

STATE OF MINNESOTA

Journal of the Senate

EIGHTIETH LEGISLATURE

TWENTY-SIXTH DAY

St. Paul, Minnesota, Monday, March 24, 1997

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Mary Ellen Nielson.

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

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Stumpf was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 17, 1997

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The Subcommittee on Committees of the Committee on Rules and Administration met on March 17, 1997, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 1996

62J.05: Minnesota Health Care Commission - Ms. Barbara Sipson

84B.11: Citizen's Council on Voyageurs National Park - Ms. Janet B. Johnson

Respectfully,
Roger D. Moe, Chair
Subcommittee on Committees

March 17, 1997

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The Rules Committee met on March 17, 1997, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 1996

138.763: St. Anthony Falls Heritage Board - Ms. Linda Higgins and Mr. Pogemiller

Respectfully,
Roger D. Moe, Chair
Rules Committee

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 124 and 417.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1997

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 949 and 1075.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 20, 1997

FIRST READING OF HOUSE BILLS

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

H.F. No. 949: A bill for an act relating to the environment; making manufacturers of electric relays or other electrical devices responsible for the waste management costs of these devices; amending Minnesota Statutes 1996, sections 115A.932, subdivision 1; and 116.92, subdivision 3, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1075: A bill for an act relating to health; regulating professional health services under the professional corporation act; amending Minnesota Statutes 1996, section 319A.02, by adding a subdivision.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 316: A bill for an act relating to commerce; prohibiting brand labels of cordials and liqueurs containing cartoons and caricatures; providing minimum mandatory civil penalties for sale of alcoholic beverages to persons under 21 years of age; providing for regular compliance checks of and training for licensees; prohibiting retail sale of cordials and liqueurs in bottle sizes of less than 375 milliliters; regulating home delivery of alcoholic beverages; providing for a minimum fine for purchase of alcoholic beverages by a person under 21 years of age; amending Minnesota Statutes 1996, sections 340A.101, by adding a subdivision; 340A.311; 340A.415; 340A.503, subdivision 2, and by adding subdivisions; 340A.511; and 340A.703; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Page 1, delete section 1

Page 2, delete lines 26 to 32

Page 4, line 11, after "beverage" insert "unless under the direct supervision of a responsible person over the age of 21 for professional research or enforcement purposes"

Page 4, line 24, delete everything after the period

Page 4, delete lines 25 to 28

Pages 5 and 6, delete section 7

Page 6, after line 36, insert:

"Subd. 6. [COMMON CARRIER.] This section does not apply to a common carrier."

Page 7, line 9, delete "4, and 9" and insert "3, and 7"

Page 7, line 10, delete "5 and 6" and insert "4 and 5"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "caricatures;"

Page 1, delete line 8

Page 1, line 9, delete everything before "regulating"

Page 1, lines 13 and 14, delete "340A.101, by adding a subdivision;"

Page 1, line 15, delete "340A.511;"

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

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

S.F. No. 36: A bill for an act relating to hospital districts, authorizing hospital districts to provide support services to certain persons not in need of nursing home care; amending Minnesota Statutes 1996, sections 447.33; 447.34, subdivision 1; and 447.45, subdivision 2.

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

Page 3, after line 34, insert:

"Sec. 4. [STUDY OF ASSISTED LIVING FINANCING.]

The commissioners of health and human services, in cooperation with the commissioner of the housing finance agency, shall study and report to the legislature by January 15, 1998, on options for public and private financing of the construction of low- and moderate-income assisted living housing for senior citizens throughout the state. The study shall examine the issues of rate equalization between publicly and privately funded clients."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing a study of assisted living financing;"

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

Ms. Ranum from the Committee on Judiciary, to which was referred

S.F. No. 154: A bill for an act relating to civil actions; limiting liability for injury related to certain food donations to the state and political subdivisions; amending Minnesota Statutes 1996, section 604A.10, subdivision 2.

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

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 330: A bill for an act relating to civil actions; providing limits on liability of certain private corrections treatment facilities that receive patients under court or administrative order; proposing coding for new law in Minnesota Statutes, chapter 604A.

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

Page 1, line 11, delete "Minnesota law" and insert "chapter 317A"

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

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

S.F. No. 1168: A bill for an act relating to school transportation; directing the metropolitan council and Minneapolis and St. Paul school boards to develop and implement school transportation plan using public transit; creating advisory board; requiring report to legislature; appropriating money.

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

Page 1, line 22, after "shall" insert "appoint,"

Page 1, line 23, after "convene" insert a comma

Page 2, line 6, after the period, insert "The advisory board expires upon submission of the report required by section 4."

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

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

S.F. No. 652: A bill for an act relating to human services; establishing a task force to study treatment options for autism.

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

Page 2, line 12, after the period, insert "The task force expires upon submission of its report."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1094: A bill for an act relating to real estate; regulating compensation paid by licensees to tenants for referrals; amending Minnesota Statutes 1996, section 82.19, subdivision 3.

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

Page 2, delete lines 1 to 6

Page 2, line 7, delete everything before the period and insert "involving a person who receives a referral fee from the owner, manager, or employee of a residential property provided that in any 12-month period, no recipient may earn more than the value of one month's rent, that the recipient is a resident of the property or has lived there within 60 days of the payment of the fee, and that the person paying the fee is bound by any representations made by the recipient of the fee"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 868: A bill for an act relating to occupations; removing the sunset relating to state licensing of Minneapolis building contractors; amending Minnesota Statutes 1996, section 326.991, subdivision 1.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 574: A bill for an act relating to game and fish; permitting certain angling assistance without a license; amending Minnesota Statutes 1996, section 97A.441, by adding a subdivision.

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

Page 1, line 10, delete "provides" and insert "is providing"

Page 1, lines 12 and 13, delete "if only one angling line is" and insert "provided that no lines in addition to those permitted for an individual under section 97C.315 are"

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

Mr. Vickerman from the Committee on Local and Metropolitan Government, to which was re-referred

S.F. No. 16: A bill for an act relating to capital improvements; authorizing towns to exercise eminent domain and other powers for purposes of wastewater infrastructure; authorizing the sale of state bonds; appropriating money for wastewater infrastructure loans and grants; proposing coding for new law in Minnesota Statutes, chapter 444.

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

Delete everything after the enacting clause and insert:

"Section 1. [444.28] [TOWNS; POWERS; RIGHT OF EMINENT DOMAIN.]

Subdivision 1. [POWERS.] For the purpose of designing, planning, improving, and constructing a wastewater treatment system under section 446A.072, a town has all the powers given it under section 115.50.

Subd. 2. [RIGHT OF EMINENT DOMAIN.] Any town may exercise the right of eminent domain to acquire private property within or without the limits of the town for the purpose of carrying out the authority provided in this chapter, including obtaining the right-of-way for sewerage or drainage purposes and an outlet for sewerage or drainage within or without the town limits. Chapter 117 applies to the exercise of eminent domain under this section.

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 capital improvements; authorizing towns to exercise eminent domain and other powers for purposes of wastewater infrastructure; proposing coding for new law in Minnesota Statutes, chapter 444."

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

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

S.F. No. 210: A bill for an act relating to human services; changing provisions for placement of children; amending Minnesota Statutes 1996, sections 257.071, subdivisions 1a and 7; 257.072, subdivisions 1, 2, 3, 4, 7, and 9; 259.29; 259.57, subdivision 2; 259.77; 260.181, subdivision 3; and 260.191, subdivision 1a.

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

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

S.F. No. 122: A bill for an act relating to human services; requiring notification of placement or adoption of a child to the other birth parent; requiring background checks for adoption; requiring affidavits for an emergency order requiring updates to adoption study; defining content of postplacement assessment and report; permitting court-ordered grandparent visitation with an adopted child; recognition of adoption which occurred in a foreign country; defining when adoption records shall become public records; amending Minnesota Statutes 1996, sections 245A.04, subdivision 10; 257.022, subdivision 2, and by adding a subdivision; 259.20, subdivision 2; 259.22, subdivisions 2 and 4; 259.24, subdivision 2a; 259.41; 259.47, subdivisions 3, 6, 7, 8, and 10; 259.53, subdivisions 1 and 2; 259.55, subdivision 1; 259.59, subdivision 1; 259.61; 259.67, subdivision 7; 259.79, subdivision 3; 259.83, subdivision 3; and 259.89, subdivisions 1, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1996, section 259.47, subdivision 9.

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

Ms. Ranum from the Committee on Judiciary, to which was referred

S.F. No. 517: A bill for an act relating to privacy; modifying a provision governing access to identity of unwed mothers by family services collaboratives; amending Minnesota Statutes 1996, section 144.225, subdivision 2.

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

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 329: A bill for an act relating to liens; modifying certain provisions of the lien for veterinary services; amending Minnesota Statutes 1996, section 514.92, subdivisions 1, 1a, 2, 3, 4, and 5.

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

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 173: A bill for an act relating to commerce; providing for the use, validity, and security of electronic signatures and messages transmitted in commerce; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 325K.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Report adopted.

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 431: A bill for an act relating to the city of Minneapolis; clarifying the procedure for utility charge assessments.

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

Page 1, delete lines 17 to 20 and insert:

"Subd. 2. [WHEN DELINQUENT; STATEMENT REQUIRED.] Utility charges become delinquent for purposes of this section when they are set forth in a statement sent by the city of Minneapolis to the address of the property subject to the utility charges and the last known address of the owner of the property and are not paid in full on or before the due date stated in the statement. Upon request, the utility billing department shall provide a written statement with the total cumulative accounting of all levied and pending utility charges within ten working days of the request. Pending charges shall not be valid against third parties who rely upon the written statement or if the written statement is not provided within the requisite time period."

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

Mr. Hottinger from the Committee on Health and Family Security, to which was referred

S.F. No. 1091: A bill for an act relating to the Minnesota board on aging; clarifying and expanding certain activities of the ombudsman for older Minnesotans statewide; appropriating money; amending Minnesota Statutes 1996, sections 256.9741, subdivision 6; 256.9742; and 256.9744, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 256.9741, subdivision 6, is amended to read:

Subd. 6. "Home care service" means health, social, or supportive services provided to an individual for a fee in the individual's residence and in the community to promote, maintain, or restore health, or maximize the individual's level of independence, while minimizing the effects of disability and illness.

Home care service includes services provided with consumer support grants received under section 256.476.

Sec. 2. Minnesota Statutes 1996, section 256.9742, is amended to read:

256.9742 [DUTIES AND POWERS OF THE OFFICE.]

Subdivision 1. [DUTIES.] The ~~ombudsman~~ ombudsman's program shall:

(1) gather information and evaluate any act, practice, policy, procedure, or administrative action of a long-term care facility, acute care facility, home care service provider, or government agency that may adversely affect the health, safety, welfare, or rights of any client;

(2) mediate or advocate on behalf of clients;

(3) monitor the development and implementation of federal, state, or local laws, rules, regulations, and policies affecting the rights and benefits of clients;

(4) comment on and recommend to the legislature and public and private agencies regarding laws, rules, regulations, and policies affecting clients;

(5) inform public agencies about the problems of clients;

(6) provide for training of volunteers and promote the development of citizen participation in the work of the office;

(7) conduct public forums to obtain information about and publicize issues affecting clients;

(8) provide public education regarding the health, safety, welfare, and rights of clients; and

(9) collect and analyze data relating to complaints, conditions, and services.

Subd. 1a. [DESIGNATION; LOCAL OMBUDSMAN REPRESENTATIVES STAFF AND VOLUNTEERS.] (a) In designating an individual to perform duties under this section, the ombudsman must determine that the individual is qualified to perform the duties required by this section.

(b) An individual designated as ombudsman staff under this section must successfully complete an orientation training conducted under the direction of the ombudsman or approved by the ombudsman. Orientation training shall be at least 20 hours and will consist of training in: investigation, dispute resolution, health care regulation, confidentiality, resident and patients' rights, and health care reimbursement.

(c) The ombudsman shall develop and implement a continuing education program for individuals designated as ombudsman staff under this section. The continuing education program shall be at least 60 hours annually.

(d) An individual designated as an ombudsman volunteer under this section must successfully complete an approved orientation training course with a minimum curriculum including federal and state bills of rights for long-term care residents, acute hospital patients and home care clients, the vulnerable adults act, confidentiality, and the role of the ombudsman.

(e) The ombudsman shall develop and implement a continuing education program for ombudsman volunteers which will provide a minimum of 12 hours of continuing education per year.

(f) The ombudsman may withdraw an individual's designation if the individual fails to perform

duties of this section or meet continuing education requirements. The individual may request a reconsideration of such action by the board on aging whose decision shall be final.

Subd. 2. [IMMUNITY FROM LIABILITY.] The ombudsman or designee including staff and volunteers under this section is immune from civil liability that otherwise might result from the person's actions or omissions if the person's actions are in good faith, are within the scope of the person's responsibilities as an ombudsman or designee, and do not constitute willful or reckless misconduct.

Subd. 3. [POSTING.] Every long-term care facility and acute care facility shall post in a conspicuous place the address and telephone number of the office. A home care service provider shall provide all recipients, including those in elderly housing with services under chapter 144D, with the address and telephone number of the office. The posting or notice is subject to approval by the ombudsman.

Subd. 4. [ACCESS TO LONG-TERM CARE AND ACUTE CARE FACILITIES AND CLIENTS.] The ombudsman or designee may:

- (1) enter any long-term care facility without notice at any time;
- (2) enter any acute care facility without notice during normal business hours;
- (3) enter any acute care facility without notice at any time to interview a patient or observe services being provided to the patient as part of an investigation of a matter that is within the scope of the ombudsman's authority, but only if the ombudsman's or designee's presence does not intrude upon the privacy of another patient or interfere with routine hospital services provided to any patient in the facility;
- (4) communicate privately and without restriction with any client in accordance with section 144.651 as long as the ombudsman has the client's consent for such communication;
- (5) inspect records of a long-term care facility, home care service provider, or acute care facility that pertain to the care of the client according to sections 144.335 and 144.651; and
- (6) with the consent of a client or client's legal guardian, the ombudsman or designated staff shall have access to review records pertaining to the care of the client according to sections 144.335 and 144.651. If a client cannot consent and has no legal guardian, access to the records is authorized by this section.

A person who denies access to the ombudsman or designee in violation of this subdivision or aids, abets, invites, compels, or coerces another to do so is guilty of a misdemeanor.

Subd. 5. [ACCESS TO STATE RECORDS.] The ombudsman or designee, excluding volunteers, has access to data of a state agency necessary for the discharge of the ombudsman's duties, including records classified confidential or private under chapter 13, or any other law. The data requested must be related to a specific case and is subject to section 13.03, subdivision 4. If the data concerns an individual, the ombudsman or designee shall first obtain the individual's consent. If the individual cannot consent and has no legal guardian, then access to the data is authorized by this section.

Each state agency responsible for licensing, regulating, and enforcing state and federal laws and regulations concerning long-term care, home care service providers, and acute care facilities shall forward to the ombudsman on a quarterly basis, copies of all correction orders, penalty assessments, and complaint investigation reports, for all long-term care facilities, acute care facilities, and home care service providers.

Subd. 6. [PROHIBITION AGAINST DISCRIMINATION OR RETALIATION.] (a) No entity shall take discriminatory, disciplinary, or retaliatory action against an employee or volunteer, or a patient, resident, or guardian or family member of a patient, resident, or guardian for filing in good faith a complaint with or providing information to the ombudsman or designee including volunteers. A person who violates this subdivision or who aids, abets, invites, compels, or coerces another to do so is guilty of a misdemeanor.

(b) There shall be a rebuttable presumption that any adverse action, as defined below, within 90 days of report, is discriminatory, disciplinary, or retaliatory. For the purpose of this clause, the term "adverse action" refers to action taken by the entity involved in a report against the person making the report or the person with respect to whom the report was made because of the report, and includes, but is not limited to:

- (1) discharge or transfer from a facility;
- (2) termination of service;
- (3) restriction or prohibition of access to the facility or its residents;
- (4) discharge from or termination of employment;
- (5) demotion or reduction in remuneration for services; and
- (6) any restriction of rights set forth in section 144.651 or 144A.44.

Sec. 3. Minnesota Statutes 1996, section 256.9744, subdivision 2, is amended to read:

Subd. 2. [RELEASE.] Data maintained by the office that does not relate to the identity of a complainant, client receiving home care services, or a resident of a long-term facility may be released at the discretion of the ombudsman responsible for maintaining the data. Data relating to the identity of a complainant, a client receiving home care services, or a resident of a long-term facility may be released only with the consent of the complainant, the client or resident, or by court order."

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

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

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 355: A bill for an act relating to crime; expanding coverage for crime victims reparations to include Minnesota residents who are victims of terrorist acts committed outside of the United States; expanding coverage for child care expenses to include additional costs incurred by parents of a victim as a result of a crime; authorizing release of peace officer records of children to the crime victims reparations board for claim processing purposes; amending Minnesota Statutes 1996, sections 260.161, subdivision 3; 611A.52, subdivisions 6 and 8; and 611A.53, subdivision 1b.

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

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 294: A bill for an act relating to peace officers; requiring law enforcement agencies to do background investigations for applicants for employment as peace officers; requiring employers to disclose personnel records for law enforcement background investigations; providing immunity for employers who disclose information to law enforcement; requiring notice to the POST board when a background investigation is initiated; authorizing sharing of data on subjects of background investigations; amending Minnesota Statutes 1996, sections 13.41, subdivision 2a; 13.43, by adding a subdivision; 604A.31, subdivision 3; and 626.845, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Page 1, line 29, delete "paragraph (o),"

Page 2, line 4, delete "may" and insert "shall"

Page 2, line 16, delete "certain"

Page 4, line 22, after the period, insert "The data that may be maintained include the name of the law enforcement agency conducting the investigation and data on the candidate provided under section 626.87, subdivision 5, clauses (1) and (2)."

Page 5, line 14, delete "provide access to" and insert "disclose"

Page 5, line 30, before "An" insert "In the absence of fraud or malice,"

Page 5, line 31, delete "the release of information" and insert "employment information released"

Page 6, line 12, before "eligibility" insert "and"

Page 6, line 13, delete everything after "rehire"

Page 6, delete line 14

Page 6, line 15, delete everything before the period

Page 6, after line 15, insert:

"Subd. 7. [APPLICATION.] For purposes of this section, "employer" does not include an entity that is subject to chapter 13."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 339: A bill for an act relating to financial institutions; authorizing facsimile or electronic filings and certifications; regulating the powers and structure of certain institutions; regulating consumer credit; modifying lending authority; regulating fees and charges; making technical and conforming changes; amending Minnesota Statutes 1996, sections 46.04, by adding a subdivision; 46.044, by adding a subdivision; 46.046, by adding a subdivision; 46.047, subdivision 2; 46.07, subdivision 2; 46.131, subdivision 2; 47.20, subdivision 9; 47.51; 47.55, subdivision 1; 47.56; 47.59, subdivisions 3, 12, and by adding subdivisions; 47.61, subdivision 3; 48.01, subdivision 2; 48.09, by adding a subdivision; 48.15, subdivision 2; 48.185, subdivisions 3 and 4; 48.24, subdivision 2, and by adding a subdivision; 48.512, by adding subdivisions; 48.61, subdivision 7, and by adding a subdivision; 49.215, subdivision 3; 49.33; 49.42; 50.245; 51A.38, subdivision 1; 52.04, subdivision 2a, and by adding a subdivision; 52.062, subdivision 1, and by adding a subdivision; 52.063; 52.064, by adding a subdivision; 52.201; 53.04, by adding a subdivision; 53.05; 53.09, subdivision 2a; 55.06, subdivision 1; 56.07; 56.10, subdivision 1; 56.131, subdivisions 1 and 4; 59A.08, subdivision 3, and by adding a subdivision; 59A.11, subdivisions 2 and 3; 62B.04, subdivision 1; 300.20, subdivision 2; 303.25, subdivision 5; 332.21; 332.23, subdivisions 2 and 5; proposing coding for new law in Minnesota Statutes, chapter 48; repealing Minnesota Statutes 1996, sections 13.99, subdivision 13; 47.29; 47.31; 47.32; 48.185, subdivision 5; 49.47; 49.48; 50.03; 50.23; and 59A.14.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 46.04, is amended by adding a subdivision to read:

Subd. 4. [APPLICATIONS, FACSIMILE OR ELECTRONIC MEDIA.] (a) The commissioner when providing forms and procedural guidance to persons governed by or seeking approval to operate under the chapters referred to in this section may prescribe alternatives to paper forms and delivery in person or by mail. In considering accepting filings by facsimile or electronic media, the commissioner may accept fees and reimbursement for costs associated with the applications and notices by wire transfer and debit card.

