, their allies or sympathizers, or entities transacting business in Germany or Japan, or areas controlled by their governments; proposing coding for new law in Minnesota Statutes, chapter 541.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3659, A bill for an act relating to child protection; expanding training requirements for child abuse professionals; requiring child protection services to consider the risks to children who live in homes with an adult who is not biologically related to them; increasing the felony penalty for child endangerment; imposing a mandatory minimum sentence for felony child endangerment; amending Minnesota Statutes 1998, section 609.378, subdivision 1; Minnesota Statutes 1999 Supplement, sections 626.556, subdivision 10e; and 626.559, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 20, delete "Sec. 2." and insert "Section 1."

Page 3, delete lines 15 to 18

Pages 3 to 6, delete sections 3 and 4

Page 6, line 30, delete "5" and insert "2"

Page 6, line 31, delete "2" and insert "1"

Amend the title as follows:

Page 1, line 2, delete everything after "to" and insert "crime prevention;"

Page 1, delete lines 3 to 5

Page 1, line 6, delete everything before "increasing"

Page 1, line 7, delete everything after the semicolon

Page 1, delete line 8

Page 1, line 10, delete everything after "subdivision 1" and insert a period

Page 1, delete lines 11 and 12

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 3706, A bill for an act relating to education; creating a teacher preparation program; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Higher Education Finance.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3729, A bill for an act relating to local government; the town of Wyoming and the city of Chisago City; exempting the town and the city from a limitation on the duration of reimbursement paid to the town for orderly annexed property.

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

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 3742, A bill for an act relating to courts; authorizing use of the Revenue Recapture Act for collection of certain conciliation court judgments; providing for priority of claims; modifying service of process requirements; appropriating money; amending Minnesota Statutes 1998, sections 270A.03, subdivision 7; 270A.04, subdivision 3; 270A.07, subdivision 5; 270A.09, subdivision 1; 270A.10; and 491A.01, subdivision 3; Minnesota Statutes 1999 Supplement, section 270A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 491A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3753, A bill for an act relating to highways; requiring metered ramp study by department of transportation; appropriating money.

Reported the same back with the following amendments:

Page 1, line 9, delete everything after "lights" and insert "for a period to be determined by the consultant with whom the commissioner contracts to perform the study required under paragraph (b)."

Page 1, delete line 10

Page 1, line 16, delete "that month" and insert "the period of the study"

Page 1, line 19, after the period, insert "The commissioner shall contract with an independent consultant to perform the study required by this section."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Smith from the Committee on Civil Law to which was referred:

H. F. No. 3756, A bill for an act relating to insurance; establishing the Holocaust Victims Insurance Relief Act; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 1, delete lines 18 to 22 and insert:

"(b) "related company" means an affiliate, as defined in section 60D.15, subdivision 2; a successor in interest; or a managing general agent, of another company or insurer;"

Page 2, line 4, delete "1945" and insert "1946"

Page 4, line 22, delete "1945" and insert "1946"

Page 5, line 20, delete "1945" and insert "1946"

Page 8, lines 4 and 11, delete "1945" and insert "1946"

With the recommendation that when so amended the bill pass.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3766, A bill for an act relating to pawnbrokers; requiring pawnbrokers who provide law enforcement agencies with electronic records of transactions to use a specified interchange file specification format; amending Minnesota Statutes 1998, section 325J.05.

Reported the same back with the following amendments:

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

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 3774, A bill for an act relating to education; establishing criteria for district and school contracts for electronic products or services that require advertising to be disseminated to students; proposing coding for new law in Minnesota Statutes, chapter 123B.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Finseth from the Committee on Agriculture Policy to which was referred:

H. F. No. 3802, A bill for an act relating to capital improvements; authorizing issuance of bonds; appropriating money to help abate crop depredation by Canada geese.

Reported the same back with the following amendments:

Page 1, line 7, delete "bond proceeds" and insert "general"

Page 1, line 11, delete "16A.695" and insert "97A.028"

Page 1, delete section 2

Page 1, line 20, delete "3" and insert "2"

Page 1, line 21, delete "Sections 1 and 2 are" and insert "Section 1 is"

Amend the title as follows:

Page 1, lines 2 and 3, delete "capital improvements; authorizing issuance of bonds;" and insert "appropriations;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Lindner from the Committee on Jobs and Economic Development Policy to which was referred:

H. F. No. 3806, A bill for an act relating to reemployment compensation; modifying nonprofit organization provisions; amending Minnesota Statutes 1999 Supplement, section 268.053, subdivision 1, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3807, A bill for an act relating to local and metropolitan government; allowing the city of Minnetonka to establish a replacement service transit program.

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

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3814, A bill for an act relating to taxation of aggregate material; clarifying the definition of importer; authorizing Wright county to impose a tax on the production of aggregate materials exported outside the county; amending Minnesota Statutes 1998, section 298.75, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 298.75, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.

(1) "Aggregate material" shall mean nonmetallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall not include dimension stone and dimension granite. Aggregate material must be measured or weighed after it has been extracted from the pit, quarry, or deposit.

(2) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

(5) "Importer" shall mean any person who buys aggregate material produced from a county not listed in paragraph (6) or another state and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

(6) "County" shall mean the counties of Pope, Stearns, Benton, Sherburne, Carver, Scott, Dakota, Le Sueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomen, Clay, Becker, Carlton, St. Louis, Rock, Murray, Wilkin, Big Stone, Sibley, Hennepin, Washington, Chisago, Wright, and Ramsey.

Sec. 2. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 1 is effective the day after the governing body of Wright county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Delete the title and insert:

"A bill for an act relating to taxation of aggregate material; adding Wright county to the list of counties required in certain cases to impose a tax on the production of aggregate materials removed; amending Minnesota Statutes 1998, section 298.75, subdivision 1."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 3819, A bill for an act relating to education; providing for student scholarships and teacher stipends under the advanced placement and international baccalaureate program; amending Minnesota Statutes 1998, section 120B.13, by adding subdivisions.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3825, A bill for an act relating to crime prevention; establishing an annual insurance cap for tribal police departments; amending Minnesota Statutes 1998, sections 626.90, subdivision 2; 626.91, subdivision 2; and 626.92, subdivision 2; Minnesota Statutes 1999 Supplement, section 626.93, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 5, line 14, after "on" insert "Mille Lacs Band of Chippewa Indians"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Bradley from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 3839, A bill for an act relating to health; modifying provisions for speech-language pathologists, audiologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing instrument dispensers; amending Minnesota Statutes 1998, sections 148.515, subdivision 3; 148.517, by adding a subdivision; 148.518, subdivision 2; 148.5193, subdivisions 1, 2, 4, 6, and by adding a subdivision; 148B.60, subdivision 3; 148B.68, subdivision 1; 148B.69, by adding a subdivision; 148B.71, subdivision 1; 148C.01, subdivisions 2, 7, 9, 10, and by adding a subdivision; 148C.03, subdivision 1; 148C.04, by adding subdivisions; 148C.06, subdivision 1; 148C.09, subdivisions 1 and 1a; 148C.11, subdivision 1; 153A.13, subdivision 9, and by adding subdivisions; 153A.14, subdivisions 1, 2a, 2h, 4, 4a, and by adding subdivisions; and 153A.15, subdivision 1; repealing Minnesota Statutes 1998, sections 148.5193, subdivisions 3 and 5; and 148C.04, subdivision 5.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

"Section 1. Minnesota Statutes 1998, section 148.512, subdivision 5, is amended to read:

Subd. 5. [APPROVED CONTINUING EDUCATION SPONSOR.] "~~Approved~~ Continuing education sponsor" means an organization that offers a learning experience designed to promote continuing competency in the procedures and techniques of the practice of speech-language pathology or audiology and ~~that meets whose activities~~ meet the criteria in section 148.5193, ~~subdivision 3, or is a preapproved sponsor listed in section 148.5193,~~ subdivision 2."

Page 8, after line 18, insert:

"Sec. 10. Minnesota Statutes 1998, section 148.5196, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The advisory council shall:

- (1) advise the commissioner regarding speech-language pathologist and audiologist registration standards;
- (2) advise the commissioner on enforcement of sections 148.511 to 148.5196;
- (3) provide for distribution of information regarding speech-language pathologist and audiologist registration standards;
- (4) review applications and make recommendations to the commissioner on granting or denying registration or registration renewal;
- (5) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether registration should be denied or disciplinary action taken against the individual;
- (6) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 3 ~~2~~; and
- (7) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner."

Page 23, after line 23, insert:

"Sec. 24. Minnesota Statutes 1998, section 148C.06, subdivision 2, is amended to read:

Subd. 2. [DOCUMENTATION OF STATUS; CERTAIN APPLICANTS.] (a) ~~A licensure applications applicant~~ under subdivision 1, paragraphs (a) and (c), may document certified status by submitting to the commissioner an original and current certificate issued by an international certification and reciprocity consortium board in this or another jurisdiction.

(b) A licensure applicant under subdivision 1, paragraphs (b) and (c), must be deemed eligible for licensure within the transition period, provided the applicant:

- (1) made the application to the administrator of the exam or exams required by the commissioner before January 28, 2000;
- (2) passed the required examinations before January 28, 2001; and
- (3) meets all other requirements for licensure under this section."

Page 34, after line 31, insert:

"Sec. 40. [EFFECTIVE DATE.]