(b) Certifications required to authenticate, officiate, or establish standing of the application or notice as a matter of law, rule, or sound business practice may be authenticated in an alternative to paper-based original signatures or notarial seals on facsimile or electronic media submissions in a technically competent means at the discretion of the commissioner, including but not limited to, document imaging meeting the standard in subdivision 3, bar coding, personal identification numbers, or other reliable communicated verification technique.

Sec. 2. Minnesota Statutes 1996, section 46.044, is amended by adding a subdivision to read:

Subd. 3. [SPECIAL PURPOSE BANKS, EXCEPTIONS.] For purposes of applications to organize and operate special purpose banks as defined in section 46.046, subdivision 5, the conditions in subdivision 1, clauses (2) and (4), do not apply.

Sec. 3. Minnesota Statutes 1996, section 46.046, is amended by adding a subdivision to read:

Subd. 5. [SPECIAL PURPOSE BANK.] Special purpose bank means a bank as defined in subdivision 2 that:

(1) engages only in credit card operations as authorized in section 47.59;

(2) does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others;

(3) does not accept savings or time deposits of less than \$100,000;

(4) maintains only one office that accepts deposits; and

(5) does not engage in the business of making commercial loans.

Sec. 4. Minnesota Statutes 1996, section 46.047, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, savings bank, or industrial loan and thrift institution operating under section 53.04, subdivision 5, that is organized under the laws of this state, or a holding company which owns or otherwise controls the banking institution.

Sec. 5. Minnesota Statutes 1996, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the Federal Deposit Insurance Corporation, the Federal Office of Thrift Supervision, the Federal Home Loan Bank System, the National Credit Union Administration, comptroller of the currency, a legally constituted state credit union share insurance corporation approved under section 52.24 other state bank supervisory agencies subject to cooperative agreements authorized by section 49.411, subdivision 7, the United States Small Business Administration, for purposes of sections 53.09, subdivision 2a, and 56.10, subdivision 1, or state and federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 6. Minnesota Statutes 1996, section 46.131, subdivision 2, is amended to read:

Subd. 2. Each bank, trust company, savings bank, savings association, ~~small loan company regulated lender~~, industrial loan and thrift company, credit union, motor vehicle sales finance company, debt prorating agency and insurance premium finance company organized under the laws of this state or required to be administered by the commissioner of commerce shall pay into the state treasury its proportionate share of the cost of maintaining the department of commerce.

Sec. 7. Minnesota Statutes 1996, section 47.20, subdivision 9, is amended to read:

Subd. 9. For purposes of this subdivision the term "mortgagee" shall mean all state banks and trust companies, national banking associations, state and federally chartered savings associations, mortgage banks, savings banks, insurance companies, credit unions or assignees of the above.

(a) Each mortgagee requiring funds of a mortgagor to be paid into an escrow, agency or similar account for the payment of taxes or homeowners insurance premiums with respect to a mortgaged one-to-four family, owner occupied residence located in this state, unless the account is required by federal law or regulation or maintained in connection with a conventional loan in an original principal amount in excess of 80 percent of the lender's appraised value of the residential unit at the time the loan is made or maintained in connection with loans insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration or any successor, shall calculate interest on such funds at a rate of not less than three percent per annum. Such interest shall be computed on the average monthly balance in such account on the first of each month for the immediately preceding 12 months of the calendar year or such other fiscal year as may be uniformly adopted by the mortgagee for such purposes and shall be annually credited to the remaining principal balance on the mortgage, or at the election of the mortgagee, paid to the mortgagor or credited to the mortgagor's account. If the interest exceeds the remaining balance, the excess shall be paid to the mortgagor or vendee. The requirement to pay interest shall apply to such accounts created in conjunction with mortgage loans made prior to July 1, 1996.

(b) Unless the account is exempt from the requirements of paragraph (a), a mortgagee shall allow a mortgagor to elect to discontinue ~~the escrow account~~ escrowing for taxes and homeowners insurance after the ~~seventh~~ fifth anniversary of the date of the mortgage, unless the mortgagor has been more than 30 days delinquent in the previous 12 months. This paragraph shall apply to accounts created prior to July 1, 1996, as well as to accounts created on or after July 1, 1996. The mortgagor's election shall be in writing. If the escrow account has a negative balance or a shortage at the time the mortgagor requests discontinuance, the mortgagee is not obligated to allow discontinuance until the escrow account is balanced or the shortage has been repaid.

(c) The mortgagee shall notify the mortgagor within 60 days after the ~~seventh~~ fifth anniversary of the date of the mortgage if the right to discontinue the escrow account is in accordance with paragraph (b). For mortgage loans entered into, on or prior to July 1, 1989, the notice required by this paragraph shall be provided to the mortgagor by January 1, 1997.

(d) A mortgagee may require the mortgagor to reestablish the escrow account if the mortgagor has failed to make timely payments for two consecutive payment periods at any time during the remaining term of the mortgage, or if the mortgagor has failed to pay taxes or insurance premiums when due. A payment received during a grace period shall be deemed timely.

(e) The mortgagee shall, subject to paragraph (b), return any funds remaining in the account to the mortgagor within 60 days after receipt of the mortgagor's written notice of election to discontinue the escrow account.

(f) The mortgagee shall not charge a direct fee for the administration of the escrow account, nor shall the mortgagee charge a fee or other consideration for allowing the mortgagor to discontinue the escrow account.

Sec. 8. Minnesota Statutes 1996, section 47.20, subdivision 14, is amended to read:

Subd. 14. (a) A lender requiring or offering private mortgage insurance shall make available to the borrower or other person paying the insurance premium the same premium payment plans as are available to the lender in paying the private mortgage insurance premium.

(b) Any refund or rebate for unearned private mortgage insurance premiums shall be paid to the borrower or other person actually providing the funds for payment of the premium.

(c) With regard to first mortgage loans made before, on, or after January 1, 1997, the mortgagor shall have the right to elect, in writing, to cancel borrower-purchased private mortgage insurance if all of the following terms and conditions have been met:

(1) if the current unpaid principal balance of a first mortgage is 75 percent or less of the current fair market appraised value of the property. "Current fair market appraised value" shall be based upon a current appraisal by a real estate appraiser licensed or certified by the appropriate state or federal agency and reasonably acceptable to the lender. The lender may require the mortgagor to pay for the appraisal;

(2) the mortgagor's monthly installments of principal, interest, and escrow obligations have not been more than 30 days past due over the 24-month period immediately preceding the request for cancellation and all accrued late charges have been paid;

(3) the mortgage was made at least 24 months prior to the receipt of a request for cancellation of private mortgage insurance;

(4) the property securing the mortgage is owner-occupied; and

(5) the mortgage has not been pooled with other mortgages in order to constitute, in whole or in part, collateral for bonds issued by the state of Minnesota or any political subdivision of the state of Minnesota or of any agency of any political subdivision of the state of Minnesota.

(d) Other than the appraisal fee allowed pursuant to paragraph (c), clause (1), the lender shall not charge the borrower a fee or other consideration for cancellation of the private mortgage insurance.

(e) A lender requiring private mortgage insurance shall, after the payment of the 24th monthly premium installment of private mortgage insurance, provide an annual written notice to each mortgagor currently paying premiums for private mortgage insurance. The notice may be included in the annual statement or may be included in other regular mailings to the mortgagor. For mortgage loans made prior to January 1, 1997, the first required annual notice must be provided no later than January 1, 1998. The annual notice shall be on its own page, unless included in a private mortgage insurance notice required under the federal Real Estate Settlement Procedures Act, and shall appear substantially as follows:

"NOTICE OF RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE

If you currently pay private mortgage insurance premiums, you may have the right to cancel the insurance and cease paying premiums. This would permit you to make a lower total monthly mortgage payment. In most cases, you have the right to cancel private mortgage insurance if the principal balance of your loan is 80 percent or less of the current fair market appraised value of your home. If you wish to learn whether you are eligible to cancel this insurance, please contact us at (address/phone)."

(f) If a mortgage loan governed by paragraph (c) is serviced in accordance with the guidelines of either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, the lender shall cancel private mortgage insurance in accordance with the cancellation guidelines of the applicable entity in effect at the time the request for cancellation is received.

Sec. 9. Minnesota Statutes 1996, section 47.206, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED ACTS.] A person, including a lender, may not advise, encourage, or induce a borrower or third party to misrepresent information that is the subject of a loan application or to violate the terms of the agreement. Neither a mortgage lender nor a mortgage broker shall advertise mortgage terms, including interest rate and discount points, which were not available from the lender or broker on the date or dates specified in the advertisement. For

purposes of this section, "advertisement" shall include a list or sampler of mortgage terms compiled, with or without charge to the lender or broker, by a newspaper, and shall also include advertising on the Internet.

Sec. 10. Minnesota Statutes 1996, section 47.55, subdivision 1, is amended to read:

Subdivision 1. [BANKING FACILITIES IN OPERATION PRIOR TO MAY 1, 1971.] A bank may retain and operate one detached facility as it may have had in operation prior to May 1, 1971 without requirement of approval hereunder, ~~provided that its function is limited as provided in section 47.53 and its location conforms with the provisions of section 47.52. A bank having such a retained detached facility shall be limited to operating five additional detached facilities.~~

Sec. 11. Minnesota Statutes 1996, section 47.56, is amended to read:

47.56 [TRANSFER OF LOCATION.]

The location of a detached facility transferred to another location outside of a radius of three miles measured in a straight line is subject to the same procedures and approval as required hereunder for establishing a new detached facility, ~~except that.~~ The location of a detached facility transferred to another location within the lesser of a radius of three miles measured in a straight line from the existing location or the municipality, as defined in section 47.51, in which it is located is subject to the same procedures and approval as are required in section 47.101, subdivision 2. The relocation of a detached facility within a municipality of 10,000 or less population shall not require consent of other banks required in section 47.52.

Sec. 12. Minnesota Statutes 1996, section 47.59, subdivision 1, is amended to read:

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

(a) "Actuarial method" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, and appendix J thereto.

(b) "Annual percentage rate" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, but using the definition of "finance charge" used in this section.

(c) "Borrower" means a debtor under a loan or a purchaser or debtor under a credit sale contract.

(d) "Business purpose" means a purpose other than a personal, family, household, or agricultural purpose.

(e) "Cardholder" means a person to whom a credit card is issued or who has agreed with the financial institution to pay obligations arising from the issuance to or use of the card by another person.

(f) "Consumer loan" means a loan made by a financial institution in which:

- (1) the debtor is a person other than an organization;
- (2) the debt is incurred primarily for a personal, family, or household purpose; and
- (3) the debt is payable in installments or a finance charge is made.

(g) "Credit" means the right granted by a financial institution to a borrower to defer payment of a debt, to incur debt and defer its payment, or to purchase property or services and defer payment.

(h) "Credit card" means a card or device issued under an arrangement pursuant to which a financial institution gives to a cardholder the privilege of obtaining credit from the financial institution or other person in purchasing or leasing property or services, obtaining loans, or otherwise. A transaction is "pursuant to a credit card" only if credit is obtained according to the terms of the arrangement by transmitting information contained on the card or device orally, in

writing, by mechanical or electronic methods, or in any other manner. A transaction is not "pursuant to a credit card" if the card or device is used solely in that transaction to:

(1) identify the cardholder or evidence the cardholder's creditworthiness and credit is not obtained according to the terms of the arrangement;

(2) obtain a guarantee of payment from the cardholder's deposit account, whether or not the payment results in a credit extension to the cardholder by the financial institution; or

(3) effect an immediate transfer of funds from the cardholder's deposit account by electronic or other means, whether or not the transfer results in a credit extension to the cardholder by the financial institution.

(i) "Credit sale contract" means a contract evidencing a credit sale. "Credit sale" means a sale of goods or services, or an interest in land, in which:

(1) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind; and

(2) the debt is payable in installments or a finance charge is made.

(j) "Finance charge" has the meaning given in the Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under subdivision 6 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge made for an extension or deferment under subdivision 5, unless the parties agree that these charges are finance charges;

(2) an additional charge under subdivision 6; or

(3) a discount, if a financial institution purchases a loan at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation;

(4) fees paid by a borrower or person described in subdivision 4 to a broker, provided the financial institution or seller under a credit sale contract does not require use of the broker to obtain credit; or

(5) any commission, expense reimbursement, or other sum received by a financial institution or seller under a credit sale contract in connection with insurance described in subdivision 6.

(k) "Financial institution" means a state or federally chartered bank, a state or federally chartered bank and trust, a trust company with banking powers, a state or federally chartered saving bank, a state or federally chartered savings association, an industrial loan and thrift company, or a regulated lender.

(l) "Loan" means:

(1) the creation of debt by the financial institution's payment of money to the borrower or a third person for the account of the borrower;

(2) the creation of debt pursuant to a credit card in any manner, including a cash advance or the financial institution's honoring a draft or similar order for the payment of money drawn or accepted by the borrower, paying or agreeing to pay the borrower's obligation, or purchasing or otherwise acquiring the borrower's obligation from the obligee or the borrower's assignee;

(3) the creation of debt by a cash advance to a borrower pursuant to an overdraft line of credit arrangement;

(4) the creation of debt by a credit to an account with the financial institution upon which the borrower is entitled to draw immediately;

- (5) the forbearance of debt arising from a loan; and
- (6) the creation of debt pursuant to open-end credit.

"Loan" does not include the forbearance of debt arising from a sale or lease, a credit sale contract, or an overdraft from a person's deposit account with a financial institution which is not pursuant to a written agreement to pay overdrafts with the right to defer repayment thereof.

(m) "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage relating to a loan or credit sale, and any separate fees or charges which actually are or will be paid to public officials for recording a notice described in section 580.032, subdivision 1; and

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by a financial institution in connection with a loan or credit sale, if the premium does not exceed the fees and charges described in clause (1), which would otherwise be payable.

(n) "Organization" means a corporation, government, government subdivision or agency, trust, estate, partnership, joint venture, cooperative, limited liability company, limited liability partnership, or association.

(o) "Person" means a natural person or an organization.

(p) "Principal" means the total of:

(1) the amount paid to, received by, or paid or repayable for the account of, the borrower; and

(2) to the extent that payment is deferred:

(i) the amount actually paid or to be paid by the financial institution for additional charges permitted under this section; and

(ii) prepaid finance charges.

Sec. 13. Minnesota Statutes 1996, section 47.59, subdivision 4, is amended to read:

Subd. 4. [FINANCE CHARGE FOR CREDIT SALES MADE BY A THIRD PARTY.] (a) A person may enter into a credit sale contract for sale to a financial institution and a financial institution may purchase and enforce the contract, if the annual percentage rate provided for in the contract does not exceed that permitted in this section, or, in the case of ~~contracts governed by sections 168.66 to 168.77~~ motor vehicle installment sales as defined in section 168.66, the annual percentage rates permitted by subdivision 4a.

(b) The annual percentage rate may not exceed the equivalent of the greater of either of the following:

(1) the total of:

(i) 36 percent per year on that part of the unpaid balances of the amount financed that is \$300 or less;

(ii) 21 percent per year on that part of the unpaid balances of the amount financed which exceeds \$300 but does not exceed \$1,000; and

(iii) 15 percent per year on that part of the unpaid balances of the amount financed which exceeds \$1,000; or

(2) 19 percent per year on the unpaid balances of the amount financed.

(c) This subdivision does not limit or restrict the manner of calculating the finance charge

whether by way of add-on, discount, discount points, single annual percentage rate, precomputed charges, variable rate, interest in advance, compounding, or otherwise, if the annual percentage rate calculated under paragraph (d) does not exceed that permitted by this section. The finance charge may be contracted for and earned at the single annual percentage rate that would earn the same finance charge as the graduated rates when the debt is paid according to the agreed terms and the finance charge is calculated under paragraph (d). If the finance charge is calculated and collected in advance, or included in the principal amount of the contract, and the borrower prepays the contract in full, the financial institution shall credit the borrower with a refund of the charge to the extent the annual percentage rate yield on the contract would exceed the annual percentage rate on the contract as originally determined under paragraph (d) and taking into account the prepayment. For the purpose of calculating the refund under this subdivision, the financial institution may assume that the contract was paid before the date of prepayment according to the schedule of payments under the contract and that all payments were paid on their due dates. For contracts repayable in substantially equal successive monthly installments, the financial institution may calculate the refund as the portion of the finance charge allocable on an actuarial basis to all wholly unexpired payment periods following the date of prepayment, based on the annual percentage rate on the contract as originally determined under paragraph (d), and for the purpose of calculating the refund may assume that all payments are made on the due date.

(d) The annual percentage rate must be calculated in accordance with Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of delinquency or default under subdivision 6 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, and a charge made for an extension or deferment under subdivision 5, unless the parties agree that these charges are finance charges;

(2) an additional charge under subdivision 6; or

(3) a discount, if a financial institution purchases a contract evidencing a credit sale at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder according to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

Sec. 14. Minnesota Statutes 1996, section 47.59, subdivision 5, is amended to read:

Subd. 5. [EXTENSIONS, DEFERMENTS, AND CONVERSION TO INTEREST BEARING.] (a) The parties may agree in writing, either in the loan contract or credit sale contract or in a subsequent agreement, to a deferment of wholly unpaid installments. For precomputed loans and credit sale contracts, the manner of deferment charge shall be determined as provided for in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. If a loan or credit sale is prepaid in full during a deferment period, the financial institution shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan or credit sale in full.

For the purpose of this subdivision, "applicable charge" means the amount of finance charge attributable to each monthly installment period for the loan or credit sale contract. The applicable charge is computed as if each installment period were one month and any charge for extending the first installment period beyond the one month, or reduction in charge for a first installment less than one month, is ignored. The applicable charge for any installment period is that which would have been made for the period had the loan been made on an interest-bearing basis at the single annual percentage rate provided for in the contract based upon the assumption that all payments were made according to schedule. For convenience in computation, the financial institution may round the single annual rate to the nearest one quarter of one percent.

(b) Subject to a refund of unearned finance or deferment charge required by this section, a financial institution may convert a loan or credit sale contract to an interest bearing balance, if:

(1) the loan contract or credit sale contract so provides and is subject to a change of the terms of the written agreement between the parties; or

(2) the loan contract so provides and two or more installments are delinquent one full month or more on any due date.

~~Thereafter, and in lieu of any other default, extension, or deferment charges, the single annual percentage rate must be determined under the applicable charge provisions of this subdivision~~ the single annual percentage rate and other charges must be determined as provided under this section for interest-bearing transactions.

Sec. 15. Minnesota Statutes 1996, section 47.59, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL CHARGES.] (a) In addition to the finance charges permitted by this section, a financial institution or seller in a credit sale contract may contract for and receive the following additional charges that may be included in the principal amount of the loan or credit sale unpaid balances:

(1) official fees and taxes;

(2) charges for insurance as described in paragraph (b);

(3) with respect to a loan or credit sale contract secured by real estate, the following "closing costs," if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section:

(i) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(ii) fees for preparation of a deed, mortgage, settlement statement, or other documents, if not paid to the financial institution;

(iii) escrows for future payments of taxes, including assessments for improvements, insurance, and water, sewer, and land rents;

(iv) fees for notarizing deeds and other documents;

(v) appraisal and credit report fees; and

(vi) fees for determining whether any portion of the property is located in a flood zone and fees for ongoing monitoring of the property to determine changes, if any, in flood zone status;

(4) a delinquency charge on a payment, including the minimum payment due in connection with the open-end credit, not paid in full on or before the tenth day after its due date in an amount not to exceed five percent of the amount of the payment or \$5.20, whichever is greater;

(5) for a returned check or returned automatic payment withdrawal request, an amount not in excess of the service charge limitation in section 332.50; and

(6) charges for other benefits, including insurance, conferred on the borrower that are of a type that is not for credit.