Sections 1 to 39 are effective the day following final enactment."

Re-number the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 6, after "sections" insert "148.512, subdivision 5;"

Page 1, line 9, after the semicolon, insert "148.5196, subdivision 3;"

Page 1, line 14, delete "subdivision 1" and insert "subdivisions 1 and 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Mares from the Committee on Education Policy to which was referred:

H. F. No. 3840, A bill for an act relating to education; providing for an alternative license for teachers who received training in other states; amending Minnesota Statutes 1999 Supplement, section 122A.23.

Reported the same back with the following amendments:

Page 1, after line 8 insert:

"122A.23 [APPLICANTS TRAINED IN OTHER STATES.]"

Page 2, line 18, delete "professional" and insert "licensed"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on K-12 Education Finance.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3846, A bill for an act relating to crime prevention; clarifying the scope of the community notification law; amending Minnesota Statutes 1998, sections 244.052, as amended; and 244.10, subdivision 2a.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1999 Supplement, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] (a) The registration provided to the corrections agent or law enforcement authority, must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, a fingerprint card, and photograph of the person taken at the time of the person's release from incarceration or, if the person was not incarcerated, at the time the person initially registered under this section. The registration information also must include a written consent form signed by the person allowing a treatment facility to release information to a law enforcement officer about the person's admission to, or residence in, a treatment facility. Registration information on adults and juveniles may be maintained together notwithstanding section 260B.171, subdivision 3.

(b) Within three days, the corrections agent or law enforcement authority shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension. The bureau shall ascertain whether the person has registered with the law enforcement authority where the person resides. If the person has not registered with the law enforcement authority, the bureau shall send one copy to that authority.

(c) During the period a person is required to register under this section, the following shall apply:

(1) Each year, within 30 days of the anniversary date of the person's initial registration, the bureau of criminal apprehension shall mail a verification form to the last reported address of the person.

(2) The person shall mail the signed verification form back to the bureau of criminal apprehension within ten days after receipt of the form, stating on the form the current and last address of the person.

(3) If the person fails to mail the completed and signed verification form to the bureau of criminal apprehension within ten days after receipt of the form, the person shall be in violation of this section.

(d) When sending out a verification form, the bureau of criminal apprehension must determine whether the person to whom the verification form is being sent has signed a written consent form as provided for in paragraph (a). If the person has not signed such a consent form, the bureau of criminal apprehension must send a written consent form to the person along with the verification form. A person who receives this written consent form must return it to the bureau of criminal apprehension at the same time as the verification form.

(e) For the purposes of this subdivision, "treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential chemical dependency treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States."

Page 14, line 18, delete "Sections 1 and 2" and insert "Section 1 is effective July 1, 2000, and applies to offenders currently registered under Minnesota Statutes, section 243.166, and to offenders who are required to register under Minnesota Statutes, section 243.166, on or after that date. Sections 2 and 3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert "; Minnesota Statutes 1999 Supplement, section 243.166, subdivision 4"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3852, A bill for an act relating to state government; requiring decentralization of state government; proposing coding for new law in Minnesota Statutes, chapter 15.

Reported the same back with the following amendments:

Page 1, line 8, delete "shall" and insert "may"

Page 1, line 9, delete "in the metropolitan area" and insert "by encouraging telecommuting"

Page 1, line 10 delete "shall" and insert "may"

Page 1, line 14, after the semicolon, insert "and"

Page 1, line 17, delete "and" and insert a period

Page 1, delete lines 18 to 20

Page 1, line 22, delete "(4)" and insert "(3)"

Page 1, after line 24, insert:

"This section is repealed June 30, 2005."

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "authorizing"

With the recommendation that when so amended the bill pass.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3887, A bill for an act relating to transportation; appropriating money for personal rapid transit systems.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Transportation Finance without further recommendation.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3914, A bill for an act relating to metropolitan government; allowing the city of Shorewood to establish a replacement service transit program.

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

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3920, A bill for an act relating to tax increment financing; city of Fountain; extending a tax increment financing district.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy to which was referred:

H. F. No. 3936, A bill for an act relating to metropolitan government; establishing a task force to study legislative proposals relating to metropolitan government structure and to make recommendations by January 1, 2001.

Reported the same back with the following amendments:

Page 2, line 31, delete "two" and insert "three"

With the recommendation that when so amended the bill pass.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3943, A bill for an act relating to traffic regulations; prescribing display period for "Walk" and "Don't Walk" signals at intersections; clarifying pedestrian right-of-way at intersections; appropriating money for pedestrian safety awareness campaign; amending Minnesota Statutes 1998, sections 169.06, subdivision 6; and 169.21, subdivisions 2, 3, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 169.01, subdivision 37, is amended to read:

Subd. 37. [CROSSWALK.] "Crosswalk" means (1) that portion of a roadway ordinarily included with the prolongation or connection of the lateral lines of sidewalks at intersections, or in the case of an intersection with no sidewalk and no marked crosswalk, the width of the roadway from the intersection area to a line ten feet therefrom; or (2) any portion of a roadway distinctly indicated for pedestrian crossing by lines or other markings on the surface.

Sec. 2. Minnesota Statutes 1998, section 169.21, subdivision 2, is amended to read:

Subd. 2. [RIGHTS IN ABSENCE OF SIGNAL.] (a) Where traffic-control signals are not in place or in operation, the driver of a vehicle shall stop to yield the right-of-way to a pedestrian crossing the roadway within a ~~marked crosswalk or within any crosswalk at an intersection but~~, The driver must remain stopped until the pedestrian has passed the lane in which the vehicle is stopped. No pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. This provision shall not apply under the conditions as otherwise provided in this subdivision.

(b) When any vehicle is stopped at a ~~marked crosswalk or at any unmarked crosswalk at an intersection~~ to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle.

(c) It is unlawful for any person to drive a motor vehicle through a column of school children crossing a street or highway or past a member of a school safety patrol or adult crossing guard, while the member of the school safety patrol or adult crossing guard is directing the movement of children across a street or highway and while the school safety patrol member or adult crossing guard is holding an official signal in the stop position. A peace officer may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of this paragraph within the past four hours.

(d) A person who violates this subdivision is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both. A person who violates this subdivision a second or subsequent time within one year of a previous conviction under this subdivision is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 3. Minnesota Statutes 1998, section 169.21, subdivision 3, is amended to read:

Subd. 3. [CROSSING BETWEEN INTERSECTIONS.] Every pedestrian crossing a roadway at any point other than within a ~~marked crosswalk or within an unmarked crosswalk at an intersection~~ shall yield the right-of-way to all vehicles upon the roadway.

Any pedestrian crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided shall yield the right-of-way to all vehicles upon the roadway.

Between adjacent intersections at which traffic-control signals are in operation pedestrians shall not cross at any place except in a marked crosswalk.

Notwithstanding the other provisions of this section every driver of a vehicle shall: (a) exercise due care to avoid colliding with any bicycle or pedestrian upon any roadway and (b) give an audible signal when necessary and exercise proper precaution upon observing any child or any obviously confused or incapacitated person upon a roadway.

Sec. 4. [169.2151] [PEDESTRIAN SAFETY CROSSINGS.]

A local road authority may by ordinance provide for the designation of pedestrian safety crossings on highways under the road authority's jurisdiction where pedestrian safety considerations require extra time for pedestrian crossing in addition to the time recommended under the Minnesota manual of uniform traffic control devices for pedestrian signals. The ordinance may provide for timing of pedestrian signals for such crossings, consistent with the recommendations of the uniform manual for pedestrian signal timing at senior citizen and handicapped pedestrian crossings. Cities other than cities of the first class may designate a crossing as a pedestrian safety crossing only with the approval of the road authority having jurisdiction over the crossing. The authority of local road authorities to determine pedestrian signal timing under this section is in addition to any other control exercised by local road authorities over the timing of pedestrian signals.

Sec. 5. [CROSSWALK SAFETY AWARENESS GRANTS.]

With the appropriation under section 6 the Minnesota safety council shall continue its crosswalk safety awareness program by:

(1) developing and distributing crosswalk safety education campaign materials;

(2) creating and placing advertisements in mass media throughout the state; and

(3) making grants to local units of government and law enforcement agencies for:

(i) implementing pedestrian safety awareness activities;

(ii) providing increased signage and crosswalk markings and evaluating their effect on highway safety; and

(iii) enhancing enforcement of pedestrian safety laws.

Sec. 6. [APPROPRIATION.]

\$300,000 is appropriated from the general fund to the Minnesota safety council for the purposes stated in section 5.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 4 are effective September 1, 2000. Sections 5 and 6 are effective July 1, 2000."

Delete the title and insert:

"A bill for an act relating to traffic regulations; modifying pedestrian right-of-way at intersections and crosswalks; authorizing pedestrian safety crossings; appropriating money; amending Minnesota Statutes 1998, sections 169.01, subdivision 37; and 169.21, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 169."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary Finance.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3954, A bill for an act relating to transportation; establishing interest requirements for rail service improvement loans; amending Minnesota Statutes 1998, section 222.50, subdivision 5.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1998, section 222.49, is amended to read:

222.49 [RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.]

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit in this account all money appropriated to or received by the department for the purpose of rail service improvement, including bond proceeds as authorized by article XI, section 5, clause (i) of the Minnesota Constitution. After payment of debt service assessments under section 16A.643, for bonds sold to provide the bond proceeds deposited in the account, all money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be deposited in the rail service improvement account nor shall such administrative costs be paid from the account."

Page 2, after line 19, insert:

"Sec. 3. Minnesota Statutes 1998, section 222.57, is amended to read:

222.57 [RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.]

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and

rail carrier loan guarantee account from money otherwise available in the rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee program, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1. All debt service on bond proceeds used to finance appropriations to carry out the purposes of sections 222.55 to 222.62 must be repaid by the department of transportation under section 16A.643."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "establishing" insert "debt service and"

Page 1, line 3, delete "loans" and insert "accounts"

Page 1, line 4, delete "section" and insert "sections 222.49;"

Page 1, line 5, after "5" insert "; and 222.57"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Ozment from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 3958, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to use snowmobile grant-in-aid funds to reimburse eligible recipients for certain snowmobile trail grooming equipment expenses.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3962, A bill for an act relating to metropolitan government; requiring metropolitan council to report on the future of the metro mobility transit system.

Reported the same back with the following amendments:

Page 1, line 11, after "options" insert ", alternatives,"

Page 1, line 13, delete the second "and"

Page 1, line 16, delete the period and insert a semicolon

Page 1, after line 16, insert:

"(3) integration of private taxi services to provide a more efficient pick up and delivery system, and potential savings from doing so; and

(4) changes in state or federal law, including, but not limited to, changes in fare structure and requirements, to increase effectiveness of the service.

In preparing the report the metropolitan council shall establish an advisory committee of not more than 16 members. Eight of the members must be users of the metro mobility system. Of those members, four must be appointed by the chair of the metropolitan council's transportation accessibility advisory committee, two by the chair of the house of representatives committee on transportation policy, and two by the chair of the senate committee on transportation. Eight of the members must be appointed by the metropolitan council and be representatives of other transit providers, including private taxicab owners and managers, be other persons with business experience relating to transit, or be advocates for metro mobility. The members of the advisory council shall serve without compensation. The metropolitan council may not submit the report required by this section until the report has been approved by a majority of the members of the advisory committee."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 3964, A bill for an act relating to insurance; adjusting aspects of eligibility and coverage in the comprehensive health association; requiring a study of premium rates; amending Minnesota Statutes 1998, sections 62E.02, subdivision 13; 62E.08; 62E.13, subdivision 2; 62E.14, subdivision 1; 62E.15, by adding a subdivision; and 62E.18; Minnesota Statutes 1999 Supplement, section 62E.12.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 9, line 11, after "policyholders" insert "including establishing a premium rate lower than the market rate"

Page 9, line 13, delete everything before "Sections" and delete "2 to 8" and insert "1 to 7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "62E.02, subdivision 13;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Molnau from the Committee on Transportation Finance to which was referred:

H. F. No. 3967, A bill for an act relating to motor vehicles; providing for a tax credit on the registration tax on passenger automobiles; amending Minnesota Statutes 1998, section 168.013, subdivision 1a, and by adding a subdivision.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Stanek from the Committee on Crime Prevention to which was referred:

H. F. No. 3984, A bill for an act relating to corrections; creating an advisory task force to study the department of corrections' release policies and procedures concerning mentally ill inmates and inmates confined in punitive segregation; requiring a report.

Reported the same back with the following amendments:

Page 2, line 5, delete "seven" and insert "the following"

Page 2, line 12, delete "one employee" and insert "two employees" and delete "who" and insert ", one of whom has expertise in correctional law, and one of whom"

Page 2, line 14, delete "and"

Page 2, line 15, delete "one public member who has" and insert "up to three public members who have"

Page 2, line 16, before the period, insert "; and

(6) the ombudsman for corrections"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs Policy.

The report was adopted.

Workman from the Committee on Transportation Policy to which was referred:

H. F. No. 3994, A bill for an act relating to traffic regulations; requiring the commissioner of transportation to allow the use of freeway high-occupancy lanes by certain other vehicles.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Larsen, P., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 4000, A bill for an act relating to Hennepin county; prohibiting Hennepin county from spending any funds for light rail transit without voter approval.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

S. F. No. 1618, A bill for an act relating to liquor; modifying judicial remedies pertaining to brewers and wholesalers; providing for a right to jury trials; amending Minnesota Statutes 1998, section 325B.08.

Reported the same back with the following amendments:

Page 1, line 11, delete "before a"

Page 1, line 12, delete "jury"

Page 1, line 13, delete "and right to trial by jury"

Amend the title as follows:

Page 1, lines 3 and 4, delete "providing for a right to jury trials;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Krinkie from the Committee on State Government Finance to which was referred:

S. F. No. 2444, A bill for an act relating to state lands; authorizing conveyance of certain surplus state land in Stearns county.

Reported the same back with the following amendments:

Page 4, after line 27, insert:

"(f) The city of Sauk Centre shall consult with the state historic preservation office before demolishing or altering contributing buildings, or conducting new construction on the campus."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Krinkie from the Committee on State Government Finance to which was referred:

S. F. No. 2783, A bill for an act relating to the secretary of state; regulating fees; regulating the filing of annual registrations by corporations and other business entities with the secretary of state; providing for technical amendments to provisions regarding digital signatures; allowing the extension of duration of certain nonprofit corporations; amending Minnesota Statutes 1998, sections 5.12, subdivision 1; 5.14; 302A.821; 303.14, subdivision 1; 303.21, subdivision 3; 317A.801, subdivision 1; 317A.823; 317A.827; 318.02, by adding a subdivision; 322B.960; 323A.10-03; 325K.07, subdivision 3; 325K.10, subdivisions 1 and 2; 325K.18, subdivision 3; 325K.19; and 325K.23; Minnesota Statutes 1999 Supplement, sections 325K.05, subdivision 1; and 336.9-411; proposing coding for new law in Minnesota Statutes, chapters 5; and 308A; repealing Minnesota Statutes 1998, sections 303.07, subdivision 2; 303.14, subdivisions 3, 4, and 5; and 322B.960, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 5.12, subdivision 1, is amended to read:

Subdivision 1. [FEES.] The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy of any document filed in the office of the secretary of state. The secretary of state shall charge a fee of \$3 for a copy of an original filing of a corporation, limited partnership, trade or service mark, or for the complete record of a certificate of assumed name. The secretary of state shall charge a fee of \$3 for a copy of any or all subsequent filings of a corporation, limited partnership, or trade or service mark. The secretary of state shall charge a fee of \$1 per page for copies of other nonuniform commercial code documents filed with the secretary of state. At the time of filing, the secretary of state may provide at the public counter, without charge, a copy of a filing, ten or fewer pages in length, to the person making the filing.

Sec. 2. Minnesota Statutes 1998, section 5.14, is amended to read:

5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of \$20 on each transaction involving ~~over-the-counter~~ expedited service that ~~takes place at~~ is provided by the office of the secretary of state.

Sec. 3. [5.29] [BULK AGENT NAME AND ADDRESS CHANGES.]

The filing fee charged for filing an amendment is charged for each document filed when a registered agent changes its name or office address pursuant to sections 302A.123, subdivision 3, 303.10, 308A.025, subdivision 5, 317A.123, subdivision 3, 318.02, and 322B.135, subdivision 3, and chapters 322A, 323, and 323A, but the cumulative fee shall not exceed \$10,000 for entities governed by the provisions of chapters 302A, 303, 308A, 317A, 318, 322A, 322B, 323, and 323A.

Sec. 4. Minnesota Statutes 1998, section 16A.011, is amended by adding a subdivision to read:

Subd. 12a. [EXECUTIVE BRANCH STATE AGENCY.] "Executive branch state agency" means an agency in the executive branch of state government, but does not include constitutional officers.

Sec. 5. Minnesota Statutes 1998, section 302A.821, is amended to read:

302A.821 [MINNESOTA CORPORATE REGISTRATION.]

Subdivision 1. [~~INFORMATION REQUIRED ANNUAL REGISTRATION FORM.~~] Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, the secretary of state must mail by first class mail an annual registration form to the registered office of each corporation as shown on the records of the secretary of state. The form must include the following notice:

"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this corporation without further notice from the secretary of state, pursuant to Minnesota Statutes, section 302A.821, subdivision 4, paragraph (b)."

Subd. 2. [INFORMATION REQUIRED.] A domestic corporation shall ~~once each calendar year~~ file with the secretary of state a registration by December 31 each calendar year containing:

- (a) the name of the corporation;
- (b) the address of its principal executive office, if different from the registered office address;
- (c) the address of its registered office and the name of the registered agent, if any;
- (d) the state of incorporation; and
- (e) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the corporation.

Subd. 2 3. [INFORMATION PUBLIC.] The information required by subdivision 1 is public data. Chapter 13 does not apply to this information.