(b) An additional charge may be made for insurance written in connection with the loan or credit sale contract, which may be included in the principal amount of the loan or credit sale unpaid balances:

(1) with respect to insurance against loss of or damage to property, or against liability arising out of the ownership or use of property, if the financial institution furnishes a clear, conspicuous, and specific statement in writing to the borrower setting forth the cost of the insurance if obtained

from or through the financial institution and stating that the borrower may choose the person through whom the insurance is to be obtained;

(2) with respect to credit insurance or mortgage insurance providing life, accident, health, or unemployment coverage, if the insurance coverage is not required by the financial institution, and this fact is clearly and conspicuously disclosed in writing to the borrower, and the borrower gives specific, dated, and separately signed affirmative written indication of the borrower's desire to do so after written disclosure to the borrower of the cost of the insurance; and

(3) with respect to the vendor's single interest insurance, but only (i) to the extent that the insurer has no right of subrogation against the borrower; and (ii) to the extent that the insurance does not duplicate the coverage of other insurance under which loss is payable to the financial institution as its interest may appear, against loss of or damage to property for which a separate charge is made to the borrower according to clause (1); and (iii) if a clear, conspicuous, and specific statement in writing is furnished by the financial institution to the borrower setting forth the cost of the insurance if obtained from or through the financial institution and stating that the borrower may choose the person through whom the insurance is to be obtained.

(c) In addition to the finance charges and other additional charges permitted by this section, a financial institution may contract for and receive the following additional charges in connection with open-end credit, which may be included in the principal amount of the loan or balance upon which the finance charge is computed:

(1) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of opening and maintaining open-end credit;

(2) charges for the use of an automated teller machine;

(3) charges for any monthly or other periodic payment period in which the borrower has exceeded or, except for the financial institution's dishonor would have exceeded, the maximum approved credit limit, in an amount not in excess of the service charge permitted in section 332.50;

(4) charges for obtaining a cash advance in an amount not to exceed the service charge permitted in section 332.50; and

(5) charges for check and draft copies and for the replacement of lost or stolen credit cards.

(d) In addition to the finance charges and other additional charges permitted by this section, a financial institution may contract for and receive a one-time loan administrative fee not exceeding \$25 in connection with closed-end credit, which may be included in the principal balance upon which the finance charge is computed. This paragraph applies only to closed-end credit in an original principal amount of \$4,320 or less. The determination of an original principal amount must exclude the administrative fee contracted for and received according to this paragraph.

Sec. 16. Minnesota Statutes 1996, section 47.59, subdivision 12, is amended to read:

Subd. 12. [CONSUMER PROTECTIONS.] (a) Financial institutions shall comply with the requirements of the federal Truth in Lending Act, United States Code, title 15, sections 1601 to 1693, in connection with a consumer loan or credit sale for a consumer purpose where the federal Truth in Lending Act is applicable. A financial institution shall give the following disclosure to the borrower in writing at the time an open-end credit account is established if the financial institution imposes a loan fee, points, or similar charge that relates to the opening of the account which is not included in the annual percentage rate given pursuant to the federal Truth in Lending Act: "YOU HAVE BEEN ASSESSED FINANCE CHARGES, OR POINTS, WHICH ARE NOT INCLUDED IN THE ANNUAL PERCENTAGE RATE. THESE CHARGES MAY BE REFUNDED, IN WHOLE OR IN PART, IF YOU DO NOT USE YOUR LINE OF CREDIT OR IF YOU REPAY YOUR LINE OF CREDIT EARLY. THESE CHARGES INCREASE THE COST OF YOUR CREDIT."

(b) Financial institutions shall comply with the following consumer protection provisions in connection with a consumer loan or credit sale for a consumer purpose: sections 325G.02 to

325G.05; 325G.06 to 325G.11; 325G.15 to 325G.22; and 325G.29 to 325G.36, and Code of Federal Regulations, title 12, part 535, where those statutes or regulations are applicable.

(c) An assignment of a consumer's earnings by the consumer to a financial institution as payment or as security for payment of a debt arising out of a consumer loan or consumer credit sale is unenforceable by the financial institution ~~and revocable by the consumer~~ except where the assignment: (1) by its terms is revocable at the will of the consumer; (2) is a payroll deduction plan or preauthorized payment plan, beginning at the time of the transaction, in which the consumer authorizes a series of wage deductions as a method of making each payment; or (3) applies only to wages or other earnings already earned at the time of the assignment.

Sec. 17. Minnesota Statutes 1996, section 47.61, subdivision 3, is amended to read:

Subd. 3. (a) "Electronic financial terminal" means an electronic information processing device that is established to do either or both of the following:

(1) capture the data necessary to initiate financial transactions; or

(2) through its attendant support system, store or initiate the transmission of the information necessary to consummate a financial transaction.

(b) "Electronic financial terminal" does not include:

(1) a telephone;

(2) an electronic information processing device that is used internally by a financial institution to conduct the business activities of the institution; or

(3) an electronic point-of-sale terminal operated by a retailer that is used to process payments for the purchase of goods and services by consumers, and which also may be used to obtain cash advances or cash back not to exceed \$25 and only if incidental to the retail sale transactions, through the use of credit cards or debit cards, provided that the payment transactions using debit cards are subject to the federal Electronic Funds Transfer Act, United States Code, title 12, sections 1693 et seq., and Regulation E of the Federal Reserve Board, Code of Federal Regulations, title 12, subpart 205.2; this clause does not exempt the retailer from liability for negligent conduct or intentional misconduct of the operator under section 47.69, subdivision 5;

(4) stored-value cards to only process transactions other than those authorized by this section. Stored-value cards are transaction cards having magnetic stripes or computer chips that enable electronic value to be added or deducted as needed; or

(5) a personal computer possessed by and operated exclusively by the account holder.

Sec. 18. Minnesota Statutes 1996, section 47.75, subdivision 1, is amended to read:

Subdivision 1. [RETIREMENT AND MEDICAL SAVINGS ACCOUNTS.] A commercial bank, savings bank, savings association, credit union, or industrial loan and thrift company may act as trustee or custodian under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended, of a medical savings account under the Federal Health Insurance Portability and Accountability Act of 1996, as amended, and also under the Federal Employee Retirement Income Security Act of 1974, as amended. The trustee or custodian may accept the trust funds if the funds are invested only in savings accounts or time deposits in the commercial bank, savings bank, savings association, credit union, or industrial loan and thrift company. All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision.

Sec. 19. Minnesota Statutes 1996, section 48.01, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means any bank, trust company, bank and trust company, or savings bank which is now or may hereafter be organized

under the laws of this state. For purposes of sections 48.38, 48.84, and ~~501B.10~~ 501B.151, subdivision 6 11, and to the extent permitted by federal law, "banking institution" includes any national banking association or affiliate exercising trust powers in this state.

Sec. 20. Minnesota Statutes 1996, section 48.09, is amended by adding a subdivision to read:

Subd. 3. [QUALIFIED SUBCHAPTER S SUBSIDIARY.] A bank that has met the eligibility requirements under title I, subtitle C of the Small Business Job Protection Act of 1996 or related state of Minnesota tax law may apply to the commissioner for approval of a plan and agreement for a distribution of earnings to the shareholder(s) of the bank on a basis other than a dividend under subdivisions 1 and 2. Approval of a plan of distribution under this subdivision may be rescinded by the commissioner upon 90-day prior notice to the bank. Failure to comply with this notice or qualification of a distribution under subdivisions 1 and 2 is considered a violation subject to the commissioner's action under section 45.027 or 46.24.

Sec. 21. Minnesota Statutes 1996, section 48.15, subdivision 2, is amended to read:

Subd. 2. The commissioner of commerce may authorize banks, bank and trust companies, or trust companies organized under the laws of this state to engage in any banking or trust activity in which banks subject to the jurisdiction of the federal government may hereafter be authorized to engage by federal legislation, ruling, or regulation and those activities authorized in section 48.61, subdivision 7, paragraph (a), clause (3). The commissioner may not authorize state banks as defined by section 48.01, to engage in any banking activity prohibited by the laws of this state.

Sec. 22. Minnesota Statutes 1996, section 48.15, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT AND MEDICAL SAVINGS ACCOUNTS.] A state bank may act as trustee or custodian of a self-employed retirement plan under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended, of a medical savings account under the Federal Health Insurance Portability and Accountability Act of 1996, as amended, and of an individual retirement account under the Federal Employee Retirement Income Security Act of 1974, as amended, if the bank's duties as trustee or custodian are essentially ministerial or custodial in nature and the funds are invested only (1) in the bank's own savings or time deposits; or (2) in any other assets at the direction of the customer if the bank does not exercise any investment discretion, invest the funds in collective investment funds administered by it, or provide any investment advice with respect to those account assets.

Affiliated discount brokers may be utilized by the bank acting as trustee or custodian for self-directed IRAs, if specifically authorized and directed in appropriate documents. The relationship between the affiliated broker and the bank must be fully disclosed. Brokerage commissions to be charged to the IRA by the affiliated broker should be accurately disclosed. Provisions should be made for disclosure of any changes in commission rates prior to their becoming effective. The affiliated broker may not provide investment advice to the customer. All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision. The authority granted by this section is in addition to, and not limited by, section 47.75.

Sec. 23. Minnesota Statutes 1996, section 48.24, subdivision 2, is amended to read:

Subd. 2. Loans not exceeding 25 percent of such capital and surplus made upon first mortgage security on improved real estate in the state or in an adjoining state within 20 miles of the place where the bank or a branch of the bank established according to section 49.411 is located, shall not constitute a liability of the maker of the notes secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of the maker. These mortgage loans shall be limited to, and in no case exceed, 50 percent of the cash value of the security covered by the mortgage, except mortgage loans guaranteed as provided by the servicemen's readjustment act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee or for which a conditional guarantee has been issued, which loans shall in no case exceed 60 percent of the cash value of the security covered by such mortgage. For

the purposes of this subdivision, real estate is improved when substantial and permanent development or construction has contributed substantially to its value, and agricultural land is improved when farm crops are regularly raised on such land without further substantial improvements.

Sec. 24. Minnesota Statutes 1996, section 48.24, is amended by adding a subdivision to read:

Subd. 9. [RIGHT TO ACT TO AVOID LOSS.] This section does not prohibit the bank from advancing funds that may be reasonably necessary to avoid loss on a loan or investment made subject to this section or an obligation created in good faith. The rights under this subdivision are in addition to and not inconsistent with section 48.21.

Sec. 25. [48.476] [REPRESENTATIVE TRUST OFFICE.]

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

(a) "Representative trust office" means an office at which a trust company or bank with trust powers has been authorized by the commissioner to engage in a trust business other than acting as a fiduciary.

(b) "Acting as a fiduciary" means to:

(1) accept or execute trusts, including to:

(i) act as trustee under a written agreement;

(ii) receive money or other property in its capacity as a trustee for investment in real or personal property;

(iii) act as trustee and perform the fiduciary duties committed or transferred to it by order of court of competent jurisdiction;

(iv) act as trustee of the estate of a deceased person; or

(v) act as trustee for a minor or incapacitated person;

(2) administer in any other fiduciary capacity real or personal property; or

(3) act according to order of court of competent jurisdiction as executor or administrator of the estate of a deceased person or as a guardian or conservator for a minor or incapacitated person.

Subd. 2. [AUTHORITY FOR REPRESENTATIVE TRUST OFFICES; PRIOR WRITTEN NOTICE.] (a) A state trust institution may establish or acquire and maintain representative trust offices anywhere in this state. A state trust institution desiring to establish or acquire and maintain such an office shall file a written notice with the commissioner setting forth the name of the state trust institution and the location of the proposed additional office and furnish a copy of the resolution adopted by the board authorizing the additional office.

(b) The state trust institution may begin business at the additional office on the 31st day after the date the commissioner receives the notice, unless the commissioner specifies an earlier or later date.

(c) The 30-day period of review may be extended by the commissioner on a determination that the written notice raises issues that require additional information or additional time for analysis. If the period of review is extended, the state trust institution may establish the additional office only on prior written approval by the commissioner.

(d) The commissioner may deny approval of the additional office if the commissioner finds that the state trust institution lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office would be contrary to the public interest.

Subd. 3. [AUTHORITY FOR OUT-OF-STATE TRUST OFFICES; PRIOR WRITTEN NOTICE.] (a) A state trust institution may establish and maintain representative trust office or acquire and maintain an office in a state other than this state. A state trust institution desiring to establish or acquire and maintain an office in another state under this section shall file a notice on a form prescribed by the commissioner, which shall set forth the name of the state trust institution, the location of the proposed office, and whether the laws of the jurisdiction where the office will be located permit the office to be maintained by the state trust institution; and furnish a copy of the resolution adopted by the board authorizing the out-of-state office.

(b) The state trust institution may begin business at the additional office on the 31st day after the date the commissioner receives the notice, unless the commissioner specifies an earlier or later date.

(c) The 30-day period of review may be extended by the commissioner on a determination that the written notice raises issues that require additional information or additional time for analysis. If the period of review is extended, the state trust institution may establish the additional office only on prior written approval by the commissioner.

(d) The commissioner may deny approval of the additional office if the commissioner finds that the state trust institution lacks sufficient financial resources to undertake the proposed expansion without adversely affecting its safety or soundness or that the proposed office would be contrary to the public interest. In acting on the notice, the commissioner shall consider the views of the appropriate bank supervisory agencies.

Sec. 26. Minnesota Statutes 1996, section 48.512, is amended by adding a subdivision to read:

Subd. 4a. [IDENTIFICATION NOT REQUIRED FOR DEBIT CARD TRANSACTIONS.] The identification requirements of subdivision 4 do not apply to a transaction account that is accessible exclusively by debit card. A debit card activates a transaction account at a financial intermediary by means of an electronic information processing device and contemporaneously completes the debt to the account only on the condition that funds are available and confirmed.

Sec. 27. Minnesota Statutes 1996, section 48.61, subdivision 7, is amended to read:

Subd. 7. [SUBSIDIARIES.] (a) A state bank or trust company may organize, acquire, or invest in a subsidiary located in this state for the purposes of engaging in one or more of the following activities, subject to the prior written approval of the commissioner:

(1) any activity, not including receiving deposits or paying checks, that a state bank is authorized to engage in under state law or rule or under federal law or regulation unless the activity is prohibited by the laws of this state;

(2) any activity that a bank clerical service corporation is authorized to engage in under section 48.89; and

(3) any other activity authorized for a national bank, a bank holding company, or a subsidiary of a national bank or bank holding company under federal law or regulation of general applicability, and approved by the commissioner ~~by rule~~.

(b) A bank or trust company subsidiary may engage in an activity under this section only upon application together with a filing fee of \$250 and with the prior written approval of the commissioner. In approving or denying a proposed activity, the commissioner shall consider the financial and management strength of the bank or trust company, the current written operating plan and policies of the proposed subsidiary corporation, the bank or trust company's community reinvestment record, and whether the proposed activity should be conducted through a subsidiary of the bank or trust company.

(c) The aggregate amount of funds invested in either an equity or loan capacity in all of the subsidiaries of the bank or trust company authorized under this subdivision shall not exceed 25 percent of the capital stock and paid in surplus of the bank or trust company.

(d) A subsidiary organized or acquired under this subdivision is subject to the examination and enforcement authority of the commissioner under chapters 45 and 46 to the same extent as a state bank or trust company.

(e) For the purposes of this section, "subsidiary" means a corporation of which more than 50 percent of the voting shares are owned or controlled by the bank or trust company.

Sec. 28. Minnesota Statutes 1996, section 48.61, is amended by adding a subdivision to read:

Subd. 10. [SUBSIDIARIES ORGANIZED FOR PURPOSES OF CORPORATE REORGANIZATION.] A subsidiary may be organized solely for purposes of liquidating assets in a reorganization subject to the following conditions:

(1) the subsidiary must be a bank holding company whose assets and liabilities and subsidiary bank control have been removed; and

(2) the operations of the subsidiary must be limited to the time period reasonably related to the completion of the reorganization.

Sec. 29. Minnesota Statutes 1996, section 49.215, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE OF LIQUIDATION.] Upon compliance with the foregoing and upon filing with the commissioner an affidavit of the president and cashier or vice president conducting the duties of cashier of said financial institution that the provisions of subdivision 4 have been complied with and that all depositors and other creditors have been paid in full, or, if any dividends or any moneys set apart for the payment of claims remain unpaid and the places of residence of the depositors or other creditors are unknown to the persons making the affidavit, that sufficient funds have been turned over to the commissioner for payment into the state treasury to pay said depositors and other creditors, in the manner provided by subdivision 5, the commissioner shall issue a certificate of liquidation, and, upon the filing for record of said certificate of liquidation in the office of the secretary of state and in the office of the county recorder of the county of the principal place of business of such financial institution immediately prior to its voluntary liquidation, the liquidation of said financial institution shall be complete, and its corporate existence shall thereupon terminate.

Sec. 30. Minnesota Statutes 1996, section 49.33, is amended to read:

49.33 [CONSOLIDATION AND MERGER, WHEN AUTHORIZED.]

Subject to the provisions of sections 49.33 to 49.41, with the written consent of the commissioner of commerce, any bank of discount and deposit, savings bank, or trust company may effect a transfer of its assets and liabilities to another bank, savings bank, or trust company for the purpose of consolidating or merging, but the same shall be without prejudice to the creditors of either.

Sec. 31. Minnesota Statutes 1996, section 49.36, subdivision 4, is amended to read:

Subd. 4. [NOTICE OF PROPOSED ACQUISITION.] The successor bank shall give reasonable notice of the acquisition to each of the depositors and creditors of an acquired bank or savings association within 30 days after the order is activated at a time and in a form determined in the discretion of the commissioner. This notice may be coordinated to include federal regulator concerns for impact on depositors insurance of accounts and information designed to alert depositors and creditors of any changes in procedures or practices. If detached facilities are to be closed as a result of transactions authorized by this section, adequate notice shall be provided by the bank prior to closing, unless the commissioner has acted to prevent the probable failure of the bank or savings association, and then as soon as practicable after the acquisition date.

Sec. 32. Minnesota Statutes 1996, section 49.42, is amended to read:

49.42 [STATE BANK.]

As used in sections 49.42 to 49.46:

"State bank" means any bank, savings bank, trust company, or bank and trust company which is now or may hereafter be organized under the laws of this state.

"National banking association" means a bank, savings bank, bank and trust company, or bank exclusively exercising trust powers organized under the laws of the United States.

Sec. 33. Minnesota Statutes 1996, section 50.245, is amended to read:

50.245 [BRANCHES; ACQUISITIONS.]

Subdivision 1. [AUTHORITY FOR BRANCH OFFICES.] A savings bank may establish any number of detached facilities as may be approved by the commissioner of commerce pursuant to sections 47.51 to 47.57. The savings bank shall not change the location of a detached facility without prior written approval of the commissioner of commerce. A savings bank may establish a loan production office, without restriction as to geographical location, upon written notice to the commissioner of commerce.

Subd. 2. [AUTHORITY FOR BRANCH OFFICES IN OTHER STATES.] The authorization contained in subdivision 1 is in addition to the authority granted savings banks in section 47.52. A savings bank chartered in this state, whether or not the subsidiary of a savings bank holding company, ~~may, by acquisition, merger, purchase, and assumption of some or all assets and liabilities, consolidation, or de novo formation, establish or operate detached facilities in another state on the same terms and conditions and subject to the same limitations and restrictions as are applicable to the establishment of branches by national banks located in Minnesota, except that approval of the comptroller of the currency shall not be required for such detached facilities~~ has the same authority as a bank to conduct interstate mergers affecting interstate branching under section 49.411. The merger may be between banks and with other banks or savings banks.

Subd. 3. [RECIPROCATING STATE INTERSTATE ACQUISITIONS.] A savings bank chartered in this state and a savings bank holding company with its principal offices in this state may acquire control of a financial institution chartered in a ~~reciprocating state or, subject to applicable federal law, any other state~~ or a financial institution holding company with principal offices in a ~~reciprocating state or, subject to applicable federal law, any other state~~. A savings bank chartered in a ~~reciprocating state or, subject to applicable federal law, any other state~~ and a savings bank holding company with principal offices in a ~~reciprocating state or, subject to applicable federal law, any other state~~ may acquire control of a savings bank chartered in this state or a savings bank holding company with principal offices in this state.

Subd. 4. [PROCEDURAL REQUIREMENTS.] Procedural requirements ~~equivalent to those contained in sections 48.90 to 48.995~~ 48.99 apply to ~~reciprocal interstate branching and acquisitions by savings banks and savings bank holding companies.~~

Subd. 5. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the meanings given them.