~~Subd. 3. [LOSS OF GOOD STANDING.] A corporation that fails to file a registration pursuant to the requirements of subdivision 1 loses its good standing in this state. The corporation may regain its good standing in this state by filing a single annual registration and paying a \$25 fee.~~

~~Subd. 4. [NOTICE OF REPEATED VIOLATION.] If a corporation fails for three consecutive years to file a registration pursuant to the requirements of subdivision 1, the secretary of state shall give notice by first class mail to the corporation at its registered office that it has violated this section and is subject to dissolution by the office of the secretary of state if the delinquent registration is not filed pursuant to subdivision 1 and the \$25 fee paid within 60 days after the mailing of the notice. For purposes of this subdivision, "delinquent registration" means a single annual registration.~~

~~Subd. 5 4. [PENALTY.] (a) A corporation that has failed for three consecutive years to file a registration pursuant to the requirements of subdivision 1, has been notified of the failure pursuant to subdivision 4, and has failed to file the delinquent registration during the 60-day period described in subdivision 4, shall must be dissolved by the secretary of state as described in paragraph (b).~~

~~(b) Immediately after the expiration of the 60-day period described in paragraph (a), If the corporation has not filed the delinquent registration, the secretary of state shall issue a certificate of involuntary dissolution, and a copy of the certificate shall be filed in the office of the secretary of state. The original certificate shall be sent to the registered office of the corporation. The secretary of state shall annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations dissolved under this section during the preceding year may be determined. The secretary of state must also make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.~~

~~Subd. 6 5. [REINSTATEMENT.] A corporation may, within one year of the date of the ~~statutory~~ dissolution, retroactively reinstate its corporate existence by filing a single annual registration and paying a \$25 fee. Filing the annual registration with the secretary of state:~~

- ~~(1) returns the corporation to active status as of the date of the ~~statutory~~ dissolution;~~

(2) validates contracts or other acts within the authority of the articles, and the corporation is liable for those contracts or acts; and

(3) restores to the corporation all assets and rights of the corporation and its shareholders to the extent they were held by the corporation and its shareholders before the ~~statutory~~ dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

Sec. 6. Minnesota Statutes 1998, section 303.14, subdivision 1, is amended to read:

~~Subdivision 1. [FILED WITH SECRETARY OF STATE, CONTENTS.] Between January 15 and May 15, in each calendar year, every foreign corporation which holds a certificate of authority shall make and file with the secretary of state a report for the previous calendar year, setting forth:~~

~~(1) the name of the corporation and the state or country under the laws of which it is organized;~~

~~(2) if the name of the corporation does not end with the word "Corporation" or the word "Incorporated," or the abbreviation "Inc.," or does not contain the word "Company" or the abbreviation "Co." not immediately preceded by the word "and" or the character "&," then the name of the corporation with the word or abbreviation which it has agreed to add thereto for use in this state;~~

~~(3) the address of its registered office in this state and the name of its registered agent at such address;~~

~~(4) additional information necessary or appropriate to enable the secretary of state to determine the additional license fee, if any, payable by the corporation;~~

~~(5) a statement of the corporate taxable net income as stated in its appropriate Minnesota income tax return that was due in the previous year; and~~

~~(6) the fee required by section 303.07, subdivision 2. This fee shall be submitted with the annual report. Each calendar year beginning in the calendar year following the calendar year in which a corporation receives a certificate of authority to do business in Minnesota, the secretary of state must mail by first class mail an annual registration form to the registered office of each corporation as shown on the records of the secretary of state. The form must include the following notice:~~

~~"NOTICE: Failure to file this form by December 31 of this year will result in the revocation of the authority of this corporation to transact business in Minnesota without further notice from the secretary of state, pursuant to Minnesota Statutes, section 303.17."~~

~~The corporation will submit a \$115 fee with the annual registration and will set forth on the form:~~

~~(a) the name of the corporation, and, if the corporation has designated an alternate name pursuant to section 303.05, subdivision 1, that alternate name;~~

~~(b) the name of the registered agent of the corporation in Minnesota;~~

~~(c) the address of its registered office;~~

~~(d) the state of incorporation; and~~

~~(e) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the corporation.~~

Sec. 7. Minnesota Statutes 1998, section 303.21, subdivision 3, is amended to read:

Subd. 3. [OTHER INSTRUMENTS.] A fee of \$50 shall be paid to the secretary of state for filing any instrument, other than the annual report required by section 303.14, required or permitted to be filed under the provisions of this chapter. ~~For filing the annual report a fee of \$20 must be paid to the secretary of state.~~ The fees shall be paid at the time of the filing of the instrument.

Sec. 8. [308A.995] [PERIODIC REGISTRATION.]

Subdivision 1. [PERIODIC REGISTRATION IN CERTAIN YEARS.] Each cooperative governed by this chapter must file a periodic registration with the secretary of state in each odd-numbered year. In these years, the secretary of state must mail by first class mail a registration form to the registered office of each cooperative as shown on the records of the secretary of state, or if no such address is in the records, to the location of the principal place of business shown on the records of the secretary of state. The form must include the following notice:

"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this cooperative without further notice from the secretary of state, pursuant to Minnesota Statutes, section 308A.995, subdivision 4, paragraph (b)."

Subd. 2. [MINNESOTA COOPERATIVE REGISTRATION FORM.] In each calendar year in which a registration is to be filed, a cooperative must file with the secretary of state a registration by December 31 of that calendar year containing:

- (1) the name of the cooperative;
- (2) the address of its registered office;
- (3) the address of its principal place of business, if different from the registered office address; and
- (4) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the cooperative.

Subd. 3. [INFORMATION PUBLIC.] The information required by subdivision 1 is public data.

Subd. 4. [PENALTY; DISSOLUTION.] (a) A cooperative that has failed to file a registration pursuant to the requirements of this section by December 31 of the calendar year for which the registration was required must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the registration by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the office of the secretary of state. The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of cooperatives dissolved under this section during the preceding year may be determined. The secretary of state must also make available in an electronic format the names of the dissolved cooperatives. A cooperative dissolved in this manner is not entitled to the benefits of section 308A.981.

Subd. 5. [REINSTATEMENT.] A cooperative may, within one year of the date of dissolution under this section, retroactively reinstate its existence by filing a single annual registration and paying a \$25 fee. Filing the annual registration with the secretary of state:

- (1) returns the cooperative to active status as of the date of the dissolution;
- (2) validates contracts or other acts within the authority of the articles, and the cooperative is liable for those contracts or acts; and

(3) restores to the cooperative all assets and rights of the cooperative and its shareholders or members to the extent they were held by the cooperative and its shareholders or members before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

Sec. 9. Minnesota Statutes 1998, section 317A.801, subdivision 1, is amended to read:

Subdivision 1. [EXTENSION BY AMENDMENT.] A corporation whose period of duration provided in the articles has expired and that has continued to operate despite that expiration may reinstate its articles and extend the period of corporate duration, including making the duration perpetual, after the date of expiration by filing an amendment to the articles as set forth in this section. This section also applies to corporations that may have been formed under prior laws governing nonprofit corporations and that expired before chapter 317 was repealed on January 1, 1990.

Sec. 10. Minnesota Statutes 1998, section 317A.823, is amended to read:

317A.823 [ANNUAL CORPORATE REGISTRATION.]

Subdivision 1. [~~NOTICE FROM SECRETARY OF STATE; ANNUAL REGISTRATION REQUIRED.~~] (a) Except for corporations to which paragraph (c) applies, before July 1 of each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, the secretary of state ~~shall mail a corporate registration form to each corporation that incorporated or filed a corporate registration during either of the previous two calendar years at its last registered office address listed on the records of the secretary of state. The form must include the exact legal corporate name and registered office address currently on file with the secretary of state along with the name of the person who performs the functions of the president. The secretary of state may also give notice of the requirement to file the annual registration by any other means the secretary of state considers appropriate.~~ must mail by first class mail an annual registration form to the registered office of each corporation as shown on the records of the secretary of state. The form must include the following notice:

"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this corporation without further notice from the secretary of state, pursuant to Minnesota Statutes, section 317A.823, subdivision 2, paragraph (b)."

(b) A corporation shall file a corporate registration with the secretary of state once each calendar year. If the corporation has changed its registered office address to an address other than that listed on the records of the secretary of state, the corporation shall file the new registered office address on the registration form. If the registration shows a change of registered office address, the registration must be signed by an authorized person. A fee of \$35 must be paid for filing the registered office address change. The new address must comply with section 317A.011, subdivision 2, and must have been approved by the board. A nonprofit corporation must file with the secretary of state a registration by December 31 of each calendar year containing:

(1) the name of the corporation;

(2) the address of its registered office;

(3) the name of its registered agent, if any; and

(4) the name and business address of the officer or other person exercising the principal functions of president of the corporation.

(c) The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, by a volunteer firefighter relief association, as reflected in the notification by the state auditor under section 69.051, subdivision 1c, constitutes presentation of the corporate registration. The secretary of state may reject the registration by the volunteer firefighter relief association. Rejection must occur if the information

provided to the state auditor does not match the information in the records of the secretary of state. The volunteer firefighter relief association may amend the articles of incorporation as provided in sections 317A.131 to 317A.151 so that the information from the state auditor may be accepted for filing. The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, does not relieve the volunteer firefighter relief association of the requirement to file amendments to the articles of incorporation directly with the secretary of state.

Subd. 2. ~~[LOSS OF GOOD STANDING PENALTY.] A corporation that files an initial corporate registration under section 317A.821 or that is incorporated on or after January 1, 1990, and that does not file a corporate registration during a calendar year loses its good standing after December 31 of that year. To regain its good standing, the corporation must file a single annual corporate registration and pay a \$25 fee.~~

Subd. 3. ~~[NOTICE, DISSOLUTION.] If a corporation fails to file a report required under this section for three consecutive calendar years, the secretary of state shall give notice to the corporation by first-class mail at its registered office and by any other means of notice that the secretary of state considers appropriate, that it has violated this section and is subject to dissolution under section 317A.827 if the delinquent registration is not filed with a \$25 fee within 60 days after the mailing of the notice or the date of the alternative notice. For purposes of this subdivision, "delinquent registration" means a single registration. A corporation that fails to file the delinquent annual registration within the 60 days is dissolved under section 317A.827 (a) A corporation that has failed to file a registration pursuant to the requirements of subdivision 1 must be dissolved by the secretary of state as described in paragraph (b).~~

(b) If the corporation has not filed the delinquent registration, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the office of the secretary of state. The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations dissolved under this section during the preceding year may be determined. The secretary of state must also make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 317A.781.

Sec. 11. Minnesota Statutes 1998, section 317A.827, is amended to read:

317A.827 [ADMINISTRATIVE DISSOLUTION CONTINUATION FOR CERTAIN PURPOSES; REINSTATEMENT.]

Subdivision 1. ~~[PROCEDURE.] If a corporation fails to file the initial registration by December 31, 1997, or if it fails to file the delinquent registration before expiration of the 60-day period in section 317A.823, subdivision 3, the secretary of state shall immediately issue a certificate of involuntary dissolution. The secretary of state shall send the original certificate to the registered office of the corporation and file a copy in the office of the secretary of state. The secretary of state shall annually inform the attorney general of the methods by which the names of corporations dissolved under this section during the previous year may be determined. A corporation dissolved under this section is not entitled to the benefits of section 317A.781, subdivision 1.~~

~~Subd. 2. [ATTORNEY GENERAL POWERS CONTINUED.] A corporation dissolved under this section 317A.823 continues for three years after the dissolution date for the sole purpose of supervision, investigation, and other actions by the attorney general under sections 8.31 and 501B.40 and 501B.41.~~

Subd. 3 2. [REINSTATEMENT.] A corporation dissolved under section 317A.823 may, within one year of the date of the statutory dissolution, retroactively reinstate its corporate existence by filing a single annual registration and paying a \$25 fee. Filing the annual registration with the secretary of state:

- (1) returns the corporation to active status as of the date of the ~~statutory~~ dissolution;
- (2) validates contracts or other acts within the authority of the articles, and the corporation is liable for those contracts or acts; and

(3) restores to the corporation all assets and rights of the corporation and its members to the extent they were held by the corporation and its members before the ~~statutory~~ dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

Sec. 12. Minnesota Statutes 1998, section 318.02, is amended by adding a subdivision to read:

Subd. 6. [NON-MINNESOTA TRUSTS.] An association organized under the laws of another state may register by using the process described in subdivision 1. The registration must be accompanied by a certificate from a state authenticating the prior registration of the association in that state. The Minnesota registration does not create a new association and the association continues to be governed by the laws of the state of prior registration with respect to internal governance. Amendments to a declaration of trust will also follow the process described in subdivision 1. The fees stated in subdivision 1 apply to these transactions.

Sec. 13. Minnesota Statutes 1998, section 322B.960, is amended to read:

322B.960 [~~BIENNIAL~~ ANNUAL REGISTRATION.]

~~Subdivision 1. [INFORMATION REQUIRED ANNUAL REGISTRATION FORM.] Starting January 1, 1995, a limited liability company, whether domestic or foreign, shall once every other year file with the secretary of state a registration containing:~~

~~(a) the name of the limited liability company;~~

~~(b) the alternate name, if any, a foreign limited liability company has adopted for use in this state;~~

~~(c) the address of its registered office;~~

~~(d) the name of its registered agent, if any;~~

~~(e) the jurisdiction of organization; and~~

~~(f) the name and business address of the manager or other person exercising the principal functions of the chief manager of the limited liability company. Each calendar year beginning in the calendar year following the calendar year in which a limited liability company files articles of organization, the secretary of state must mail by first class mail an annual registration form to the registered office of each limited liability company as shown on the records of the secretary of state. The form must include the following notice:~~

~~"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this limited liability company without further notice from the secretary of state, pursuant to Minnesota Statutes, section 322B.960."~~

~~Subd. 2. [DUE DATE FOR FILING INFORMATION REQUIRED.] A registration is due two years from: (1) the date the limited liability company is formed or registered with the secretary of state; or (2) the date of the last registration. The biennial registration will be due on or before the anniversary date of formation or registration in Minnesota. The secretary of state shall mail a registration form to each limited liability company no less than 90 days before the registration is due. The registration form must be sent to the last registered office address filed with the secretary of state. A domestic or foreign limited liability company must file with the secretary of state a registration by December 31 each calendar year beginning in the calendar year following the calendar year in which the limited liability company formed containing:~~

~~(a) the name of the limited liability company or the name under which a foreign limited liability company has registered in this state;~~

~~(b) the address of its principal executive office, if different from the registered address;~~

(c) the address of its registered office;

(d) the name of its registered agent, if any;

(e) the state or jurisdiction of organization; and

(f) the name and business address of the manager or other person exercising the principal functions of the chief manager of the limited liability company.

Subd. 3. [AMENDMENTS ON REGISTRATION FORM.] A domestic limited liability company which needs to amend its name, registered office address, or registered agent may make these amendments on the ~~biennial~~ annual registration form. If an amendment is made on the ~~biennial~~ annual registration form, it must be signed by an authorized person. The fee listed in section 322B.175 applies to these amendments.

Subd. 4. [~~LOSS OF GOOD STANDING.~~] A limited liability company that fails to file a registration pursuant to the requirements of subdivision 1 loses its good standing in this state. ~~The limited liability company may regain its good standing in this state by filing a single annual registration and paying a \$50 fee.~~

~~Subd. 5. [ADMINISTRATIVE TERMINATION PENALTY.] (a) If A domestic limited liability company that has not filed a registration during a reporting period pursuant to the requirements of subdivision 3, the secretary of state shall notify the limited liability company that it will be is administratively terminated if the biennial registration is not filed by the due date of the next registration. This notice must be sent to the limited liability company at its registered office address of record as part of the registration form. If the limited liability company does not file the biennial registration by the due date, the secretary of state shall administratively terminate the existence of the limited liability company. The secretary of state shall issue a certificate of administrative termination which shall must be sent to the limited liability company at its registered office address filed in the office of the secretary of state. A copy of the certificate must be filed with the secretary of state. The secretary of state must also make available in an electronic format the names of the terminated limited liability companies.~~

~~(b) If A non-Minnesota limited liability company that has not filed a registration during a reporting period pursuant to the requirements of subdivision 3, the secretary of state shall notify the limited liability company that shall have its authority to do business in Minnesota will be revoked if the biennial registration is not filed by the due date of the next registration. This notice must be sent to the limited liability company at its registered office address of record as part of the registration form. If the limited liability company does not file the biennial registration by the due date, the secretary of state shall revoke the authority of the limited liability company to do business in Minnesota. The secretary of state shall must issue a certificate of revocation which shall must be sent to the limited liability company at its registered office address filed in the office of the secretary of state. A copy of the certificate must be filed with the secretary of state. The secretary of state must also make available in an electronic format the names of the revoked non-Minnesota limited liability companies.~~

Subd. 65. [REINSTATEMENT.] If a limited liability company is administratively terminated or has its authority to do business in Minnesota revoked, it may retroactively reinstate its existence or authority to do business by filing a single ~~biennial~~ annual registration and paying a \$50 \$25 fee but only within one year of the date of the termination or revocation.

(a) For a domestic limited liability company, filing the ~~biennial~~ annual registration with the secretary of state:

(1) returns the limited liability company to active status as of the date of the administrative termination;

(2) validates contracts or other acts within the authority of the articles, and the limited liability company is liable for those contracts or acts; and

(3) restores to the limited liability company all assets and rights of the limited liability company and its members to the extent they were held by the limited liability company and its members before the administrative termination occurred, except to the extent that assets or rights were affected by acts occurring after the termination, sold, or otherwise distributed after that time.

(b) For a non-Minnesota limited liability company, filing the ~~biennial~~ annual registration restores the limited liability company's ability to do business in Minnesota and the rights and privileges which accompany that authority.

Sec. 14. Minnesota Statutes 1998, section 323A.10-03, is amended to read:

323A.10-03 [ANNUAL REGISTRATION.]

(a) Each calendar year beginning in the calendar year following the calendar year in which a partnership files a statement of qualification or in which a foreign partnership becomes authorized to transact business in this state, the secretary of state must mail by first class mail an annual registration form to the street address of the partnership's chief executive office, if located in Minnesota, the office in this state, if the chief executive office is not located in Minnesota, or address of the registered agent of the partnership as shown on the records of the secretary of state when the chief executive office is not located in Minnesota and no other Minnesota office exists. The form must include the following notice:

"NOTICE: Failure to file this form by December 31 of this year will result in the revocation of the statement of qualification of this limited liability partnership without further notice from the secretary of state pursuant to Minnesota Statutes, section 323A.10-03, subsection (d)."

(b) [INFORMATION REQUIRED.] A limited liability partnership, and a foreign limited liability partnership authorized to transact business in this state, shall file an annual registration in the office of the secretary of state which contains:

(1) the name of the limited liability partnership and the state or other jurisdiction under whose laws the foreign limited liability partnership is formed;

(2) the street address, including the zip code, of the partnership's chief executive office and, if different, the street address, including the zip code, of an office of the partnership in this state, if any; and

(3) if the partnership does not have an office in this state, the name and street address, including the zip code, of the partnership's current agent for service of process.