(a) "Financial institution" means a bank, savings bank, savings association, or trust company, ~~or credit union,~~ whether chartered under the laws of this state, another state or territory, or under the laws of the United States.

(b) "Loan production office" means a place of business at which a savings bank provides lending if the loans are approved at the main office or detached facility of the savings bank, but at which a savings bank may not accept deposits except through a remote service unit.

(c) ~~"Reciprocating state" means a state that authorizes the acquisition of control of financial institutions chartered in that state and financial institution holding companies with principal offices in that state by a savings bank chartered in this state or savings bank holding company with principal offices in this state under conditions substantially similar to those imposed by the laws of Minnesota, as determined by the commissioner of commerce.~~

(d) "Remote service unit" means an electronic financial terminal as defined in section 47.61.

Subd. 6. [~~COMMISSIONER'S AUTHORITY.~~] ~~The authority of the commissioner of commerce to approve a transaction under this section is in addition to that provided for in section 49.48.~~

Sec. 34. Minnesota Statutes 1996, section 51A.38, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Real estate loans and other loans secured by a mortgage on real estate that are eligible for investment by an association under sections 51A.01 to 51A.57 may be written according to this section and section ~~51A.385~~ 51A.386, or upon any other plan approved by the commissioner.

Sec. 35. Minnesota Statutes 1996, section 52.04, subdivision 2a, is amended to read:

Subd. 2a. [CREDIT SALES OR SERVICE CONTRACTS.] A person may enter into a credit sale or service contract for sale to a state or federal credit union doing business in this state, and a credit union may purchase and enforce the contract under the terms and conditions set forth in section 47.59, subdivisions 4 ~~and 6~~ to 14.

Sec. 36. Minnesota Statutes 1996, section 52.04, is amended by adding a subdivision to read:

Subd. 3. [COMPARABILITY WITH FEDERAL CREDIT UNIONS.] The commissioner of commerce may authorize credit union activity in which credit unions subject to the jurisdiction of the federal government may be authorized to engage by federal legislation, ruling, or regulation. The commissioner may not authorize state credit unions subject to this chapter to engage in credit union activity prohibited by the laws of this state.

Sec. 37. Minnesota Statutes 1996, section 52.062, subdivision 1, is amended to read:

Subdivision 1. [REASONS FOR COMMISSIONER'S ACTION.] Whenever the commissioner of commerce shall find that a credit union is engaged in unsafe or unsound practices in conducting its business or that the shares of the members are impaired or are in immediate danger of becoming impaired, or that such credit union has knowingly or negligently permitted any of its officers, directors, committee members, or employees to violate any material provision of any law, bylaw, or rule to which the credit union is subject, the commissioner of commerce may proceed in the manner provided by ~~either~~ subdivision 2 or 3, or 4.

Sec. 38. Minnesota Statutes 1996, section 52.062, is amended by adding a subdivision to read:

Subd. 4. [CONSENT CEASE AND DESIST ORDER.] In lieu of suspension of the operation of the credit union, the commissioner of commerce and the board of directors of the credit union may agree to execute a consent cease and desist order in which the parties agree to waive the right to a hearing and agree that the credit union shall cease and desist from unsafe or unsound practices, or violations. The order must specify whether credit union operation may continue, and if operation may continue, the conditions under which operation may continue.

Sec. 39. Minnesota Statutes 1996, section 52.063, is amended to read:

52.063 [PROCEEDINGS FOLLOWING SUSPENSION OR, CONTINUATION OF SUSPENSION, OR CONSENT CEASE AND DESIST ORDER; APPOINTMENT OF NATIONAL CREDIT UNION ADMINISTRATION BOARD AS RECEIVER.]

Subdivision 1. [PROCEEDINGS FOLLOWING SUSPENSION OR CONTINUATION OF SUSPENSION.] Upon receipt of the suspension notice or the notice of the continuation of suspension under section 52.062, subdivision 2 or 3, the credit union shall immediately cease or continue cessation of all operations except those operations specifically authorized by the commissioner of commerce. If the notice is given pursuant to determination by the commissioner of commerce after a hearing, the board of directors shall have 60 days from the receipt of said notice in which to file with the commissioner of commerce a proposed plan of corrective actions or to request that a receiver be appointed for the credit union. The commissioner of commerce

shall have 30 days from the receipt of the proposed plan of corrective actions to determine if the proposed corrective actions are sufficient to correct the deficiencies which formed the basis for the suspension. If the commissioner of commerce determines that the proposed corrective actions are sufficient, the suspension shall be lifted and the credit union returned to normal operations under its board of directors. If the commissioner of commerce believes the proposed corrective actions insufficient, or if the board has failed to answer the suspension notice, or has requested that a receiver be appointed, then the commissioner of commerce shall apply to the district court for appointment of a receiver. The credit union shall have the right, within six months of the receipt of any notice of suspension or continuation of suspension pursuant to a determination by the commissioner of commerce after hearing, to appeal to the district court for a ruling as to the validity of such notice.

Subd. 2. [PROCEEDINGS FOLLOWING CONSENT CEASE AND DESIST ORDER.] If the commissioner of commerce and the board of directors of the credit union execute a consent cease and desist order in lieu of a suspension under section 52.062, subdivision 4, the board of directors of the credit union may request that the commissioner of commerce seek court appointment of a receiver for the credit union. The consent cease and desist order must state that the credit union has requested that the commissioner seek appointment of a receiver.

Subd. 3. [APPOINTMENT OF NATIONAL CREDIT UNION ADMINISTRATION BOARD AS RECEIVER.] Upon a request by the commissioner of commerce, the court may appoint the National Credit Union Administration Board, created by section 3 of the Federal Credit Union Act, as amended, as receiver of a credit union, without bond, when the deposits of the credit union are to any extent insured by the National Credit Union Administration Board, and the credit union has had its operations suspended or has executed a consent cease and desist order with the commissioner in lieu of a suspension under section 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may, in the event of the suspension or consent cease and desist order, tender to the National Credit Union Administration Board the proposed appointment as receiver of the credit union. If the National Credit Union Administration Board accepts the proposed appointment and the court appoints the National Credit Union Administration Board as receiver upon a request by the commissioner, the National Credit Union Administration Board shall have and possess all the powers and privileges provided by the laws of this state and section 207 of the Federal Credit Union Act, as amended, with respect to a receiver of a credit union, the board of directors of the credit union, and its members.

Sec. 40. Minnesota Statutes 1996, section 52.064, is amended by adding a subdivision to read:

Subd. 3. [WAIVER WHEN CREDIT UNION REQUESTS APPOINTMENT OF NATIONAL CREDIT UNION ADMINISTRATION BOARD AS RECEIVER.] If the board of directors of the credit union has made a request to the commissioner of commerce to seek court appointment of the National Credit Union Administration Board as its receiver, and the commissioner elects to seek this appointment, then the board of directors of the credit union may waive the right to apply to the court for permission to file, and the right to file, a plan of reorganization, merger, or consolidation for the credit union within 90 days of the appointment of the receiver under subdivision 1. The board of directors of the credit union may waive this right on behalf of itself, and on behalf of the members of the credit union, when the board of directors of the credit union determines that such action is in the best interests of the credit union and its members, so that the deposit insurer may proceed expeditiously to wind up the affairs of the credit union upon appointment as receiver.

Sec. 41. Minnesota Statutes 1996, section 52.13, is amended to read:

52.13 [DEPOSITS IN NAME OF MINOR.]

Any deposit made in the name of a minor, or shares issued in a minor's name, shall be held for the exclusive right and benefit of the minor, free from the control or lien of all other persons except creditors, and together with the dividends or interest thereon shall be paid to the minor; and the minor's receipt, check, or acquittance in any form shall be a sufficient release and discharge of the depository for the deposits or shares, or any part thereof, until a conservator or guardian appointed for the minor shall have delivered a certificate of appointment to the depository.

Deposits may be accepted pursuant to the authority set forth in chapter 527, provided that either the custodian or the minor is a member of the credit union accepting the deposit.

Sec. 42. Minnesota Statutes 1996, section 52.201, is amended to read:

52.201 [REORGANIZING FEDERAL CREDIT UNION INTO STATE CREDIT UNION.]

When any federal credit union authorized to convert to a state charter has taken the necessary steps under the federal law for that purpose, seven or more members, upon authority of two-thirds of the members present and entitled to vote and who shall have voted for such conversion at a regular or special meeting upon 14 days mailed written notice to each member at the member's last known address clearly stating that such conversion is to be acted upon, and upon approval of the commissioner of commerce, may execute a certificate of incorporation under the provisions of the state credit union act, which, in addition to the other requirements of law, shall state the authority derived from the shareholders of such federal credit union; and upon recording such certificate as required by law, it shall become a legal state credit union and the members of the federal credit union shall without further action be members of the state credit union. This includes members of the federal credit union on the basis of acceptance of small employer groups provided the commissioner may require contemporaneous filing of applications under section 52.05, subdivision 2. Thereupon the assets of the federal credit union, subject to its liabilities not liquidated under the federal law before such incorporation, shall vest in and become the property of such state credit union and the members upon request shall be entitled to a new passbook showing existing share and loan balances. The commissioner of commerce shall approve or disapprove of the conversion within 60 days of the date the proposal is presented.

Sec. 43. Minnesota Statutes 1996, section 53.04, is amended by adding a subdivision to read:

Subd. 5b. [NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS.] Notwithstanding section 53.05, clause (1), and consistent with United States Code, title 12, section 1832, issue negotiable order of withdrawal accounts, which may not be referred to as checking accounts and may include the following transactions:

- (1) automatic (preauthorized) transfers for the purpose of paying loans at the same institution;
- (2) transfers or withdrawals made by mail, messenger, automated teller machine, or in person as withdrawals or transfers to another account of the depositor at the same institution;
- (3) withdrawals initiated by telephone and consummated by an official check mailed to the depository;
- (4) automated clearinghouse debits;
- (5) transfers from a customer's account under a preauthorized agreement to cover overdrafts on another transaction account;
- (6) drafts payable to third parties; and
- (7) debit card transactions.

Agreements establishing negotiable order of withdrawal accounts must include a prominent disclosure of the following:

"We reserve the right to at any time require not less than seven days' notice in writing before each withdrawal from this account."

A negotiable order of withdrawal account may be with or without interest and is considered a transaction account for purposes of section 48.512.

Before exercising this power, the company must submit a plan to the commissioner detailing implementation of the power.

Sec. 44. Minnesota Statutes 1996, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry demand banking accounts; use the word "savings" unless the institution's investment certificates, savings accounts, and savings deposits are insured by the Federal Deposit Insurance Corporation and then only if the word is not followed by the words "and loan" in its corporate name; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits 30 times the sum of capital stock and surplus of the company;

(3) accept trusts, except as provided in section 47.75, subdivision 1, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or reduce or withdraw in any way any portion of the capital stock and surplus without prior written approval of the commissioner of commerce;

(6) take any instrument in which blanks are left to be filled in after execution;

(7) lend money in excess of 20 percent of the total of its capital stock and surplus at all its authorized locations to a person primarily liable. Companies not issuing investment certificates of indebtedness under section 53.04 need not comply with the requirement if the amount of money lent does not exceed \$100,000 of principal as defined by section 47.59, subdivision 1, paragraph (p).

However, industrial loan and thrift companies with deposit liabilities must comply with the provisions of section 48.24; or

(8) issue cashier's checks pursuant to section 48.151, unless and at all times the aggregate liability to all creditors on these instruments is protected by a special fund in cash or due from banks to be used solely for payment of the cashier's checks.

Sec. 45. Minnesota Statutes 1996, section 53.09, subdivision 2a, is amended to read:

Subd. 2a. [COMPLIANCE EXAMINATIONS.] For the purpose of discovering violations of this chapter or securing information lawfully required by the commissioner under this chapter, the commissioner may, at any time, either personally or by a person or persons duly designated, investigate the loans and business, and examine the books, accounts, records, and files used in the business, of every licensee and of every person engaged in the business whether or not the person acts or claims to act as principal or agent, or under the authority of this chapter. For the purposes of this subdivision, the commissioner and duly designated representatives have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all these persons. The commissioner and all persons duly designated may require the attendance of and examine, under oath, all persons whose testimony the commissioner may require relative to the loans or business or to the subject matter of an examination, investigation, or hearing. Upon written agreement with the company, the commissioner may conduct examinations applying the procedures for purposes of subdivision 1, and section 46.04, subdivision 1, to facilitate the qualifications of the company to participate in the United States Small Business Administration loan guarantee or similar programs.

Each licensee shall pay to the commissioner the amount required under section 46.131, and the commissioner may maintain an action for the recovery of the costs in a court of competent jurisdiction.

Sec. 46. Minnesota Statutes 1996, section 55.06, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITION.] No person except a bank, a savings bank, a credit union, a savings association, industrial loan and thrift company issuing investment certificates of indebtedness, or a trust company may let out or rent as lessor, for hire, safe deposit boxes or take or receive valuable personal property for safekeeping and storage, as bailee, for hire, without procuring a license and giving a bond, as required by this chapter, except as otherwise authorized by law so to do.

Sec. 47. Minnesota Statutes 1996, section 56.07, is amended to read:

56.07 [CONTROL OVER LOCATION.]

Subdivision 1. [GENERAL.] Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.

When a licensee shall wish to change a place of business, the licensee shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. No change in the place of business of a licensee to a location outside of its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same license unless all of the requirements of section 56.04 have been met.

~~A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday. A licensed location must be open for business and examination purposes on a schedule provided to and approved by the commissioner. This schedule of regular business must be conspicuously posted at the licensed location.~~

Subd. 2. [INTERACTIVE KIOSK LOCATIONS.] Licensed locations providing limited services on an interactive telephone-customer service communications terminal are required to comply with paragraphs (a) to (c).

(a) The licensee must maintain business books, accounts, and records on a suitable alternative system of maintenance approved by the commissioner.

(b) The license required to be posted under section 56.05 may be displayed on the customer service communications terminal screen for a period of no less than 15 seconds.

(c) The full and accurate schedule of charges required by section 56.14, clause (5), may be displayed on the customer service communications terminal screen for no less than 20 seconds.

Sec. 48. Minnesota Statutes 1996, section 56.10, subdivision 1, is amended to read:

Subdivision 1. For the purpose of discovering violations of this chapter or securing information lawfully required by the commissioner hereunder, the commissioner may, at any time, either personally or by a person or persons duly designated, investigate the loans and business and examine the books, accounts, records, and files used therein, of every licensee and of every person who shall be engaged in the business described in section 56.01, whether the person shall act or claim to act as principal or agent, or under or without the authority of this chapter. For that purpose the commissioner and a duly designated representative shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons. The commissioner and all persons duly designated shall have authority to require the attendance of and to examine, under oath, all persons whomsoever whose testimony the commissioner may require relative to the loan or the business or to the subject matter of any examination, investigation, or hearing. Upon written agreement with the licensee, the commissioner may conduct examinations applying the procedures for purposes of this subdivision and section 46.04, subdivision 1, to facilitate the qualifications of the licensee to participate in the United States Small Business Administration loan guarantee or similar programs.

Each licensee shall pay to the commissioner such amount as may be required under section 46.131, and the commissioner may maintain an action for the recovery of such costs in any court of competent jurisdiction.

Sec. 49. Minnesota Statutes 1996, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding ~~\$56,000~~ \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, finance charges, and other charges as provided in section 47.59.

(b) Loans may be interest-bearing or precomputed.

(c) Notwithstanding section 47.59 to the contrary, to compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(d) With respect to interest-bearing loans and notwithstanding section 47.59:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (e), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(e) With respect to precomputed loans and notwithstanding section 47.59 to the contrary:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

~~(4) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual~~

~~percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.~~

(5) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under clause (4) (7), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

~~(6)~~ (5) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

~~(6)~~ A delinquency charge as provided for in section 47.59, subdivision 6, paragraph (a), clause (4).

~~(7)~~ Grant extensions, deferments, or conversions to interest-bearing as provided in section 47.59, subdivision 5.

Sec. 50. Minnesota Statutes 1996, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] The dollar amounts in ~~this section~~ subdivision 2, sections 53.04, subdivision 3a, paragraph (c), 56.01, 56.12, and 56.125 shall change periodically, as provided in section 47.59, subdivision 3.

Sec. 51. Minnesota Statutes 1996, section 59A.08, subdivision 3, is amended to read:

~~Subd. 3. The information required by subdivision 1 shall only be required in the initial insurance premium finance agreement entered into if said agreement is open end. An insurance premium finance agreement is open end if it provides that additional or subsequent insurance premiums may be financed and added to the initial insurance premium finance agreement from time to time.~~

Additional or subsequent premiums may be added to an ~~open end~~ insurance premium finance agreement from time to time, provided that:

(a) The additional or subsequent insurance premium to be added results from additional premiums required under policies presently being financed under the ~~open end~~ insurance premium finance agreement or from a renewal of a policy or from other policies owned or purchased by the insured.

(b) The insurance premium finance company receives written notice or advice from an insurer authorized to do business in this state or from an insurance agent licensed in this state acknowledging that the premium on an existing financed policy has been increased or that a policy has been renewed or that additional policies have or will be issued to the insured. The notice or advice shall contain the amount of the additional premium, the down payment collected by the insurer or agent, if any, and the amount of premium to be added to the ~~open end~~ insurance premium finance agreement.

(c) If the additional premiums to be added to the ~~open end~~ insurance premium finance agreement result from additional premiums required on policies presently financed under the agreement ~~which are to be financed beyond the scheduled maturity of the original financing, the renewal of a policy or from an additional policy owned or purchased by the insured, the insurance premium finance company shall mail a notice to the insured at the address shown in the policy. Said notice shall contain:~~

~~(1) The information required by subdivision 1, notwithstanding that the notice is not signed by, nor on behalf of the insured;~~

~~(2) A conspicuous statement to the insured stating that the insured may tender the premiums in~~

full or disaffirm the financing of the premium on the renewal or additional policies by mailing to the insurance premium finance company notice of intention to do so within ten days after the insurance premium finance company mails to the insured the notice required by this subdivision;

~~(3) A conspicuous statement to the insured that the insurance premium finance company may, in event of default in payment of the additional premium, or any installment thereof, cause the insured's insurance contract or contracts to be canceled as provided in section 59A.11.~~

~~(d) At the time the notice of additional premium to be added to the open end insurance premium finance agreement is mailed to the insured as provided in clause (c), an employee of the insurance premium finance company shall prepare and sign a certificate or affidavit of mailing setting forth the following:~~

~~(1) The name of the employee who mailed the notice of the additional premium to be financed.~~

~~(2) That the employee mailing the notice is over 18 years of age.~~

~~(3) The date and place of the deposit of the notice in the mail.~~

~~(4) The name and address of the person to whom the notice was mailed as shown on the envelope containing the notice.~~

~~(5) That the envelope containing the notice was sealed and deposited in the mail with the proper postage thereon.~~

~~A certificate or affidavit of mailing, prepared and signed as prescribed in this subdivision shall raise rebuttable presumption that the notice was mailed to the insured at the address shown in the certificate or affidavit of mailing.~~

~~(e) The insurance premium finance company may make a finance charge in accordance with section 59A.09 for additional premiums financed and added to an open end insurance premium finance agreement; however, only one flat rate service fee may be made or charged for each insurance premium finance agreement entered into and no additional flat service fee may be made or charged for adding additional or subsequent premiums to an open end insurance premium finance agreement for which a flat service fee was previously made or charged. or from a renewal of a policy or from other policies owned or purchased by the insured, a written notice must be mailed, faxed, or delivered to the insured outlining any changes to the information required by subdivision 1 along with a conspicuous statement to the insured that the insured may tender the premiums in full or affirm the proposed changes by tendering either an additional down payment or tendering the proposed revised installment amount, or disaffirm the financing of the additional premium by continuing the original payment amount as agreed to in the initial agreement.~~

~~If the proposed revisions in paragraph (c) are affirmed by the insured, the finance company may make an additional finance charge according to section 59A.09 for the additional premium financed and added to the open-end agreement; however, no additional flat service fee may be made or charged for adding additional or subsequent premiums to an open-end insurance premium finance agreement for which a flat service fee was previously made or charged.~~

Sec. 52. Minnesota Statutes 1996, section 59A.08, is amended by adding a subdivision to read:

Subd. 5. [COMPETITIVE EQUALITY.] No insurance agent, insurance broker, or insurer may require a person to use a particular insurance premium finance company or other installment payment plan for which a finance charge or other fee in connection with an installment payment has been or will be imposed or refuse to accept premium payment from a company licensed under sections 59A.01 to 59A.15.