~~(b)~~ (c) An annual registration must be filed once each calendar year beginning in the year following the calendar year in which a partnership files a statement of qualification or a foreign partnership becomes authorized to transact business in this state.

~~(c)~~ (d) The secretary of state ~~will~~ must revoke the statement of qualification of a partnership that fails to file an annual registration when due or pay the required filing fee. ~~To do so, the secretary of state shall provide the partnership 60 days' written notice of intent to revoke the statement. The notice must be mailed to the partnership at its chief executive office set forth in the last filed statement of qualification or annual registration. The notice must specify the annual registration that has not been filed, the fee that has not been paid, and the effective date of the revocation. The revocation is not effective if the annual registration is filed and the fee is paid before the effective date of the revocation. The secretary of state must issue a certificate of revocation which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the revoked limited liability companies.~~

~~(d)~~ (e) A revocation under subsection ~~(c)~~ (d) only affects a partnership's status as a limited liability partnership and is not an event of dissolution of the partnership.

(f) A partnership whose statement of qualification has been revoked may apply to the secretary of state for reinstatement within one year after the effective date of the revocation. A partnership must file an annual registration to apply for reinstatement and pay a reinstatement fee of \$135.

(g) A reinstatement under subsection (f) relates back to and takes effect as of the effective date of the revocation, and the partnership's status as a limited liability partnership continues as if the revocation had never occurred.

Sec. 15. Minnesota Statutes 1999 Supplement, section 325K.05, subdivision 1, is amended to read:

Subdivision 1. [LICENSE CONDITIONS.] To obtain or retain a license, a certification authority must:

- (1) be the subscriber of a certificate issued by the secretary and published in a recognized repository;
- (2) employ as operative personnel only persons who have not been convicted within the past 15 years of a felony or a crime involving fraud, false statement, or deception;
- (3) employ as operative personnel only persons who have demonstrated knowledge and proficiency in following the requirements of this chapter;
- (4) file with the secretary a suitable guaranty, unless the certification authority is a department, office, or official of a federal, state, city, or county governmental entity that is self-insured;
- (5) use a trustworthy system, including a secure means for limiting access to its private key;
- (6) present proof to the secretary of having working capital reasonably sufficient, according to rules adopted by the secretary, to enable the applicant to conduct business as a certification authority;
- (7) register its business organization with the secretary, unless the applicant is a governmental entity or is otherwise prohibited from registering;
- (8) require a potential subscriber to appear in person before the certification authority, or an agent of the certification authority, to prove the subscriber's identity before a certificate is issued to the subscriber; and
- (9) comply with all further licensing requirements established by rule by the secretary.

The secretary may, by rule, establish standards by which the in-person registration required in clause (8) may be waived.

Sec. 16. Minnesota Statutes 1998, section 325K.07, subdivision 3, is amended to read:

Subd. 3. [CIVIL PENALTY.] The secretary may by order impose and collect a civil monetary penalty against a licensed certification authority for a violation of this chapter in an amount not to exceed \$5,000 per incident, ~~or 90 percent of the recommended reliance limit of a material certificate, whichever is less.~~ In case of a violation continuing for more than one day, each day is considered a separate incident. The secretary may adopt rules setting the standards governing the determination of the penalty amounts.

Sec. 17. Minnesota Statutes 1998, section 325K.10, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS.] A licensed certification authority may issue a certificate to a subscriber only after all of the following conditions are satisfied:

- (1) the certification authority has received a request for issuance signed by the prospective subscriber; ~~and~~

(2) the prospective subscriber or the prospective subscriber's duly authorized agent must appear before the licensed certification authority to present the request; and

(3) the certification authority has confirmed that:

(i) the prospective subscriber is the person to be listed in the certificate to be issued;

(ii) if the prospective subscriber is acting through one or more agents, the subscriber duly authorized each agent to have custody of the subscriber's private key and to request issuance of a certificate listing the corresponding public key;

(iii) the information in the certificate to be issued is accurate;

(iv) the prospective subscriber rightfully holds the private key corresponding to the public key to be listed in the certificate;

(v) the prospective subscriber holds a private key capable of creating a digital signature;

(vi) the public key to be listed in the certificate can be used to verify a digital signature affixed by the private key held by the prospective subscriber; and

(vii) the certificate provides information sufficient to locate or identify one or more repositories in which notification of the revocation or suspension of the certificate will be listed if the certificate is suspended or revoked.

The requirements of this subdivision may not be waived or disclaimed by either the licensed certification authority, the subscriber, or both.

Sec. 18. Minnesota Statutes 1998, section 325K.10, subdivision 2, is amended to read:

Subd. 2. [PUBLICATION.] If the subscriber accepts the issued certificate, the licensed certification authority shall publish a signed copy of the certificate in a recognized repository, as the certification authority and the subscriber named in the certificate may agree, unless a contract between the certification authority and the subscriber provides otherwise. If the subscriber does not accept the certificate, a licensed certification authority shall not publish it, or shall cancel its publication if the certificate has already been published.

Sec. 19. Minnesota Statutes 1998, section 325K.18, subdivision 3, is amended to read:

Subd. 3. [QUALIFIED RIGHT TO PAYMENT.] (a) To recover a qualified right to payment against a surety or issuer of a suitable guaranty, the claimant must:

(1) file written notice of the claim with the ~~secretary~~ issuer of the suitable guarantee stating the name and address of the claimant, the amount claimed, and the grounds for the qualified right to payment, ~~and any other information required by rule by the secretary;~~ and

(2) append to the notice a certified copy of the judgment on which the qualified right to payment is based.

(b) Recovery of a qualified right to payment from the proceeds of the suitable guaranty is barred unless the claimant substantially complies with this subdivision.

Sec. 20. Minnesota Statutes 1998, section 325K.19, is amended to read:

325K.19 [SATISFACTION OF SIGNATURE REQUIREMENTS.]

(a) Where a rule of law requires a signature, or provides for certain consequences in the absence of a signature, that rule is satisfied by a digital signature, if:

(1) (i) the digital signature is that of a public or local official as defined in section 10A.01, subdivisions 22 and 35, on government records described in section 15.17; or

(ii) no party affected by a digital signature objects to the use of digital signatures in lieu of a signature, and the objection may be evidenced by refusal to provide or accept a digital signature;

(2) that digital signature is verified by reference to the public key listed in a valid certificate issued by a licensed certification authority;

(3) that digital signature was affixed by the signer with the intention of signing the message and after the signer has had an opportunity to review items being signed; and

(4) the recipient has no knowledge or notice that the signer either:

(i) breached a duty as a subscriber; or

(ii) does not rightfully hold the private key used to affix the digital signature.

(b) However, nothing in this chapter precludes a mark from being valid as a signature under other applicable law.

Sec. 21. Minnesota Statutes 1998, section 325K.23, is amended to read:

325K.23 [~~CERTIFICATE AS ACKNOWLEDGMENT~~ ACKNOWLEDGMENTS.]

Subdivision 1. [CERTIFICATES.] Unless otherwise provided by law or contract, a certificate issued by a licensed certification authority ~~is~~ satisfies the requirement for an acknowledgment pursuant to section 358.41 of a digital signature verified by reference to the public key listed in the certificate, regardless of whether words of an express acknowledgment appear with the digital signature and regardless of whether the signer physically appeared before the certification authority when the digital signature was created, if that digital signature is:

(1) verifiable by that certificate; and

(2) affixed when that certificate was valid.

Subd. 2. [DIGITAL SIGNATURES.] If the digital signature is used as an acknowledgment, then the certification authority is responsible to the same extent as a notary up to any limit on liability stated in the certification authority's certification practice statement for failure to satisfy the requirements for an acknowledgment. The certification authority may not disclaim or limit, other than as provided in section 325K.17, the effect of this section.

Sec. 22. Minnesota Statutes 1999 Supplement, section 336.9-411, is amended to read:

336.9-411 [COMPUTERIZED FILING SYSTEM.]

(a) The secretary of state shall develop and implement a statewide computerized filing system to accumulate and disseminate information relative to lien statements, financing statements, state and federal tax lien notices, and other Uniform Commercial Code documents. The computerized filing system must allow information to be entered and retrieved from the computerized filing system by county recorders, the department of revenue, the department of economic security, and the Internal Revenue Service.

(b) County recorders shall enter information relative to lien statements, financing statements, state and federal tax lien notices, and other Uniform Commercial Code documents filed in their offices into a central database maintained by the secretary of state. The information must be entered under the rules of the secretary of state. This requirement does not apply to tax lien notices filed under sections 268.058, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); and 272.488, subdivision 1, but does apply to entry of the date and time of receipt and county recorder's file number of those notices.

(c) The secretary of state may allow private parties to have electronic access to the computerized filing system and to other computerized records maintained by the secretary of state on a fee basis, except that visual access to electronic display terminals at the public counters at the secretary of state's office will be without charge and available during public counter hours, and access by law enforcement personnel, acting in an official capacity, will be without charge. If the computerized filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year.

Notwithstanding section 13.49, private parties who have electronic access to computerized records may view the social security number information about a debtor that is of record.