Sec. 53. Minnesota Statutes 1996, section 59A.11, subdivision 2, is amended to read:

Subd. 2. Not less than ten days' written notice shall be mailed to the insured setting forth the intent of the insurance premium finance company to cancel the insurance contract unless the default is cured prior to the date stated in the notice. The insurance agent or insurance broker

indicated on the premium finance agreement shall also be ~~mailed~~ given ten days' notice of this action in a manner agreed upon between the insurance premium finance company and insurance agent or insurance broker.

Sec. 54. Minnesota Statutes 1996, section 59A.11, subdivision 3, is amended to read:

Subd. 3. (a) Pursuant to the power of attorney or other authority referred to above, the insurance premium finance company may cancel on behalf of the insured by mailing to the insurer written notice stating when thereafter the cancellation shall be effective, and the insurance contract shall be canceled as if such notice of cancellation had been submitted by the insured personally, but without requiring the return of the insurance contract. In the event that the insurer or its agent does not provide the insurance premium finance company with a specific mailing address for the purposes of receipt of the above notice, then mailing by the insurance premium finance company to the insurer at the address which is on file and of record with the commissioner of commerce pursuant to the provisions of chapters 60A and 72A shall be considered sufficient notice under this section. The notice requirements of this paragraph only apply if an insurance premium finance company and an insurer have not agreed on a method of providing notice of cancellation.

(b) The insurance premium finance company shall also mail a notice of cancellation to the insured at the insured's last known address ~~and~~.

(c) Written notice of the cancellation must also be given to the insurance agent or insurance broker indicated on the premium finance agreement. Written notice to the insurance agent or broker required by this paragraph may be given in a manner agreed upon between the insurance premium finance company, insurer, agent, or broker.

Sec. 55. Minnesota Statutes 1996, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE INSURANCE.] (1) The initial amount of credit life insurance shall not exceed the amount of principal repayable under the contract of indebtedness plus an amount equal to one monthly payment. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance ~~on which the premium is calculated shall be equal to~~ not exceed the scheduled indebtedness plus one monthly payment or actual amount of indebtedness, whichever is greater. If the contract of indebtedness provides for a variable rate of finance charge or interest, the initial rate or the scheduled rates based on the initial index must be used in determining the scheduled amount of indebtedness and subsequent changes to the rate must be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.

(2) Notwithstanding clause (1), the amount of credit life insurance written in connection with credit transactions repayable over a specified term exceeding 63 months shall not exceed the greater of: (i) the actual amount of unpaid indebtedness as it exists from time to time; or (ii) where an indebtedness is repayable in substantially equal installments according to a predetermined schedule, the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to two monthly payments. If the credit transaction provides for a variable rate of finance charge or interest, the initial rate or the scheduled rates based on the initial index must be used in determining the scheduled amount of unpaid indebtedness and subsequent changes in the rate must be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.

(3) Notwithstanding clauses (1) and (2), insurance on educational, agricultural, and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

(4) If the contract of indebtedness provides for a variable rate of finance charge or interest, the initial rate or the scheduled rates based on the initial index shall be used in determining the scheduled amount of indebtedness, and subsequent changes to the rate shall be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.

Sec. 56. Minnesota Statutes 1996, section 300.20, subdivision 2, is amended to read:

Subd. 2. [VACANCIES.] If the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year except any number may be appointed to provide for at least ~~three~~ five directors until any subsequent meeting of the stockholders.

Sec. 57. Minnesota Statutes 1996, section 303.02, subdivision 4, is amended to read:

Subd. 4. [FOREIGN CORPORATION.] "Foreign corporation" does not include any corporation which, under the constitution and statutes of the United States, may transact business in this state without first obtaining a certificate of authority so to do, insurance companies as defined by section 60A.02, and any banking or trust association or corporation or national banking association acting in this state as an executor, administrator, trustee, ~~or~~ guardian, or conservator under section 303.25.

Sec. 58. Minnesota Statutes 1996, section 303.25, subdivision 5, is amended to read:

Subd. 5. [SOLICITATION OF BUSINESS.] A foreign trust association may not maintain an office within this state, but it may solicit business within this state if banking or trust associations or corporations organized under the laws of this state or national banking associations maintaining their principal offices in this state may solicit business in the state in which the foreign trust association maintains its principal office. For purposes of this subdivision, solicitation of business includes the activities authorized for state or national banking associations exercising fiduciary powers maintaining their principal offices in this state considered a representative trust office established under section 48.476.

Sec. 59. Minnesota Statutes 1996, section 325F.68, subdivision 2, is amended to read:

Subd. 2. "Merchandise" means any objects, wares, goods, commodities, intangibles, real estate, loans, or services.

Sec. 60. Minnesota Statutes 1996, section 332.21, is amended to read:

332.21 [CONTRACTS.]

(a) Each contract entered into by the licensee and the debtor shall be in writing and signed by both parties. The licensee shall furnish the debtor with a copy of the signed contract. Each such contract shall set forth:

(1) the dollar charges agreed upon for the services of the licensee, clearly disclosing to such debtor the total amount which may be retained by licensee for services if the contract is fully performed, which maximum amount would be the origination fee together with 15 percent of the amount scheduled to be liquidated by such contract. This disclosure must state that if the amount of debt owed is increased by interest, late fees, over the limit fees, and other amounts imposed by the creditor or by reason of the events under paragraph (c), the length of the contract would be extended and remain in force and that the total dollar charges agreed upon may increase at the rate agreed upon in the original contract;

(2) the terms upon which the debtor may cancel the contract as set out in section 332.23;

(3) all debts which are to be managed by the licensee, including the name of the creditor and the amount of the debt; and

(4) such other matter as the commissioner may require by rule.

(b) A contract shall not be effective until a payment has been made to the licensee for distribution to creditors or until three business days after the signing thereof, whichever is later. Within such period an individual may disaffirm said contract and upon such disaffirmance said contract shall be null and void.

(c) Total fees contained in the contract may be exceeded in relation to creditors under open-end agreements if it is agreed to in the contract and the additional debts so contracted to be prorated do not exceed ten percent of the original debts in the contract or written revisions to the original contract.

Sec. 61. Minnesota Statutes 1996, section 332.23, subdivision 1, is amended to read:

Subdivision 1. [ORIGINATION FEE, CREDIT BACKGROUND REPORT COST.] The licensee may charge an origination fee of not more than \$25 and collect from the debtor the actual cost of a credit background report obtained from a credit reporting agency not related to or affiliated with the licensee or if affiliated, the total cost of the report may not exceed \$8. The costs to the debtor of said origination fee and credit background report may be made from the originating amount paid by the debtor to the licensee. The cost of only one credit background report may be collected from the debtor in any 12-month period.

Sec. 62. Minnesota Statutes 1996, section 332.23, subdivision 2, is amended to read:

Subd. 2. [WITHDRAWAL OF FEE.] The licensee may withdraw and retain as partial payment of the licensee's total fee not more than 15 percent of any sum deposited with the licensee by the debtor for distribution. The remaining 85 percent must be disbursed to listed creditors pursuant to and in accordance with the contract between the debtor and the licensee within 35 days after receipt unless the reasonable payment of one or more of the debtor's obligations requires that the funds be held for a longer period so as to accumulate a sum certain or where the debtor's payment is returned for nonsufficient funds, then no longer than 42 days. Total payment to licensee for services rendered, excluding the origination fee and any credit background report, shall not exceed 15 percent of funds deposited with licensee by debtor for distribution.

Sec. 63. Minnesota Statutes 1996, section 332.23, subdivision 5, is amended to read:

Subd. 5. [ADVANCE PAYMENTS.] Notwithstanding anything herein to the contrary no fees or charges shall be received or retained for any payments by the debtor made more than the following number of days in advance of the date specified in the contract on which they are due: (a) ~~30~~ 42 days in the case of contracts requiring monthly payments; (b) 15 days in the case of contracts requiring biweekly payments; or (c) seven days in the case of contracts requiring weekly payments. For those contracts which do not require payments in specified amounts, a payment shall be deemed an advance payment to the extent it exceeds twice the average regular payment theretofore made by the debtor pursuant to that contract. This subdivision shall not apply when it is the intention of the debtor to use such advance payments to satisfy future payment of obligations due within 30 days under the contract.

Sec. 64. Minnesota Statutes 1996, section 332.50, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

"Credit" means an arrangement or understanding with the drawee for the payment of the check.

"Dishonor" has the meaning given in section 336.3-502, but does not include dishonor due to a stop payment order requested by an issuer who has a good faith defense to payment on the check. "Dishonor" does include a stop payment order requested by an issuer if the account did not have sufficient funds for payment of the check at the time of issuance, except for stop payment orders on a check found to be stolen.

Sec. 65. Minnesota Statutes 1996, section 332.50, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] ~~(a) Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor that includes a citation to this section and section 609.535, and a description of the penalties contained in these sections, in compliance with subdivision 3, is liable to the payee, holder, or agent of the holder for the following penalties: (1) the amount of the check plus a civil penalty of up to \$100 or up to 100 percent of the value of the check, whichever is greater; (2) interest at the rate payable on judgments pursuant to section~~

549.09 on the face amount of the check from the date of dishonor; and (3) reasonable attorney fees if the aggregate amount of dishonored checks issued by the issuer to all payees within a six-month period is over \$1,250.

~~(b) If the amount of the dishonored check plus any service charges that have been incurred under paragraph (d) or (e) have not been paid within 30 days after having mailed a notice of dishonor in compliance with subdivision 3 but before bringing an action, a payee, holder, or agent of the holder may make a written demand for payment for the liability imposed by paragraph (a) by sending a copy of this section and a description of the liability contained in this section to the issuer's last known address.~~

~~(c) After notice has been sent but before an action under this section is heard by the court, the plaintiff shall settle the claim if the defendant gives the plaintiff the amount of the check plus court costs, any service charge owed under paragraph (d), and reasonable attorney fees if provided for under paragraph (a), clause (3).~~

~~(d) A service charge may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor, if written notice of the service charge was conspicuously displayed on the premises when the check was issued. The service charge may not exceed \$20, except that if the payee uses the services of a law enforcement agency to obtain payment of a dishonored check, a service charge of up to \$25 may be imposed if the service charge is used to reimburse the law enforcement agency for its expenses. A payee may impose only one service charge under this paragraph for each dishonored check.~~

~~(e) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed the charges in paragraph (d) or the actual cost of collection, but in no case more than \$30, or terms or conditions for imposing the charges which have been agreed to by the parties to an express contract.~~

(a) A service charge of up to \$20, or actual costs of collection not to exceed \$30, may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor, if notice of the service charge was conspicuously displayed on the premises when the check was issued. If a law enforcement agency obtains payment of a dishonored check, a service charge not to exceed \$50 may be imposed if the service charge is retained by the law enforcement agency for its expenses. Only one service charge may be imposed under this paragraph for each dishonored check.

(b) If the amount of the dishonored check is not paid within 30 days after payee or holder having mailed notice of dishonor pursuant to section 609.535, whoever issues the dishonored check is liable to the payee or holder of the check for:

(1) the amount of the check, the service charge as provided in paragraph (a), plus a civil penalty of up to \$100 or the value of the check, whichever is greater. The civil penalty may not be imposed until 30 days following the mailing of the notice of dishonor. A payee or holder of the check may make a written demand for payment of the civil liability by sending a copy of this section and a description of the liability contained in this section to the issuer's last known address. Notice as provided in paragraph (a) must also include notification that additional civil penalties will be imposed for dishonored checks for nonpayment after 30 days;

(2) interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor; and

(3) reasonable attorney fees if the aggregate amount of dishonored checks issued by the issuer to all payees within a six-month period is over \$1,250.

(c) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed the charges in paragraph (a) or terms or conditions for imposing the charges which have been agreed to by the parties in an express contract.

(d) A sight draft may not be used as a means of collecting the civil penalties provided in this section without prior consent of the issuer.

Sec. 66. Laws 1996, chapter 414, article 1, section 45, is amended to read:

Sec. 45. [EFFECTIVE DATE.]

Sections 1 to 5, 7 to 9, 11, 12, 16, 20 to 27, 30, 33, 35, 42, 43, and 44, paragraphs (b) and (c), are effective the day following final enactment. Section 44, paragraph (a), is effective July 1, 1998 1999.

Sections 10, 14, 15, 19, and 36 are effective on the effective date of the repeals in section 44, paragraph (a).

Sec. 67. [TOWN OF HASSAN; DETACHED BANKING FACILITY.]

With the prior approval of the commissioner of commerce, a bank operating its main banking office within six miles of the town of Hassan may establish and maintain not more than one detached facility in the town of Hassan. A bank desiring to establish a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility according to this section is subject to the provisions of Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 68. [TOWN OF THOMSON; DETACHED BANKING FACILITY.]

With the prior approval of the commissioner of commerce, a bank operating its main office within 20 miles of the town of Thomson may establish and maintain not more than one detached facility in the town of Thomson. A bank desiring to establish a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility pursuant to this section is subject to the provisions of Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 69. [TRANSACTION ACCOUNT CUSTOMER INFORMATION; INFORMAL WORKING GROUP.]

The commissioner of commerce shall select and convene an informal working group to make recommendation to financial intermediaries for notices to transaction account customers regarding:

(1) risks and effects of account closing due to misuse by customers as a means to enforce the deterrence objectives of Minnesota Statutes, section 48.512, subdivision 7;

(2) risks related to providing account identification to third parties for purposes of or resulting in their issuance of sight drafts; and

(3) informing the customers of the privacy terms related to the financial intermediaries' use of customer information.

The informal working group must include persons representing financial intermediaries, transaction account clearing organizations, retailers, and consumers. The commissioner shall accept recommendations from the working group for distribution to financial intermediaries' to effect voluntary implementation of transaction account customer information notices prior to September 1, 1997.

Sec. 70. [REPEALER.]

Minnesota Statutes 1996, sections 13.99, subdivision 13; 47.29; 47.31; 47.32; 49.47; 49.48; 50.03; 50.23; and 59A.14, are repealed.

Sec. 71. [EFFECTIVE DATE; APPLICABILITY.]

Sections 1, 4 to 6, 10, 11, 17, 19 to 21, 23, 24, 27 to 30, 32 to 55, 58, 60, 62, 63, and 70 are effective the day following final enactment.

Section 67 takes effect the day after compliance by the town board of the town of Hassan with Minnesota Statutes, section 645.021, subdivision 3.

Section 68 takes effect the day after compliance by the town board of the town of Thomson with Minnesota Statutes, section 645.021, subdivision 3.

Section 69 is effective June 1, 1997."

Delete the title and insert:

"A bill for an act relating to financial institutions; authorizing facsimile or electronic filings and certifications; regulating the powers and structure of certain institutions; regulating consumer credit; modifying lending authority; regulating fees and charges; making technical and conforming changes; amending Minnesota Statutes 1996, sections 46.04, by adding a subdivision; 46.044, by adding a subdivision; 46.046, by adding a subdivision; 46.047, subdivision 2; 46.07, subdivision 2; 46.131, subdivision 2; 47.20, subdivisions 9 and 14; 47.206, subdivision 6; 47.55, subdivision 1; 47.56; 47.59, subdivisions 1, 4, 5, 6, and 12; 47.61, subdivision 3; 47.75, subdivision 1; 48.01, subdivision 2; 48.09, by adding a subdivision; 48.15, subdivisions 2 and 4; 48.24, subdivision 2, and by adding a subdivision; 48.512, by adding a subdivision; 48.61, subdivision 7, and by adding a subdivision; 49.215, subdivision 3; 49.33; 49.36, subdivision 4; 49.42; 50.245; 51A.38, subdivision 1; 52.04, subdivision 2a, and by adding a subdivision; 52.062, subdivision 1, and by adding a subdivision; 52.063; 52.064, by adding a subdivision; 52.13; 52.201; 53.04, by adding a subdivision; 53.05; 53.09, subdivision 2a; 55.06, subdivision 1; 56.07; 56.10, subdivision 1; 56.131, subdivisions 1 and 4; 59A.08, subdivision 3, and by adding a subdivision; 59A.11, subdivisions 2 and 3; 62B.04, subdivision 1; 300.20, subdivision 2; 303.02, subdivision 4; 303.25, subdivision 5; 325F.68, subdivision 2; 332.21; 332.23, subdivisions 1, 2, and 5; and 332.50, subdivisions 1 and 2; Laws 1996, chapter 414, article 1, section 45; proposing coding for new law in Minnesota Statutes, chapter 48; repealing Minnesota Statutes 1996, sections 13.99, subdivision 13; 47.29; 47.31; 47.32; 49.47; 49.48; 50.03; 50.23; and 59A.14."

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

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 1175: A bill for an act relating to crime prevention; extending the jurisdiction of juvenile courts to include school districts; creating a grant program to fund planning for juvenile assessment centers; appropriating money; amending Minnesota Statutes 1996, sections 260.111, by adding a subdivision; 260.131, by adding a subdivision; 260.141, by adding a subdivision; and 260.181, by adding subdivisions.

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

Page 1, line 21, delete "2a" and insert "2b"

Page 3, delete sections 6 and 7 and insert:

"Sec. 6. [GRANT PROGRAM FOR JUVENILE ASSESSMENT CENTERS.]

Subdivision 1. [PROGRAM DESCRIBED.] The commissioner of children, families, and learning through the office of drug policy and violence prevention, shall administer a pilot project grant program to award grants to no more than three judicial districts to develop and implement plans to create juvenile assessment centers. A juvenile assessment center is a 24-hour centralized receiving, processing, and intervention facility for children who are accused of committing delinquent acts or status offenses or who are alleged to have been victims of abuse or neglect.

Subd. 2. [WORKING GROUPS AUTHORIZED; PLANS REQUIRED.] The chief judge of a judicial district or the judge's designee may convene a working group consisting of individuals experienced in providing services to children. A working group shall consist of, but is not limited to, representatives from substance abuse programs, domestic abuse programs, child protection agencies, mental health providers, mental health collaboratives, law enforcement agencies, the

legal community, schools, health service providers, and higher education institutions. The working group shall cooperatively develop a plan to create a juvenile assessment center in the judicial district. Juvenile assessment centers must provide initial screening for children, including intake and needs assessments, substance abuse screening, physical and mental health screening, fetal alcohol syndrome and fetal alcohol exposure screening, and diagnostic educational testing, as appropriate. The entities involved in the assessment center shall make the resources for the provision of these assessments available at the same level to which they are available to the general public. The plan must include, but is not limited to, recommended screening tools to assess children to determine their needs and assets; protocols to determine how children should enter the center, what will happen at the center, and what will happen after the child leaves the center; methods to share information in a manner consistent with existing law; and information on how the center will collaborate with a higher educational institution that has expertise in the research, programming, and evaluation of children's services. The plan may also address the provision of services to children.

Subd. 3. [COOPERATION WITH WORKING GROUPS.] The commissioner may provide technical assistance to the working groups and judicial districts. If the working groups identify any necessary changes in data privacy laws that would facilitate the operation of the assessment centers, the commissioner may recommend these changes to the legislature.

Subd. 4. [AWARDING OF GRANTS.] By January 1, 1998, the commissioner shall award grants under this section to judicial districts to develop plans to create juvenile assessment centers. Each district awarded a planning grant shall submit its plan to the commissioner. The commissioner shall review the plans and award grants to districts whose plans have been approved to develop an assessment center.

Subd. 5. [REPORT.] By January 15, 1999, the commissioner shall report to the legislature on the planning and implementation grants awarded under this section.

Sec. 7. [APPROPRIATION.]

\$. for the fiscal year ending June 30, 1998, and \$. for the fiscal year ending June 30, 1999, is appropriated from the general fund to the commissioner of children, families, and learning to administer the grant program and to award the planning and implementation grants described in section 6."

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

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 375: A bill for an act relating to natural resources; providing penalties for recreational motor vehicle operators who attempt to flee a peace officer; providing criminal penalties; amending Minnesota Statutes 1996, sections 84.873; 84.88, subdivision 2; and 84.90, subdivisions 1, 7, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 84.873, is amended to read:

84.873 [SIGNAL FROM OFFICER TO STOP.]

It is unlawful for a snowmobile operator, after having received a visual or audible signal from any law enforcement officer to come to a stop, to ~~(a) (1) operate a snowmobile in willful or wanton disregard of such signal, or (b) (2) interfere with or endanger the law enforcement officer or any other person or vehicle, or (c) increase speed or attempt to flee or elude the officer.~~

Sec. 2. Minnesota Statutes 1996, section 171.174, is amended to read:

171.174 [REVOCATION; FLEEING PEACE OFFICER OFFENSE.]

(a) The commissioner of public safety shall revoke the driver's license of a person upon receipt of a certificate of conviction showing that the person has in a motor vehicle violated section 609.487, subdivision 3 or 4, or an ordinance in conformity with those subdivisions. The commissioner shall revoke the driver's license as follows:

- (1) for the first offense under section 609.487, subdivision 3, for not less than one year;
- (2) for the second offense or subsequent offenses under section 609.487, subdivision 3, for not less than three years;
- (3) for an offense under section 609.487, subdivision 4, clause (a), for not less than ten years;
- (4) for an offense under section 609.487, subdivision 4, clause (b), for not less than seven years; and
- (5) for an offense under section 609.487, subdivision 4, clause (c), for not less than five years.

A limited license under section 171.30 may not be issued for one-half of the revocation period specified in clauses (1) to (5) and after that period is over only upon and as recommended by the adjudicating court.

(b) For purposes of this section, "motor vehicle" has the meaning given in section 609.487, subdivision 1.

Sec. 3. Minnesota Statutes 1996, section 609.487, subdivision 1, is amended to read:

Subdivision 1. [~~FLEE; DEFINITION~~ DEFINITIONS.] For purposes of this section, ~~the term~~ the following terms have the meaning given them.

(a) "Flee" means to increase speed, extinguish motor vehicle headlights or taillights, or to use other means with intent to attempt to elude a peace officer following a signal given by any peace officer to the driver of a motor vehicle.

(b) "Peace officer" includes:

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

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

(c) "Motor vehicle" has the meaning given in section 609.52, subdivision 1.

Sec. 4. Minnesota Statutes 1996, section 609.5312, subdivision 4, is amended to read:

Subd. 4. [VEHICLE FORFEITURE FOR FLEEING A PEACE OFFICER.] (a) A motor vehicle is subject to forfeiture under this subdivision if it was used to commit a violation of section 609.487 and endanger life or property. A motor vehicle is subject to forfeiture under this subdivision only if the offense is established by proof of a criminal conviction for the offense. Except as otherwise provided in this subdivision, a forfeiture under this subdivision is governed by sections 609.531, 609.5312, 609.5313, and 609.5315, subdivision 6.

(b) When a motor vehicle subject to forfeiture under this subdivision is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The prosecuting authority shall certify to the court, at or in advance of the hearing, that it has filed

or intends to file charges against the alleged violator for violating section 609.487. After conducting the hearing, the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by this paragraph;

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(c) If the defendant is acquitted or the charges against the defendant are dismissed, neither the owner nor the defendant is responsible for paying any costs associated with the seizure or storage of the vehicle.

(d) A vehicle leased or rented under section 168.27, subdivision 4, for a period of 180 days or less is not subject to forfeiture under this subdivision.

(e) For purposes of this subdivision, "motor vehicle" has the meaning given in section 609.487, subdivision 1.

Sec. 5. [REPEALER.]

Minnesota Statutes 1996, section 609.487, subdivision 2, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1997, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; adding a definition of "motor vehicle" to certain sections of law; expanding the crime of fleeing a peace officer in a motor vehicle; amending Minnesota Statutes 1996, sections 84.873; 171.174; 609.487, subdivision 1; and 609.5312, subdivision 4; repealing Minnesota Statutes 1996, section 609.487, subdivision 2."

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

Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred

S.F. No. 1297: A bill for an act relating to state government; appropriating money to renovate the capitol building; amending Laws 1996, chapter 463, section 13, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State Government Finance. Report adopted.

Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred

S.F. No. 1334: A bill for an act relating to employee benefits; permitting political subdivisions to define dependent for certain purposes; amending Minnesota Statutes 1996, section 471.61, subdivision 1a.

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

Mr. Sams from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1592: A bill for an act relating to agriculture; establishing the Minnesota agriculture education leadership council; establishing agricultural education grant programs; creating the Minnesota center for agriculture education; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 41D; repealing Minnesota Statutes 1996, section 126.113.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Report adopted.

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

S.F. No. 819: A bill for an act relating to insurance; creating a statewide health care consumer assistance program; modifying the complaint process for health plan companies; requiring disclosure of health care provider financial incentives; appropriating money; amending Minnesota Statutes 1996, sections 62Q.105; 62Q.106; and 62Q.30; proposing coding for new law in Minnesota Statutes, chapters 62J; and 62Q; repealing Minnesota Statutes 1996, section 62Q.11.

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

Page 5, delete lines 7 to 34 and insert:

"Subd. 4. [CONSUMER ADVISORY BOARD.] (a) The consumer advisory board consists of 18 members appointed in accordance with paragraph (b). All members must be public, consumer members who:

(1) do not have and never had a material interest in either health care services, such as health insurance sales or health plan administration; and

(2) are not registered lobbyists.

(b) The governor, the speaker of the house of representatives, and the subcommittee on committees of the committee on rules and administration of the senate shall each appoint two members. The Indian affairs council, the council on affairs of Chicano/Latino people, the council on Black Minnesotans, the council on Asian-Pacific Minnesotans, mid-Minnesota legal assistance, and the Minnesota chamber of commerce shall each appoint one member. The member appointed by the Minnesota chamber of commerce must represent small business interests. The health care campaign of Minnesota, Minnesotans for affordable health care, and consortium for citizens with disabilities shall each appoint two members. Members serve without compensation or reimbursement for expenses.

(c) The board shall:

(1) advise the commissioner in preparing a request for proposals for the contract required by subdivision 2;

(2) make recommendations to the commissioner and the operator of the health care consumer assistance program during its implementation and operation, including recommendations on future funding levels and mechanisms; and

(3) report to the legislature by January 15 of each year on the level of consumer protections contained in self-insured plans and on trends in patient complaints and resolution of those complaints. The board and this subdivision expire June 30, 2001."

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 457 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS**CONSENT CALENDAR****CALENDAR**

H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
457	484				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 457 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 457 and insert the language after the enacting clause of S.F. No. 484, the first engrossment; further, delete the title of H.F. No. 457 and insert the title of S.F. No. 484, the first engrossment.

And when so amended H.F. No. 457 will be identical to S.F. No. 484, and further recommends that H.F. No. 457 be given its second reading and substituted for S.F. No. 484, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 316, 36, 154, 330, 652, 1094, 868, 574, 16, 210, 122, 517, 329, 431, 1091, 355, 294, 339, 375 and 1334 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 457 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Samuelson moved that the name of Ms. Berglin be added as a co-author to S.F. No. 151. The motion prevailed.

Mr. Kelley, S.P. moved that the name of Mr. Metzen be added as a co-author to S.F. No. 741. The motion prevailed.

Mr. Frederickson moved that the name of Mr. Morse be added as a co-author to S.F. No. 1297. The motion prevailed.

Mr. Novak moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 1333. The motion prevailed.

Mr. Wiger moved that the name of Mr. Kleis be added as a co-author to S.F. No. 1417. The motion prevailed.

Ms. Runbeck moved that her name be stricken as a co-author to S.F. No. 1471. The motion prevailed.

Ms. Higgins moved that the name of Mr. Morse be added as a co-author to S.F. No. 1478. The motion prevailed.

Mr. Ten Eyck moved that the name of Mr. Wiger be added as a co-author to S.F. No. 1485. The motion prevailed.

Mrs. Scheid moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 1491. The motion prevailed.

Mr. Samuelson moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1539. The motion prevailed.

Mr. Metzen moved that the name of Ms. Wiener be added as a co-author to S.F. No. 1596. The motion prevailed.

Ms. Lesewski moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1614. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Stevens be added as a co-author to S.F. No. 1618. The motion prevailed.

Mr. Kelly, R.C. moved that S.F. No. 659 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Mr. Larson introduced--

Senate Resolution No. 28: A Senate resolution congratulating the Fergus Falls High School boys hockey team on its participation in the 1997 State High School Class A Boys Hockey Tournament.

Referred to the Committee on Rules and Administration.

Ms. Junge moved that S.F. No. 1456 be withdrawn from the Committee on Governmental Operations and Veterans and re-referred to the Committee on Crime Prevention. The motion prevailed.

Ms. Higgins moved that S.F. No. 431, on General Orders, be stricken and re-referred to the Committee on Taxes. The motion prevailed.

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

Senate Concurrent Resolution No. 8: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on March 26, 1997, the Senate and House of Representatives may each set its next day of meeting for April 1, 1997.

2. Each house consents to adjournment of the other house for more than three days.

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

Mr. Ten Eyck moved that S.F. No. 1080 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Children, Families and Learning. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Ms. Krentz in the chair.

After some time spent therein, the committee arose, and Ms. Krentz reported that the committee had considered the following:

S.F. Nos. 472, 671, 542, 465, 378, 127, 280, 392, 395, 137, 31, 950, 93 and H.F. Nos. 453, 281, 447, which the committee recommends to pass.

S.F. No. 227, which the committee recommends to pass with the following amendment offered by Mr. Vickerman:

Page 1, delete lines 9 to 25

Page 2, delete line 1 and insert:

"Federal payment in lieu of taxes on entitlement lands made pursuant to United States Code, title 31, sections 6901 to 6906 must be transferred by a county to the home rule or statutory city or town where the entitlement land is located if the county board determines that the statutory or home rule city or town is the principal provider of one or more governmental services affecting the use of entitlement lands and if the total annual federal payment to the county is \$5,000 or more. The county board shall make its determination based on factors which must include: (1) whether the city or town has at least 60 acres of land within the entitlement lands; (2) whether city or town roads are the primary access to the entitlement lands; and (3) whether the city or town provides one or more specific services to the entitlement lands such as fire protection, police protection, and search and rescue services; and ~~(4) whether the city or town is primarily responsible for, or~~ land use planning and official controls."

The motion prevailed. So the amendment was adopted.

S.F. No. 101, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 2, line 21, before "If" insert "(a)"

Page 2, after line 27, insert:

"(b) The provisions of paragraph (a) do not apply to a facility that has its reimbursement rate established under section 256B.431, subdivision 4, paragraph (c)."

Page 11, line 21, before the period, insert "established in rule or statute"

The motion prevailed. So the amendment was adopted.

S.F. No. 475, which the committee recommends to pass with the following amendment offered by Ms. Hanson:

Page 2, line 4, after "by" insert "a copy of a property tax statement showing that the applicant's residence is classified as agricultural land and by"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

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

REPORTS OF COMMITTEES

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

Mr. Metzen from the Committee on Governmental Operations and Veterans, to which was referred

S.F. No. 1351: A bill for an act relating to public employment; making technical changes; modifying definitions; ratifying certain labor agreements; amending Minnesota Statutes 1996, sections 3.855, subdivision 2; 179A.03, subdivision 14; 179A.10, subdivision 1; and 179A.11, subdivision 1.

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

Page 2, after line 34, insert:

"Sec. 2. Minnesota Statutes 1996, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) The board of trustees of the Minnesota state colleges and universities may exercise the powers under this section for employees included in units 9, 10, 11, and 12 in section 179A.10, subdivision 2, except with respect to sections 43A.22 to 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner of employee relations shall have the right to review and comment to the Minnesota state colleges and universities on the board's final proposals prior to exchange of final positions with the designated bargaining units as well as any requests for interest arbitration. When submitting a proposed collective bargaining agreement to the legislative coordinating commission and the legislature under section 3.855, subdivision 2, the board of trustees must use procedures and assumptions consistent with those used by the commissioner of employee relations in calculating the costs of the proposed contract. The legislative coordinating commission must, when considering a collective bargaining agreement or arbitration award submitted by the board of trustees, evaluate market conditions affecting the employees in the bargaining unit, equity with other bargaining units in the executive branch, and the ability of the trustees and the state to fund the agreement or award."

Page 7, after line 34, insert:

"Sec. 6. Minnesota Statutes 1996, section 179A.16, subdivision 7, is amended to read:

Subd. 7. [DECISION BY THE ARBITRATOR OR PANEL.] The decision must be issued by the arbitrator or a majority vote of the panel. The decision must resolve the issues in dispute between the parties as submitted by the commissioner. For principals and assistant principals, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item. For firefighters, the arbitrator or panel is restricted to selecting between the final offer total package of one party or the other. For firefighters, however, either party may, in writing, specify that the arbitrator or panel is required to resolve the issues in dispute between the parties as submitted by the commissioner, unless the parties agree in writing to restrict the arbitrator or panel to selecting between the final offers of the parties on each impasse item. For other employees, if the parties agree in writing, the arbitrator or panel is restricted to selecting between the final offers of the parties on each impasse item, or the final offer of one or the other parties in its entirety. In considering a dispute and issuing its decision, the arbitrator or panel shall consider the statutory rights and obligations of public employers to efficiently manage and conduct their operations within the legal limitations surrounding the financing of these operations. The decision is final and binding on all parties.

The arbitrator or panel shall render its decision within 30 days from the date that all arbitration proceedings have concluded. The arbitrator or panel may not request that the parties waive their right to have the decision rendered within 30 days, unless the commissioner grants an extension of the deadline. The commissioner shall remove from the roster for six months the name of any arbitrator who does not render the decision within 30 days or within the extension granted by the commissioner. The commissioner shall adopt rules establishing criteria to be followed in determining whether an extension should be granted. The decision must be for the period stated in the decision, except that decisions determining contracts for teacher units are effective to the end of the contract period determined by section 179A.20.

The arbitrator or panel shall send its decision to the commissioner, the appropriate representative of the public employer, and the employees. If any issues submitted to arbitration are settled voluntarily before the arbitrator or panel issues a decision, the arbitrator or panel shall report the settlement to the commissioner.

The parties may, at any time before or after issuance of a decision of the arbitrator or panel, agree upon terms and conditions of employment regardless of the terms and conditions of employment determined by the decision. The parties shall, if so agreeing, execute a written contract or memorandum of contract."

Page 8, line 16, delete "5" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "modifying certain arbitration procedures;"

Page 1, line 5, after the semicolon, insert "43A.06, subdivision 1;"

Page 1, line 6, delete "and" and before the period, insert "; and 179A.16, subdivision 1"

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

Mr. Hottinger from the Committee on Health and Family Security, to which was referred

S.F. No. 737: A bill for an act relating to health; clarifying the status of the comprehensive health association under medical assistance and general assistance medical care; clarifying eligibility; opening the process for selecting a writing carrier; permitting contributing members to offset assessments against premium taxes; eliminating the four-month waiting period under MinnesotaCare for association enrollees; modifying coverage for medical assistance enrollees; transferring insurance premium tax revenue to the general fund; appropriating money; amending Minnesota Statutes 1996, sections 62A.045; 62E.02, subdivisions 13 and 18; 62E.04, subdivision 8; 62E.11, by adding a subdivision; 62E.13, subdivision 2; 256.9357, subdivision 3; 256B.056, subdivision 8; 256B.0625, subdivision 15; 256D.03, subdivision 3b; and 295.58.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 62E.02, subdivision 13, is amended to read:

Subd. 13. [ELIGIBLE PERSON.] (a) "Eligible person" means an individual who:

(1) is currently and has been a resident of Minnesota for the six months immediately preceding the date of receipt by the association or its writing carrier of a completed certificate of eligibility ~~and who;~~

(2) meets the enrollment requirements of section 62E.14; and

(3) is not otherwise ineligible under this subdivision.

(b) No individual is eligible for coverage under a qualified or a Medicare supplement plan issued by the association for whom a premium is paid or reimbursed by a federal, state, or local agency as of the first day of any term for which a premium amount is paid or reimbursed.

Sec. 2. Minnesota Statutes 1996, section 62E.02, subdivision 18, is amended to read:

Subd. 18. [WRITING CARRIER.] "Writing carrier" means the insurer or insurers, health maintenance organization or organizations, integrated service network or networks, ~~and~~ community integrated service network or networks, or other entity selected by the association and approved by the commissioner to administer the comprehensive health insurance plan.

Sec. 3. Minnesota Statutes 1996, section 62E.11, is amended by adding a subdivision to read:

Subd. 8a. [TAX OFFSET.] Beginning January 1, 1997, an annual fiscal year-end or interim assessment paid by a contributing member under this chapter may be offset against the premium tax payable by that contributing member under section 60A.15 for the year in which the annual fiscal year-end or interim assessment is paid. In no event may a contributing member's total offset in any given year exceed one percent of its premiums as defined in section 60A.15, subdivision 1, paragraph (b), for that same year.

Sec. 4. Minnesota Statutes 1996, section 62E.11, is amended by adding a subdivision to read:

Subd. 13. The commissioner shall report to the legislature annually on the costs incurred by the association in providing coverage to individuals enrolled in medical assistance under chapter 256B or general assistance medical care under chapter 256D. The report shall be provided to the chairs of the house committee on health and human services and the senate committee on health and family security no later than January 15 of each year. The report's contents shall be determined by the commissioner, in consultation with the commissioner of human services and the association. At a minimum, the report shall provide for the association in aggregate and for each category of individuals enrolled in medical assistance under chapter 256B or general assistance medical care under chapter 256D, a breakdown of: (1) the administrative costs; (2) claims costs; (3) premiums paid; (4) deductibles, coinsurance, and copayments paid; (5) state payments to providers satisfying deductibles, coinsurance, or copayments required to be paid under a qualified or Medicare supplement plan issued by the association; (6) the number of individuals; (7) losses; and (8) appropriated state funds. The commissioner of human services, the association, and the writing carrier, shall cooperate with the commissioner and provide all information that the commissioner determines is necessary to prepare this report.

Sec. 5. Minnesota Statutes 1996, section 62E.13, subdivision 2, is amended to read:

Subd. 2. The association may select policies and contracts, or parts thereof, submitted by a member or members of the association, or by the association or others, to develop specifications for bids from any members entity which wish wishes to be selected as a writing carrier to administer the state plan. The selection of the writing carrier shall be based upon criteria including established by the board of directors of the association and approved by the commissioner. The criteria shall outline specific qualifications that an entity must satisfy in order to be selected and, at a minimum, shall include the member's entity's proven ability to handle large group accident and health insurance cases, efficient claim paying capacity, and the estimate of total charges for administering the plan. The association may select separate writing carriers for the two types of qualified plans, the qualified medicare supplement plan, and the health maintenance organization contract.

Sec. 6. Minnesota Statutes 1996, section 256.9357, subdivision 3, is amended to read:

Subd. 3. [PERIOD UNINSURED.] To be eligible for subsidized premium payments based on a sliding scale, families and individuals initially enrolled in the MinnesotaCare program under section 256.9354, subdivisions 4 and 5, must have had no health coverage for at least four months prior to application. The commissioner may change this eligibility criterion for sliding scale premiums without complying with rulemaking requirements in order to remain within the limits of available appropriations. The requirement of at least four months of no health coverage prior to application for the MinnesotaCare program does not apply to:

(1) families, children, and individuals who want to apply for the MinnesotaCare program upon termination from the medical assistance program, general assistance medical care program, or coverage under a regional demonstration project for the uninsured funded under section 256B.73, the Hennepin county assured care program, or the Group Health, Inc., community health plan;

(2) families and individuals initially enrolled under section 256.9354, subdivisions 1, paragraph (a), and 2;

(3) children enrolled pursuant to Laws 1992, chapter 549, article 4, section 17; or

(4) individuals currently serving or who have served in the military reserves, and dependents of these individuals, if these individuals: (i) reapply for MinnesotaCare coverage after a period of active military service during which they had been covered by the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); (ii) were covered under MinnesotaCare immediately prior to obtaining coverage under CHAMPUS; and (iii) have maintained continuous coverage; or

(5) individuals and families whose only health coverage during the four months prior to application was a qualified or Medicare supplement plan issued by the Minnesota comprehensive health association under chapter 62E.