(d) The secretary of state shall adopt rules to implement the computerized filing system. The rules must:

(1) allow filings to be made at the offices of all county recorders and the secretary of state's office as required by section 336.9-401;

(2) establish a central database for all information relating to liens and security interests that are filed at the offices of county recorders and the secretary of state;

(3) provide procedures for entering data into a central database;

(4) allow the offices of all county recorders and the secretary of state's office to add, modify, and delete information in the central database as required by the Uniform Commercial Code;

(5) allow the offices of all county recorders and the secretary of state's office to have access to the central database for review and search capabilities;

(6) allow the offices of all county recorders to have electronic access to the computerized business information records on file with the secretary of state;

(7) require the secretary of state to maintain the central database;

(8) provide security and protection of all information in the central database and monitor the central database to ensure that unauthorized entry is not allowed;

(9) require standardized information for entry into the central database;

(10) prescribe an identification procedure for debtors and secured parties that will enhance lien and financing statement searches; and

(11) prescribe a procedure for phasing-in or converting from the existing filing system to a computerized filing system.

(e) The secretary of state, county recorders, and their employees and agents shall not be liable for any loss or damages arising from errors in or omissions from information entered into the computerized filing system as a result of the electronic transmission of tax lien notices under sections 268.058, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); 272.483; and 272.488, subdivisions 1 and 3.

Sec. 23. [REPEALER.]

Minnesota Statutes 1998, sections 303.07, subdivision 2; 303.14, subdivisions 3, 4, and 5; and 322B.960, subdivision 3, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Sections 5, 6, 7, 10, 11, 13, and 14 are effective January 1, 2001."

Delete the title and insert:

"A bill for an act relating to state government; defining a term for the purposes of chapter 16A; regulating fees of the secretary of state; regulating the filing of annual registrations by corporations and other business entities with the secretary of state; providing for technical amendments to provisions regarding digital signatures; allowing the extension of duration of certain nonprofit corporations; amending Minnesota Statutes 1998, sections 5.12, subdivision 1; 5.14; 16A.011, by adding a subdivision; 302A.821; 303.14, subdivision 1; 303.21, subdivision 3; 317A.801, subdivision 1; 317A.823; 317A.827; 318.02, by adding a subdivision; 322B.960; 323A.10-03; 325K.07, subdivision 3; 325K.10, subdivisions 1 and 2; 325K.18, subdivision 3; 325K.19; and 325K.23; Minnesota Statutes 1999 Supplement, sections 325K.05, subdivision 1; and 336.9-411; proposing coding for new law in Minnesota Statutes, chapters 5; and 308A; repealing Minnesota Statutes 1998, sections 303.07, subdivision 2; 303.14, subdivisions 3, 4, and 5; and 322B.960, subdivision 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1383, 1757, 2598, 2622, 2655, 2667, 2694, 2807, 2810, 2936, 2974, 2996, 3030, 3052, 3107, 3121, 3122, 3176, 3209, 3222, 3290, 3310, 3325, 3365, 3375, 3378, 3421, 3445, 3464, 3550, 3576, 3586, 3596, 3623, 3630, 3642, 3658, 3756, 3766, 3806, 3825, 3839, 3852, 3936, 3964 and 4000 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2725 and 1618 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Erhardt; Rest; Cassell; Nornes; Milbert; Rifenberg; Clark, J.; Kelliher; Erickson; Swenson; Harder; Hackbarth; Finseth; Kubly; Rhodes; Jaros; Peterson; Schumacher; Carlson; Leppik; Juhnke; Kalis; McGuire; Bradley; Boudreau; Mulder; McCollum; Workman; Lindner; Seagen; Sykora; Paulsen; Westerberg and Abeler introduced:

H. F. No. 4030, A bill for an act relating to property taxation; exempting agricultural and homestead property from the general education tax; reducing property tax class rates; establishing a new homestead credit program; providing for state aid reductions and an aid reduction levy; modifying the computation of certain school district levies; appropriating money; amending Minnesota Statutes 1998, sections 126C.17, by adding a subdivision; 273.1393; 275.065, subdivision 3; 275.08, subdivisions 1b and 1e; 276.04, subdivision 2; Minnesota Statutes 1999

Supplement, sections 126C.17, subdivision 6; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1382; 275.71, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1999 Supplement, section 273.13, subdivision 24a.

The bill was read for the first time and referred to the Committee on Taxes.

Mares introduced:

H. F. No. 4031, A bill for an act relating to retirement; public employees retirement association; authorizing certain trades personnel employed by independent school district No. 625, St. Paul, or the city of St. Paul, to elect an exclusion from retirement plan coverage; amending Minnesota Statutes 1999 Supplement, section 353.01, subdivision 2b; Laws 1965, chapter 705, section 1, subdivision 4, as amended.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Mares introduced:

H. F. No. 4032, A bill for an act relating to education; extending the refurbished computer program; appropriating money; amending Laws 1997, First Special Session chapter 4, article 9, section 8.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Nornes introduced:

H. F. No. 4033, A bill for an act relating to education finance; authorizing a fund transfer for independent school district No. 544, Fergus Falls.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Westerberg, Vandevveer and Tingelstad introduced:

H. F. No. 4034, A bill for an act relating to taxation; exempting sales of construction materials used to build city hall and police department facility in the city of Blaine; amending Minnesota Statutes 1998, section 297A.25, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel introduced:

H. F. No. 4035, A bill for an act relating to education finance; authorizing a grant for the Mid-State education district to develop innovative model programs; appropriating money.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Paulsen and Erhardt introduced:

H. F. No. 4036, A bill for an act relating to taxation; income tax; allowing the subtraction of social security income; amending Minnesota Statutes 1999 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Gerlach introduced:

H. F. No. 4037, A bill for an act relating to alcoholic beverages; allowing municipal liquor stores to conduct wine tastings; amending Minnesota Statutes 1998, section 340A.418, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce.

Hausman and Trimble introduced:

H. F. No. 4038, A bill for an act relating to highways; requiring that a new St. Croix river bridge must be a toll bridge; authorizing issuance of trunk highway bonds.

The bill was read for the first time and referred to the Committee on Transportation Policy.

Huntley introduced:

H. F. No. 4039, A bill for an act relating to transportation; appropriating money for establishing transit demonstration and bus pass program at the University of Minnesota-Duluth.

The bill was read for the first time and referred to the Committee on Transportation Finance.

Larson, D., introduced:

H. F. No. 4040, A bill for an act relating to taxation; sales and use; exempting sales of gumballs; amending Minnesota Statutes 1998, section 297A.25, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Gerlach introduced:

H. F. No. 4041, A bill for an act relating to education; permitting the board of teaching to preapprove community experts for eligibility to teach in schools; amending Minnesota Statutes 1998, section 122A.25, subdivision 3, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education Policy.

Dawkins introduced:

H. F. No. 4042, A bill for an act relating to tax increment financing; authorizing the city of St. Paul to create a housing district.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Leppik; Pelowski; Dehler; Dorn; Cassell; Storm; Seifert, M.; Stang; Tuma; Carlson; Folliard and Opatz introduced:

H. F. No. 4043, A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; authorizing the board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities to make certain improvements to colleges and universities with certain conditions and directions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1998, sections 16A.643, subdivision 1, and by adding a subdivision; 16B.33, subdivisions 3 and 4; 136F.36, subdivisions 1, 3, and by adding a subdivision; 136F.60, subdivision 1, and by adding subdivisions; and 136F.64, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1998, section 16B.33, subdivision 3a.

The bill was read for the first time and referred to the Committee on Capital Investment.

Otremba introduced:

H. F. No. 4044, A bill for an act relating to traffic regulations; expanding definition of "physically disabled person" for parking purposes to include a woman who is pregnant or the mother of a child under the age of one year; amending Minnesota Statutes 1998, section 169.345, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation Policy.

Larsen, P., introduced:

H. F. No. 4045, A bill for an act relating to taxation; providing a property tax exemption for private aircraft storage hangars on leased land; amending Minnesota Statutes 1998, sections 272.01, subdivision 2; and 273.19, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Chaudhary introduced:

H. F. No. 4046, A bill for an act relating to taxation; providing a property tax exemption for private aircraft storage hangars on leased land; amending Minnesota Statutes 1998, sections 272.01, subdivision 2; and 273.19, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Boudreau and Greiling introduced:

H. F. No. 4047, A bill for an act relating to health; appropriating money for suicide prevention.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Carlson, Schumacher, Tunheim, Gray, Biernat, Luther, Opatz, Pelowski, Dorn, Entenza, Greiling, Pugh, Otremba, Tomassoni and Mariani introduced:

H. F. No. 4048, A bill for an act relating to education; establishing a moratorium on the profile of learning pending a repeal when certain conditions are satisfied; reviewing the state's educational standards and assessments and implementing recommendations; addressing districts' technology needs related to recordkeeping,

communications, and accountability; integrating scoring criteria into a student's course grade; improving curriculum, teachers' instructional practices, and alternative assessments; repealing Minnesota Rules, part 3501.0370, subpart 4.

The bill was read for the first time and referred to the Committee on Education Policy.

Seifert, J.; McCollum and Davids introduced:

H. F. No. 4049, A bill for an act relating to communications; modifying, clarifying, and recodifying cable and modem communications provisions; amending Minnesota Statutes 1998, sections 272.01, subdivision 3; and 473.129, subdivision 6; Minnesota Statutes 1999 Supplement, section 297A.25, subdivision 11; proposing coding for new law as Minnesota Statutes, chapter 238A; repealing Minnesota Statutes 1998, sections 238.01; 238.02; 238.03; 238.08; 238.081; 238.082; 238.083; 238.084; 238.086; 238.11; 238.12; 238.15; 238.16; 238.17; 238.18; 238.22, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 238.23; 238.24; 238.241; 238.242; 238.25; 238.26; 238.27; 238.35; 238.36; 238.37; 238.38; 238.39; 238.40; 238.41; 238.42; and 238.43; Minnesota Statutes 1999 Supplement, section 238.22, subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce.

Tunheim; Anderson, I., and Solberg introduced:

H. F. No. 4050, A bill for an act relating to taxation; allowing partial refund of fuel tax for commercial owners of recreational fishing launches; making technical and clarifying changes; amending Minnesota Statutes 1998, sections 296A.16, subdivision 2; and 297A.25, subdivision 7.

The bill was read for the first time and referred to the Committee on Taxes.

Tomassoni; Rukavina; Bakk; Solberg; Juhnke; Murphy; Kahn; Anderson, I.; Carlson; Tunheim; Hausman; Hasskamp; Leighton; Pugh; Dorman; Dehler; Gunther; Kielkucki and Molnau introduced:

H. F. No. 4051, A bill for an act relating to sports; renaming the National Sports Center in Blaine.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Peterson and Davids introduced:

H. F. No. 4052, A bill for an act relating to insurance; providing that a retroactive cancellation of an automobile insurance policy under certain circumstances does not affect third-party claimants; proposing coding for new law in Minnesota Statutes, chapter 65B.

The bill was read for the first time and referred to the Committee on Commerce.

Tunheim; Anderson, I.; Tomassoni; Kalis and Lieder introduced:

H. F. No. 4053, A bill for an act relating to education; altering the definition of marginal cost pupil units; amending Minnesota Statutes 1999 Supplement, section 126C.05, subdivisions 5 and 6.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Luther, Koskinen, Leppik and Dorn introduced:

H. F. No. 4054, A bill for an act relating to health; requiring certain information to be available; establishing a toll-free telephone number and Web site; requiring a survey of home visiting services; appropriating money; amending Minnesota Statutes 1998, section 16A.76, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

Kelliher and Carlson introduced:

H. F. No. 4055, A bill for an act relating to game and fish; prohibiting fishing in designated swimming areas; amending Minnesota Statutes 1998, section 97C.025.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Dorn, Tomassoni, Johnson, Pelowski and Schumacher introduced:

H. F. No. 4056, A bill for an act relating to education; repealing provisions relating to certain allocations of general education revenue; repealing Minnesota Statutes 1999 Supplement, section 126C.23.

The bill was read for the first time and referred to the Committee on K-12 Education Finance.

Pugh introduced:

H. F. No. 4057, A bill for an act relating to local government; allowing West St. Paul to implement an ordinance amortizing certain signs.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Jennings introduced:

H. F. No. 4058, A bill for an act relating to the state agricultural society; changing certain membership, security, and liquor sale provisions; authorizing a foundation; amending Minnesota Statutes 1998, sections 37.03, subdivision 1; 37.20; and 37.21; proposing coding for new law in Minnesota Statutes, chapter 37.

The bill was read for the first time and referred to the Committee on Agriculture Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2535, A bill for an act relating to local government; allowing the city of Shorewood to provide for election of council members from wards.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 3195, 11, 2397, 2408, 3257 and 2569.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3195, A bill for an act relating to agriculture; changing certain penalties for adulteration of dairy products; amending Minnesota Statutes 1999 Supplement, section 32.21, subdivision 4.

The bill was read for the first time and referred to the Committee on Civil Law.

S. F. No. 11, A bill for an act relating to domestic abuse; providing for a six-year statute of limitations for causes of action based on domestic abuse; amending Minnesota Statutes 1998, section 541.05, subdivision 1; Minnesota Statutes 1999 Supplement, section 541.07.

The bill was read for the first time and referred to the Committee on Civil Law.

S. F. No. 2397, A bill for an act relating to occupational health and safety; establishing standards for employer activities to reduce occupational exposure to bloodborne pathogens through sharps injuries; proposing coding for new law in Minnesota Statutes, chapter 182.

The bill was read for the first time and referred to the Committee on Health and Human Services Policy.

S. F. No. 2408, A bill for an act relating to crime victims; extending the time for receipt of reparations; amending Minnesota Statutes 1998, section 611A.54.

The bill was read for the first time and referred to the Committee on Crime Prevention.

S. F. No. 3257, A bill for an act relating to state employment; modifying legislative employment provisions; amending Minnesota Statutes 1998, sections 3.07; 3.09; 3.095; 352.01, subdivision 2a; and 352D.02, subdivisions 1 and 1c; Minnesota Statutes 1999 Supplement, sections 3.096; and 43A.24, subdivision 2.

The bill was read for the first time.

Stang moved that S. F. No. 3257 and H. F. No. 3445, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2569, A bill for an act relating to insurance; authorizing insurance coverage for vicarious liability for punitive and exemplary damages; regulating the terms of certain fraternal benefit society board members; amending Minnesota Statutes 1998, sections 60A.06, by adding a subdivision; and 64B.03.

The bill was read for the first time.

Haas moved that S. F. No. 2569 and H. F. No. 2675, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

Abrams moved that the Consent Calendar be continued. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 2687 was reported to the House.

Abrams moved that H. F. No. 2687 be continued on the Calendar for the Day. The motion prevailed.

H. F. No. 3020 was reported to the House.

Bradley moved that H. F. No. 3020 be continued on the Calendar for the Day. The motion prevailed.

H. F. No. 2719 was reported to the House.

Lieder moved that H. F. No. 2719 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 2554, A bill for an act relating to taxation; providing a one-time exemption from penalty for omission of the public advertisement requirement of the truth-in-taxation process for Wadena county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Howes	Luther	Pelowski	Sykora
Abrams	Entenza	Huntley	Mahoney	Peterson	Tingelstad
Anderson, B.	Erhardt	Jaros	Mares	Reuter	Tomassoni
Anderson, I.	Erickson	Jennings	Mariani	Rhodes	Trimble
Bakk	Finseth	Johnson	Marko	Rifenberg	Tuma
Bishop	Folliard	Juhnke	McElroy	Rostberg	Tunheim
Boudreau	Fuller	Kahn	McGuire	Rukavina	Van Dellen
Bradley	Gerlach	Kalis	Molnau	Schumacher	Vandever
Broecker	Goodno	Kelliher	Mulder	Seagren	Wagenius
Buesgens	Gray	Kielkucki	Mullery	Seifert, J.	Wejzman
Carlson	Greiling	Knoblach	Murphy	Seifert, M.	Wenzel
Cassell	Gunther	Koskinen	Ness	Skoe	Westerberg
Chaudhary	Haake	Kubly	Nornes	Skoglund	Westfall
Clark, J.	Hackbarth	Kuisle	Opatz	Smith	Westrom
Daggett	Harder	Larsen, P.	Orfield	Solberg	Wilkin
Davids	Hasskamp	Leighton	Osskopp	Stanek	Winter
Dawkins	Hausman	Lenczewski	Otremba	Stang	Wolf
Dehler	Hilty	Leppik	Paulsen	Storm	Workman
Dempsey	Holberg	Lieder	Pawlenty	Swapinski	Spk. Sviggum
Dorman	Holsten	Lindner	Paymar	Swenson	

Those who voted in the negative were:

Carruthers	Gleason	Larson, D.	Milbert	Pugh
Clark, K.	Greenfield	McCollum	Osthoff	

The bill was passed and its title agreed to.

Abrams moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Boudreau moved that the name of Storm be added as an author on H. F. No. 2613. The motion prevailed.

Rostberg moved that the name of Osskopp be added as an author on H. F. No. 2761. The motion prevailed.

Daggett moved that the name of Erickson be added as an author on H. F. No. 2838. The motion prevailed.

McGuire moved that the name of Dehler be added as an author on H. F. No. 3180. The motion prevailed.

Abeler moved that the name of McCollum be added as an author on H. F. No. 3356. The motion prevailed.

Leighton moved that the name of Hackbarth be added as an author on H. F. No. 3414. The motion prevailed.

Van Dellen moved that the name of Paulsen be added as an author on H. F. No. 3469. The motion prevailed.

Workman moved that the name of Tingelstad be added as an author on H. F. No. 3857. The motion prevailed.

Vandev eer moved that the name of Abeler be added as an author on H. F. No. 3887. The motion prevailed.

Pawlenty moved that the name of Tingelstad be added as an author on H. F. No. 3987. The motion prevailed.

Goodno moved that the name of Westfall be added as an author on H. F. No. 4009. The motion prevailed.

Reuter moved that the name of Davids be added as an author on H. F. No. 4021. The motion prevailed.

Pawlenty moved that H. F. No. 849 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Environment and Natural Resources Policy. The motion prevailed.

Goodno moved that H. F. No. 2699 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Otremba moved that H. F. No. 3818 be recalled from the Committee on Health and Human Services Policy and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Larsen, P., moved that S. F. No. 2570 be recalled from the Committee on Local Government and Metropolitan Affairs and together with H. F. No. 3378, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2888:

Peterson, Rostberg and Holsten.

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 3:00 p.m., Wednesday, March 8, 2000. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Wednesday, March 8, 2000.

EDWARD A. BURDICK, Chief Clerk, House of Representatives