Sec. 7. Minnesota Statutes 1996, section 256B.056, subdivision 8, is amended to read:

Subd. 8. [COOPERATION.] To be eligible for medical assistance, applicants and recipients must cooperate with the state and local agency to identify potentially liable third-party payers and assist the state in obtaining third party payments, unless good cause for noncooperation is determined according to Code of Federal Regulations, title 42, part 433.147. "Cooperation" includes identifying any third party who may be liable for care and services provided under this chapter to the applicant, recipient, or any other family member for whom application is made and providing relevant information to assist the state in pursuing a potentially liable third party. Cooperation also includes providing information about a group health plan for which the person may be eligible and if the plan is determined cost-effective by the state agency and premiums are paid by the local agency or there is no cost to the recipient, they must enroll or remain enrolled with the group. For purposes of this subdivision, coverage provided by the Minnesota comprehensive health association under chapter 62E shall not be considered group health plan coverage or cost-effective by the state and local agency, nor shall the association be considered a potentially liable third party by the state or local agency. Cost-effective insurance premiums approved for payment by the state agency and paid by the local agency are eligible for reimbursement according to section 256B.19.

Sec. 8. Minnesota Statutes 1996, section 256B.0625, subdivision 15, is amended to read:

Subd. 15. [HEALTH PLAN PREMIUMS AND COPAYMENTS.] (a) Medical assistance covers health care prepayment plan premiums, insurance premiums, and copayments if determined to be cost-effective by the commissioner. For purposes of obtaining Medicare part A and part B, and copayments, expenditures may be made even if federal funding is not available.

(b) Effective for all premiums due on or after June 30, 1997, medical assistance does not cover premiums that a recipient is required to pay under a qualified or Medicare supplement plan issued by the Minnesota comprehensive health association.

Sec. 9. Minnesota Statutes 1996, section 256D.03, subdivision 3b, is amended to read:

Subd. 3b. [COOPERATION.] (a) General assistance or general assistance medical care applicants and recipients must cooperate with the state and local agency to identify potentially liable third-party payors and assist the state in obtaining third-party payments. Cooperation includes identifying any third party who may be liable for care and services provided under this chapter to the applicant, recipient, or any other family member for whom application is made and providing relevant information to assist the state in pursuing a potentially liable third party. General assistance medical care applicants and recipients must cooperate by providing information about any group health plan in which they may be eligible to enroll. They must cooperate with the state and local agency in determining if the plan is cost-effective. For purposes of this subdivision, coverage provided by the Minnesota comprehensive health association under chapter 62E shall not be considered group health plan coverage or cost-effective by the state and local agency, nor shall the association be considered a potentially liable third party by the state or local agency. If the plan is determined cost-effective and the premium will be paid by the state or local agency or is available at no cost to the person, they must enroll or remain enrolled in the group health plan. Cost-effective insurance premiums approved for payment by the state agency and paid by the local agency are eligible for reimbursement according to subdivision 6.

(b) Effective for all premiums due on or after June 30, 1997, general assistance medical care does not cover premiums that a recipient is required to pay under a qualified or Medicare supplement plan issued by the Minnesota comprehensive health association.

Sec. 10. Minnesota Statutes 1996, section 295.58, is amended to read:

295.58 [DEPOSIT OF REVENUES AND PAYMENT OF REFUNDS.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 ~~and from the insurance premiums tax on health maintenance organizations, community integrated service networks, integrated service networks, and nonprofit health service plan corporations~~ and five cents per pack of the tobacco tax generated under section 297.02 in the health care access fund in the state treasury. Refunds of overpayments must be paid from the health care access fund in the state treasury. There is annually appropriated from the health care access fund to the commissioner of revenue the amount necessary to make any refunds required under section 295.54.

Sec. 11. Minnesota Statutes 1996, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources fund;

(2) the revenue produced by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand must be credited to the health care access fund in the state treasury; and

(3) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 12. [DEPOSIT OF REVENUES.]

After December 31, 1996, the commissioner of revenue shall deposit all revenues due under Minnesota Statutes, section 60A.15, subdivision 1, paragraph (d), into the general fund of the state treasury.

Sec. 13. [STUDY.]

The commissioners of health, commerce, and revenue shall jointly submit a written report to the legislature that includes options and recommendations for alternative funding methods to replace existing financing mechanisms, including provider taxes and health plan premium taxes. The recommendations must include a dedicated fund that preserves adequate funding for uninsured persons served by the MinnesotaCare program. The report must be submitted to the legislature by January 15, 1998, in compliance with Minnesota Statutes, section 3.195.

Sec. 14. [APPROPRIATION.]

\$...... is appropriated in fiscal year 1998 and \$...... is appropriated in fiscal year 1999 from the general fund to the board of directors of the Minnesota comprehensive health association to cover

the total administrative and claims costs associated with those individuals who are covered by a qualified or Medicare supplement plan issued by the association and who are enrolled in medical assistance under Minnesota Statutes, chapter 256B or 256D.

Sec. 15. [EFFECTIVE DATE.]

Section 1 is effective June 30, 1997.

Sections 2 to 10 and 13 are effective the day following final enactment.

Section 12 is effective for all revenues due after December 31, 1996."

Delete the title and insert:

"A bill for an act relating to health; clarifying the status of the comprehensive health association under medical assistance and general assistance medical care; clarifying eligibility; opening the process for selecting a writing carrier; permitting contributing members to offset assessments against premium taxes; eliminating the four-month waiting period under MinnesotaCare for association enrollees; modifying coverage for medical assistance enrollees; transferring insurance premium tax revenue to the general fund; appropriating money; amending Minnesota Statutes 1996, sections 62E.02, subdivisions 13 and 18; 62E.11, by adding subdivisions; 62E.13, subdivision 2; 256.9357, subdivision 3; 256B.056, subdivision 8; 256B.0625, subdivision 15; 256D.03, subdivision 3b; 295.58; and 297.13, subdivision 1."

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1328: A bill for an act relating to renewable energy; permitting certain municipalities in the upper Minnesota river valley region to establish a rural development financing authority and establishing the Minnesota alternative energy development authority; proposing coding for new law as Minnesota Statutes, chapter 41D.

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

Page 1, line 25, delete "such as alfalfa"

Page 9, line 20, delete "economic development and housing" and insert "jobs, energy and community development"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 510: A bill for an act relating to health; establishing licensing requirements for the provision of ambulance service; relocating provisions related to emergency medical services; appropriating money; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 144E; repealing Minnesota Statutes 1996, sections 144.801; 144.802; 144.803; 144.804; and 144.806.

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

Page 3, delete lines 7 to 10

Page 3, line 11, delete "5" and insert "4"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 285: A bill for an act relating to crimes; broadening the criteria for license plate impoundment and vehicle forfeiture to include persons with fewer violations for driving while impaired; referencing broader definitions of prior impaired driving convictions and prior license revocations for purposes of license plate impoundment; amending Minnesota Statutes 1996, sections 168.042, subdivisions 1, 2, 4, 9, and 11; and 169.1217, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 168.042, subdivision 1, is amended to read:

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

(b) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the violation occurred.

(c) "Violation" means:

~~(1) a violation of section 169.123 or an impaired driving conviction as defined in section 169.121, subdivision 3, that results in the revocation of a person's driver's license or driving privileges, and also includes an alcohol-related license revocation from another state;~~

~~(2) a violation of section 169.129; and~~

~~(3) a violation of section 171.24 by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (8). includes:~~

~~(1) a violation of section 169.121, or a conforming ordinance from this state or a conforming statute or ordinance from another state:~~

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

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

~~(2) a violation of section 169.121, subdivision 3, paragraph (c), clause (4);~~

~~(3) a violation of section 169.129; and~~

~~(4) a violation of section 171.24 by a person whose driver's license or driving privileges have been canceled under section 171.04, subdivision 1, clause (9).~~

~~(d) "Prior impaired driving conviction" has the meaning given it in section 169.121, subdivision 3.~~

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

Sec. 2. Minnesota Statutes 1996, section 168.042, subdivision 2, is amended to read:

Subd. 2. [VIOLATION; ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when:

~~(1) a person's driver's license or driving privileges are revoked for a third violation, as defined in subdivision 1, paragraph (c), clause (1), within five years or a fourth or subsequent violation, as defined in subdivision 1, paragraph (c), clause (1), within 15 years;~~

~~(2) a person's driver's license or driving privileges are revoked for a violation of section 169.121, subdivision 3, paragraph (c), clause (4), within five years of one previous violation or~~

~~within 15 years of two or more previous violations, as defined in subdivision 1, paragraph (c), clause (1); or~~

~~(3) a person is arrested for or charged with a violation described in subdivision 1, paragraph (c), clause (2) or (3).~~

The order shall require the impoundment of the registration plates of the self-propelled motor vehicle involved in the violation and all self-propelled motor vehicles owned by, registered, or leased in the name of the violator, including self-propelled motor vehicles registered jointly or leased in the name of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Sec. 3. Minnesota Statutes 1996, section 168.042, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICER AS AGENT FOR NOTICE OF IMPOUNDMENT.] On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation ~~under section 169.123 for a violation shall also serve a notice of intent to impound and an order of impoundment if the violation is the third violation, as defined in subdivision 1, paragraph (c), clause (1), within five years or the fourth or subsequent violation, as defined in subdivision 1, paragraph (c), clause (1), within 15 years.~~ On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a violation described in subdivision 1, paragraph (c), clause (2) or (3), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed.

Sec. 4. Minnesota Statutes 1996, section 168.042, subdivision 9, is amended to read:

Subd. 9. [ADMINISTRATIVE REVIEW.] At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner. On receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.69. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates to the registered owner of the vehicle if the registered owner's license or driving privileges were not revoked ~~under section 169.123 or as a result of an impaired driving conviction as defined in section 169.121, subdivision 3~~ the violation.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b.

Sec. 5. Minnesota Statutes 1996, section 168.042, subdivision 11, is amended to read:

Subd. 11. [RESCISSION OF REVOCATION; DISMISSAL OF CHARGES OR ACQUITTAL; ISSUANCE OF NEW PLATES.] If:

- (1) the driver's license revocation that is the basis for an impoundment order is rescinded;
- (2) the charges for the violation have been dismissed with prejudice; or
- (3) the violator has been acquitted of the violation,

then the registrar of motor vehicles shall issue new registration plates for the vehicle at no cost, when the registrar receives an application that includes a copy of the order rescinding the driver's license revocation, the order dismissing the charges, or the judgment of acquittal. If the

~~impoundment order was based on a violation described in subdivision 1, paragraph (c), clause (2) or (3), and the charges have been dismissed with prejudice or the violator has been acquitted of the violation, the registrar of motor vehicles shall issue new registration plates for the vehicle at no cost, when the registrar receives an application that includes a copy of the order dismissing the charges or a copy of the judgment of acquittal.~~

Sec. 6. Minnesota Statutes 1996, section 168.042, is amended by adding a subdivision to read:

Subd. 11a. [CHARGE FOR REINSTATEMENT OF REGISTRATION PLATES IN CERTAIN SITUATIONS.] When the registrar of motor vehicles reinstates a person's registration plates after impoundment for reasons other than those described in subdivision 11, the registrar shall charge the person \$25. Money raised under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 7. Minnesota Statutes 1996, section 171.12, is amended by adding a subdivision to read:

Subd. 2a. [ALCOHOL CONCENTRATION ON DRIVING RECORD.] When a person's driver's license or permit to drive is revoked or suspended pursuant to section 169.123, or when a person is convicted for violating section 84.91, 86B.331, 169.121, 169.1211, 169.1218, 169.129, 360.0752, or 609.21, and a test of the person's breath, urine, or blood has been made to determine the person's alcohol concentration, the commissioner of public safety shall record the test results on the person's driving record pertaining to that violation. The alcohol concentration is classified as public data on individuals, as defined in section 13.02, subdivision 15, and must be kept for the period of time specified in subdivision 3, clause (2).

Sec. 8. [PUBLIC AWARENESS CAMPAIGN.]

The commissioner of public safety shall implement a public awareness campaign to educate the public on the vehicle forfeiture law under Minnesota Statutes, section 169.1217, and the administrative plate impoundment law under Minnesota Statutes, section 168.042.

This campaign must focus on increasing the public's understanding of these laws, specifically the offenses that the laws cover and the time periods in which the offenses must occur to result in impoundment or forfeiture.

The commissioner may conduct the campaign by including information in future editions of the driver's manual and using public service announcements, advertisements, and any other methods deemed appropriate by the commissioner. The commissioner shall attempt to maximize the use of low-cost innovative methods to conduct the campaign.

Sec. 9. [APPROPRIATION.]

\$...... is appropriated from the highway user tax distribution fund to the commissioner of public safety for the fiscal year ending June 30, 1998, to implement the public awareness campaign described in section 8.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1997, and apply to license plate impoundment actions for violations occurring on or after that date. Sections 6 and 8 are effective July 1, 1997."

Delete the title and insert:

"A bill for an act relating to crimes; broadening the criteria for license plate impoundment to include persons with fewer violations for driving while impaired; referencing broader definitions of prior impaired driving convictions and prior license revocations for purposes of license plate impoundment; requiring that the alcohol concentration of a person who is driving while impaired be placed on the person's driving record; requiring a public awareness campaign regarding the plate impoundment and vehicle forfeiture laws; appropriating money; amending Minnesota Statutes 1996, sections 168.042, subdivisions 1, 2, 4, 9, 11, and by adding a subdivision; and 171.12, by adding a subdivision."

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

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 428: A bill for an act relating to state government; establishing North Star as government on-line service and information initiative, with oversight provided by Minnesota office of technology; establishing the information and telecommunications technology community resource development initiative; implementing MNCARD projects for demonstrating and utilizing "smart card" technology and uses; providing for fees and accounts; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 237B.

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

Page 2, line 32, before "NORTH" insert "PURPOSE;"

Page 2, after line 33, insert:

"Subdivision 1. [PURPOSE.] North Star is established as the state's comprehensive government on-line information and service initiative. Government units that provide electronic access shall give primary consideration to making available their most frequently requested public data and specifically to provide data determined to be a "tool of democracy," such as:

(1) directories of government services and institutions;

(2) legislative, ordinance, and rulemaking information, including public information newsletters; bill text and summaries; bill status information; rule status information; meeting schedules; and the text of statutes, ordinances, and rules, including index and search tools; and the State Register;

(3) official documents, releases, speeches, and other public information issued by the government units; and

(4) the text of other government documents and publications, such as supreme court and court of appeals opinions and general judicial information; ethical practices board, election finance and other reports; public budget information; and local government documents, such as codes, minutes, meetings, and other notices in the public interest.

In addition to "tools of democracy," government units shall be encouraged to offer services to the public electronically to improve convenience of access to and delivery of services, such as applications for driver's, hunting, fishing, and business licenses; the filing of tax returns; applications for employment; and other services as they become technologically feasible and available."

Page 2, line 34, before "The" insert "Subd. 2. [CONSULTATION AND PARTICIPATION.]"

Page 3, line 6, before the period, insert "for access to public services and frequently requested data"

Page 3, line 9, after the period, insert "A fee may not be charged for viewing or inspecting data made available through North Star or linked facilities, unless specifically authorized by law."

Page 9, after line 21, insert:

"Subd. 5. [NOTICE TO MNCARD USER.] (a) When an individual is issued a MNCARD, the individual shall be informed of the following operating features of the card:

(1) agencies or other organizations that use the card and for what purposes;

(2) agencies or other organizations that will be able to revise, alter, or update data on the card, including a description of the kinds of data they will be able to place on the card;

(3) agencies or other organizations that will have access to data on the card without being able to revise, alter, or update data on the card, and the nature of their access, including what data are accessible.

(b) An individual must be notified whenever an additional agency or other organization is authorized access to, or the ability to revise, MNCARD data.

(c) The office of technology shall maintain as a public record on paper and in electronic format, a description of:

(1) agencies and other organizations authorized access to data on the MNCARD;

(2) agencies or other organizations with authority to change or add data to the MNCARD;

(3) a description of the security measures that prevent unauthorized access to data on the card; and

(4) any further information relevant to the methods of protecting the privacy of MNCARD users to be developed under subdivision 9.

Subd. 6. [CARD USER INFORMATION AND CONSENT.] Private or confidential data shall not be placed on a MNCARD without the express written consent of the card user, in the case of private data; or with notice to the individual, in the case of confidential data.

Subd. 7. [CARD READER.] At least one card reader must be located at each participating state agency, and each reader must be audited once a month by the department of administration to assure that it provides accurate output which can be verified by the MNCARD holder to be all the data on the card.

Subd. 8. [TRANSACTION OR LOCATION DATA.] With the exception of work station security applications, all transaction or location data compiled must remain anonymous. Location or transaction data may not be provided by the compiling agency to any third party for any purpose."

Page 9, line 22, delete "5" and insert "9"

Page 9, lines 26 and 30, delete "6" and insert "10"

Page 10, after line 32, insert:

"(f) \$...... is appropriated from the general fund to the department of administration for the purpose of the audit under section 12."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 287: A bill for an act relating to natural resources; increasing snowmobile registration fees; increasing unrefunded gasoline tax revenues attributable to snowmobiles; providing an appropriation for snowmobile grants-in-aid; appropriating money; amending Minnesota Statutes 1996, sections 84.82, subdivision 3; and 296.16, subdivision 1.

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

Page 3, delete sections 3 and 4

Amend the title as follows:

Page 1, lines 4 and 5, delete "providing an appropriation for snowmobile grants-in-aid;"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 448: A bill for an act relating to mines and minerals; expanding membership on the mineral coordinating committee; establishing the aggregate resources task force; appropriating money; amending Minnesota Statutes 1996, section 93.002, subdivision 1.

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

Page 3, delete section 3

Amend the title as follows:

Page 1, lines 4 and 5, delete "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Veterans. Amendments adopted. Report adopted.

Ms. Ranum from the Committee on Judiciary, to which was re-referred

S.F. No. 126: A bill for an act relating to health; authorizing the creation of community and statewide immunization registries; providing criminal penalties; amending Minnesota Statutes 1996, section 144.3351; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 144.3351, is amended to read:

144.3351 [IMMUNIZATION DATA.]

Providers as defined in section 144.335, subdivision 1, population-based immunization registries as defined in section 144.3402, subdivision 11, group purchasers as defined in section 62J.03, subdivision 6, elementary or secondary schools or child care facilities as defined in section 123.70, subdivision 9, public or private post-secondary educational institutions as defined in section 135A.14, subdivision 1, paragraph (b), a board of health as defined in section 145A.02, subdivision 2, community action agencies as defined in section 268.53, subdivision 1, and the commissioner of health may exchange immunization data with one another, without the patient's consent, if the person requesting access provides services on behalf of the patient. For purposes of this section immunization data includes:

- (1) patient's name, address, date of birth, gender, parent or guardian's name; and
- (2) date vaccine was received, vaccine type, lot number, and manufacturer of all immunizations received by the patient, and whether there is a contraindication or an adverse reaction indication.

This section applies to all immunization data, regardless of when the immunization occurred.

Sec. 2. [144.3401] [CONSTRUCTION.]

Sections 144.3401 to 144.3409 shall be liberally construed to:

- (1) enable the development of population-based immunization registries, which shall include:
 - (i) community-based registries operated by boards of health to exchange registry immunization data to support age-appropriate immunizations; and
 - (ii) a statewide registry operated by the commissioner to maintain immunization data of

enrollees, link community-based registries, conduct public health research, and perform statewide assessment to prevent and control vaccine-preventable diseases;

(2) authorize the commissioner to certify community-based registries which meet specific criteria;

(3) require health care provider reporting of registry immunization data to certified community-based registries; and

(4) establish data privacy requirements for the collection, maintenance, access to, and sharing of immunization data maintained by population-based registries.

Sec. 3. [144.3402] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 144.3401 to 144.3409.

Subd. 2. [BOARD OF HEALTH.] "Board of health" means an administrative authority established under sections 145A.03 and 145A.04.

Subd. 3. [CERTIFICATION.] "Certification" means approval by the commissioner after determining that a community-based registry has fulfilled the requirements of sections 144.3404, 144.3406, and 144.3407.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 5. [COMMUNITY-BASED REGISTRY.] "Community-based registry" means a population-based immunization registry established by a board of health or its agent in conjunction with providers and group purchasers in a particular geographic area to exchange registry immunization data to support age-appropriate immunizations.

Subd. 6. [DEPARTMENT.] "Department" means the department of health.

Subd. 7. [ENROLLEE.] "Enrollee" means a person, or the parent or legal guardian of a minor person, enrolled in a population-based immunization registry.

Subd. 8. [ENROLLMENT.] "Enrollment" means the recording of registry immunization data for a new person in a population-based immunization registry.

Subd. 9. [GROUP PURCHASER.] "Group purchaser" has the meaning given in section 62J.03, subdivision 6, and includes a health plan.

Subd. 10. [IMMUNIZATION ASSESSMENT.] "Immunization assessment" means summary data measuring the proportion of a population that has received age-appropriate immunizations as identified by the commissioner.

Subd. 11. [POPULATION-BASED IMMUNIZATION REGISTRY.] "Population-based immunization registry" means the central collection of registry immunization data for all persons of an age specified by the registry within a geographic area, beginning with the filing of their birth registrations. Population-based immunization registries include both community-based and statewide registries but do not include provider registries.

Subd. 12. [IMMUNIZATION REMINDER AND RECALL.] "Immunization reminder and recall" means a system associated with a population-based immunization registry designed to notify enrollees or providers of upcoming or past due immunizations in order to support enrollees or providers in achieving age-appropriate immunizations.

Subd. 13. [PERSON.] "Person" means a natural person, parent of a minor, or guardian.

Subd. 14. [PROVIDER.] "Provider" has the meaning given in section 144.335, subdivision 1.

Subd. 15. [SCHOOL.] "School" has the meaning given in sections 123.70, subdivision 9, and 135A.14, subdivision 1.

Subd. 16. [SECURITY.] "Security" refers to the procedures to protect data from accidental or intentional disclosure to an unauthorized person and to protect data from loss or unauthorized alterations.

Subd. 17. [REGISTRY IMMUNIZATION DATA.] "Registry immunization data" means the following:

- (1) local registry number or other registry identification;
- (2) Minnesota immunization number;
- (3) first name;
- (4) middle name;
- (5) last name;
- (6) birth date;
- (7) gender;
- (8) apartment or box number;
- (9) street address;
- (10) city;
- (11) state;
- (12) zip code;
- (13) contraindication indicator;
- (14) legal mother's first name;
- (15) legal mother's middle name;
- (16) legal mother's last name;
- (17) immunization date;
- (18) vaccine type;
- (19) vaccine manufacturer;
- (20) lot number;
- (21) name of medical clinic providing immunization; and
- (22) immunization adverse reaction indicator.

Subd. 18. [STATEWIDE REGISTRY.] "Statewide registry" means a population-based immunization registry operated by the commissioner to maintain immunization data of enrollees, link community-based registries, conduct public health research, and perform statewide assessment to prevent and control vaccine-preventable diseases.

Subd. 19. [VACCINE.] "Vaccine" means those biologics that are used to provide immunity against diseases included in the schedule of recommended immunizations issued by the commissioner, which include, but are not limited to, diphtheria, tetanus, pertussis, polio, measles, mumps, rubella, hemophilus influenza type b, hepatitis B, hepatitis A, varicella, influenza, and pneumococcal pneumonia.

Sec. 4. [144.3403] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [RECOMMENDATIONS TO THE LEGISLATURE.] The commissioner shall prepare recommendations for the 1998 legislature that include, but are not limited to, the following:

- (1) criteria for allowing authorized access, including telecommunications access, to registry immunization data consistent with section 144.3407;
- (2) criteria, including data security and quality assurance procedures, by which the commissioner certifies community-based registries pursuant to subdivision 3; and
- (3) provider reporting procedures to community-based registries.

Subd. 2. [IMMUNIZATION REGISTRY ADVISORY TASK FORCE.] The commissioner shall establish an immunization registry advisory task force to advise on the development of recommendations pursuant to subdivision 1. The advisory task force shall be appointed by the commissioner and be composed of, but not limited to, representatives from boards of health, providers, group purchasers, schools, and consumers. The task force shall include persons with expertise in immunizations and information policy. The advisory task force is governed by section 15.014, and expires no later than June 30, 2002.

Subd. 3. [CERTIFICATION.] When the board of health operating the community-based registry submits an application and the commissioner has evaluated and approved the operation of the registry pursuant to standards adopted by the legislature following implementation of section 144.3403 and for compliance with sections 144.3404, 144.3406, and 144.3407, the commissioner shall certify a community-based registry.

Subd. 4. [STATEWIDE REGISTRY.] Subject to the availability of funds, the commissioner may establish a statewide registry that links community-based registries across the state. In establishing a statewide registry, the commissioner shall, at a minimum, establish procedures for collecting and exchanging registry immunization data, assuring their reliability, and providing for data protection according to chapter 13 and section 144.3407.

Sec. 5. [144.3404] [COMMUNITY-BASED REGISTRIES.]

Subdivision 1. [REQUIREMENTS.] Subject to the availability of funds, boards of health, singly or jointly, or an agent designated by a board of health, may develop and maintain community-based registries. Community-based registries shall operate according to this section, and sections 144.3406 and 144.3407. Boards of health or their designated agent shall:

- (1) establish policies and operational procedures for collecting and exchanging registry immunization data, assuring their reliability, and providing for data privacy and security according to chapter 13 and section 144.3407;
- (2) enter into agreements with participating providers that allow a provider or a group purchaser to submit registry immunization data to and obtain registry immunization data from the community-based registry;
- (3) establish policies and operating procedures to comply with an enrollee's request to not receive immunization reminder and recall notices from population-based registries; and
- (4) convene a local advisory group to advise on the establishment and operation of the community-based registry, and to review and approve the procedures, policies, and agreements developed for the registry.

Subd. 2. [CERTIFICATION NOT REQUIRED.] A community-based registry may operate prior to certification, provided that the board of health notifies the commissioner in writing of its intent to establish a community-based registry.

Subd. 3. [REPORTING TO STATEWIDE REGISTRY.] Upon the establishment of a statewide registry under section 144.3403, subdivision 4, a community-based registry shall report registry immunization data maintained by the community-based registry to the statewide registry.

Sec. 6. [144.3405] [REPORTING TO COMMUNITY-BASED REGISTRIES.]

After the commissioner has certified a community-based registry as specified in section 144.3403, subdivision 3, all providers who administer immunizations in the geographic area served by the community-based registry shall report registry immunization data to the community-based registry, with the express written consent of the patient. Providers shall make a good faith effort to obtain consent, which may be revoked at any time.

Sec. 7. [144.3406] [ENROLLMENT.]

Subdivision 1. [BIRTH REGISTRATION; ENROLLMENT.] Except as provided in subdivision 4, birth registration data collected under section 144.215 shall be used to enroll all newborn Minnesota residents in population-based immunization registries, if the parent of the child consented to enrollment on the birth registration form, but shall be limited to the registry immunization data as defined in section 144.3402, subdivision 17, to the extent that birth registration data is known. With the consent, birth registration data that are otherwise prohibited from disclosure under section 144.225 shall be included in population-based immunization registries, except for data relating to the original birth certificate of an adopted child, and only to the extent that such data are shared immunization data as defined in section 144.3402, subdivision 19. Except as provided in subdivision 4, individuals moving into a geographic area served by a population-based registry shall be enrolled in the registry by a provider, board of health, school, or group purchaser, with the express written consent of the individual. An enrollee may revoke consent to enrollment at any time. Notwithstanding section 138.17, upon receipt of the request any data on the enrollee in a community-based or statewide registry must be destroyed.

Subd. 2. [NOTIFICATION.] A person who is asked to consent to enrollment must be given a notice that includes the purposes of immunization registries, how the information collected will be used, the benefits to the enrollee and to providers of the immunization registries, precautions that are taken to prevent unauthorized uses of the immunization data, identification of those persons who have lawful access to the registry immunization data, and instructions on how a person may request to not receive immunization reminder and recall notices.

Sec. 8. [144.3407] [ACCESS TO REGISTRY IMMUNIZATION DATA.]

Subdivision 1. [DATA CLASSIFICATION; REGISTRY IMMUNIZATION DATA.] Registry immunization data on individuals created, collected, or maintained by population-based registries are private data as defined in section 13.02, subdivision 12. Data not on individuals are nonpublic data, as defined in section 13.02, subdivision 9. All data created, collected, or maintained by population-based registries shall be disclosed only pursuant to this section, notwithstanding any other law to the contrary, including sections 13.03, subdivisions 6 to 8; 13.05, subdivision 9; and 138.17, subdivision 1a.

A statewide or community-based registry may not maintain social security numbers or any other data on individuals other than registry immunization data.

Subd. 2. [USE OF DATA.] Data created, collected, and maintained by a population-based registry shall only be used:

(a) on individuals:

(1) to assess a person's immunization status for the purpose of determining needed vaccines;

(2) for reminder and recall;

(3) to notify a person of a vaccine-preventable disease outbreak to which that person may be susceptible; or

(4) for individual immunization reports for school admission, child care enrollment, or other enrollment purposes that require an immunization history; or

(b) in summary form to conduct immunization assessment. The birth date, which is necessary

to establish a person's age, and the county or zip code of residence, which is necessary to determine the immunization levels of geographic areas, may be used in the aggregate to assess immunization levels in an entire population.

Subd. 3. [ACCESS TO DATA.] Access to the registry immunization data created, collected, and maintained by a population-based registry shall be given only to enrollees and those persons authorized to exchange immunization data under section 144.3351, and only for the purposes specified in subdivision 2.

Subd. 4. [SHARING AMONG REGISTRIES.] All population-based immunization registries shall share registry immunization data with each other to conduct immunization assessment or to assist community-based registries to provide services on behalf of an enrollee.

Sec. 9. [144.3408] [LIABILITY.]

Subdivision 1. [GOOD FAITH IMMUNITY.] A provider, board of health, school, group purchaser, or individual submitting immunization data to a population-based immunization registry or relying upon immunization data from a population-based immunization registry shall be immune from criminal, disciplinary or civil action whether for damages or any other type of relief that otherwise might result from submitting or relying upon the data, if they are acting in good faith that the immunization data they are submitting or relying upon is reliable and accurate and they obtained written consent from the enrollee.

Subd. 2. [VIOLATIONS.] A person or entity who violates any data privacy provisions of sections 144.3401 to 144.3409 shall be subject to sections 13.08 and 13.09.

Sec. 10. [144.3409] [PARENTAL RESPONSIBILITY; EXEMPTIONS.]

Subdivision 1. [PARENTAL RESPONSIBILITY.] Nothing in sections 144.3401 to 144.3409 is intended to mitigate the responsibility of a parent or guardian to have a child immunized as specified in section 123.70.

Subd. 2. [EXEMPTIONS.] Nothing in sections 144.3401 to 144.3409 is intended to require immunization of a person who is exempt from immunization requirements referenced in section 123.70.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment. The consent requirement to this act does not apply to data collected before the effective date of this act."

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 772: A bill for an act relating to corrections; clarifying and extending the jurisdiction of the ombudsman; prohibiting ombudsman's staff from being compelled to testify in any proceeding; amending Minnesota Statutes 1996, sections 241.42, subdivision 2, and by adding a subdivision; and 241.44, subdivision 1.

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

Page 1, line 16, delete "licensed"

Page 1, line 17, after "facility" insert "licensed or inspected by the commissioner of corrections"

Page 2, delete section 2

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, delete ", and by adding a subdivision"

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

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

S.F. No. 320: A bill for an act relating to health care; prohibiting health plan companies from denying coverage of a mastectomy performed on an inpatient hospital basis; clarifying the status of the comprehensive health association under medical assistance and general assistance medical care; opening the process for selecting a writing carrier; permitting contributing members to offset assessments against premium taxes; eliminating the four-month waiting period under MinnesotaCare for association enrollees; establishing a process for reviewing proposed state-mandated health plan benefits; expanding eligibility for the MinnesotaCare program; authorizing public information projects to inform uninsured persons about the availability of health coverage; encouraging health plans to collaborate with public health agencies; providing alternative funding for local public health activities and county social services; strengthening and enforcing the pass-through provision of the health care provider tax; reducing duplicative inspections and regulatory compliance requirements for health plan companies; appropriating money; amending Minnesota Statutes 1996, sections 62A.045; 62D.04, by adding a subdivision; 62E.02, subdivisions 13 and 18; 62E.04, subdivision 8; 62E.11, by adding subdivisions; 62E.13, subdivision 2; 62Q.075, subdivision 2; 256.9354, subdivision 5, and by adding a subdivision; 256.9357, subdivision 3; 256B.056, subdivision 8; 256B.0625, subdivision 15; 256D.03, subdivision 3b; 295.58; 295.582; and 297.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; and 62Q.

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

Page 2, line 9, delete "1" and insert "15"

Page 2, line 21, delete "upon completion of" and insert "August 1, 1999."

Page 2, delete line 22

Pages 2 to 4, delete section 1

Page 6, line 16, delete "subdivision 2, and must complete the" and insert "subdivisions 2 and 5."

Page 6, delete lines 17 to 25 and insert:

"Subd. 5. [CITIZENS ADVISORY TASK FORCE.] The commissioner of health shall appoint a citizens advisory task force in accordance with section 15.014, subdivision 2, to provide comments and recommendations to the commissioner on health benefit mandate proposals. In preparing these comments and recommendations, it shall be the purpose of the task force to determine, which approach to a proposed mandated benefit best serves the general public interest. Members should be impartial consumers of health care services. The citizens advisory task force shall consist of at least one member from each regional coordinating board. The citizens advisory task force shall solicit comments and recommendations on a mandated health benefit proposal from any interested persons and organizations and may hold public hearings. The citizens advisory task force shall submit its comments and recommendations to the commissioner."

Page 6, line 28, delete "groups" and insert "representatives" and delete "community leaders" and insert "medical technology companies"

Pages 6 and 7, delete section 3 and insert:

"Sec. 2. Minnesota Statutes 1996, section 62E.02, subdivision 13, is amended to read:

Subd. 13. [ELIGIBLE PERSON.] (a) "Eligible person" means an individual who:

(1) is currently and has been a resident of Minnesota for the six months immediately preceding the date of receipt by the association or its writing carrier of a completed certificate of eligibility ~~and who;~~

(2) meets the enrollment requirements of section 62E.14; and

(3) is not otherwise ineligible under this subdivision.

(b) No individual is eligible for coverage under a qualified or a Medicare supplement plan issued by the association for whom a premium is paid or reimbursed by a federal, state, or local agency as of the first day of any term for which a premium amount is paid or reimbursed.

Page 8, delete section 5

Page 8, line 28, after "or" insert "general assistance medical care under chapter"

Page 8, line 34, after "provide" insert ", for the association in aggregate and for each category of individuals enrolled in medical assistance under chapter 256B or general assistance medical care under chapter 256D,"

Page 9, line 4, delete from "; for" through page 9, line 6, to "256D"

Page 9, line 7, before "department" insert "commissioner of the"

Page 9, line 8, delete "any"

Page 9, line 9, delete "and" and delete "which" and insert " that"

Page 11, line 29, delete "The state and local agency shall not pay" and insert "Effective for all premiums due on or after June 30, 1997, medical assistance does not cover"

Page 11, delete lines 33 to 36

Page 12, delete lines 1 to 6

Page 12, line 34, delete "The state and local agency shall not pay" and insert "Effective for all premiums due on or after June 30, 1997, general assistance medical care does not cover"

Page 13, delete lines 2 to 11

Page 14, line 27, delete "1" and insert "15"

Page 14, line 33, delete the comma

Page 14, line 34, delete "net of premiums paid,"

Page 15, delete lines 3 and 4 and insert:

"Section 2 is effective June 30, 1997. Sections 3 to 10 and 13 are effective the day following final enactment."

Pages 19 and 20, delete section 1 and insert:

"Section 1. [STUDY OF NATIONAL ACCREDITATION ORGANIZATIONS.]

The commissioner of health shall study the requirements of national accreditation organizations for health care organizations and identify any overlaps of these requirements with the state statutory or regulatory requirements. The commissioner shall submit findings from this study to the legislature by January 15, 1998."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 24, delete everything after "sections"

Page 1, line 25, delete "subdivision;" and delete "62E.04,"

Page 1, line 26, delete "subdivision 8;"

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

MOTIONS AND RESOLUTIONS

Mr. Johnson, D.E. moved that his name be stricken as chief author and the name of Ms. Olson be added as chief author to S.F. No. 1510. The motion prevailed.

Ms. Kiscaden moved that S.F. No. 1204 be withdrawn from the Committee on Governmental Operations and Veterans and re-referred to the Committee on Jobs, Energy and Community Development. The motion prevailed.

Mr. Marty moved that S.F. No. 77 be withdrawn from the Committee on Transportation and re-referred to the Committee on Crime Prevention. The motion prevailed.

Mr. Moe, R.D., for Mr. Stumpf, moved that S.F. No. 1102 be withdrawn from the Committee on Agriculture and Rural Development and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Ms. Ranum moved that S.F. No. 501, No. 6 on the Calendar, be stricken and placed on General Orders.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 21 and nays 43, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Junge	Morse	Wiger
Berg	Foley	Kelly, R.C.	Pappas	
Berglin	Higgins	Krentz	Piper	
Betzold	Hottinger	Marty	Ranum	
Cohen	Johnson, J.B.	Moe, R.D.	Spear	

Those who voted in the negative were:

Beckman	Johnson, D.H.	Lesewski	Ourada	Scheid
Belanger	Johnson, D.J.	Lessard	Pariseau	Solon
Day	Kelley, S.P.	Limmer	Price	Stevens
Dille	Kiscaden	Lourey	Robertson	Ten Eyck
Fischbach	Kleis	Metzen	Robling	Terwilliger
Frederickson	Knutson	Murphy	Runbeck	Vickerman
Hanson	Laidig	Novak	Sams	Wiener
Janezich	Langseth	Oliver	Samuelson	
Johnson, D.E.	Larson	Olson	Scheevel	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Scheid moved that S.F. No. 1061 be withdrawn from the Committee on Governmental Operations and Veterans and re-referred to the Committee on Crime Prevention. The motion prevailed.

CALENDAR

S.F. No. 413: A bill for an act relating to water; authorizing a state general permit for water appropriation; amending Minnesota Statutes 1996, section 103G.271, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 543: A bill for an act relating to agriculture; changing certain license requirements; repealing the interstate compact on agricultural grain marketing; amending Minnesota Statutes 1996, sections 17A.04, subdivision 1; 231.01, subdivision 5; 236.01, subdivision 3; and 236.02, subdivisions 1 and 2; repealing Minnesota Statutes 1996, sections 236A.01; and 236A.02.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 324: A bill for an act relating to human rights; reclassifying certain investigative data; amending Minnesota Statutes 1996, section 363.061, subdivisions 2 and 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Flynn	Marty	Piper	Spear
Betzold	Higgins			

So the bill passed and its title was agreed to.

H.F. No. 219: A bill for an act relating to employment; requiring leaves of absence without pay for employees rendering services as members of the civil air patrol; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 120: A bill for an act relating to housing programs; modifying eligibility for accessibility loans; authorizing equity take-out loans for section 236 rental property; clarifying eligible projects under the housing trust fund; modifying eligible uses of the mortgage foreclosure prevention and emergency rental assistance program; repealing the special needs housing for homeless persons program; amending Minnesota Statutes 1996, sections 268.38, subdivision 7; 462A.05, subdivisions 14d, 30, 39, and by adding a subdivision; 462A.201, subdivision 2; 462A.205, subdivision 4a; 462A.207, subdivisions 1, 2, 3, 4, and 6; 462A.21, subdivision 12a; repealing Minnesota Statutes 1996, sections 268.39; 462A.05, subdivision 20; and 462A.21, subdivisions 4k, 12, and 14.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 501: A bill for an act relating to commerce; providing powers and duties to the commissioner; regulating securities; modifying the real estate licensing exemption for closing agents; regulating real property appraisers; regulating residential building contractors and remodelers; modifying licensing requirements for collection agencies; regulating notaries public; making technical changes; amending Minnesota Statutes 1996, sections 45.011, subdivision 1; 45.028, subdivision 1; 80A.04, subdivisions 3, 4, and by adding a subdivision; 80A.05, subdivisions 4, 5, and by adding a subdivision; 80A.06, subdivisions 1, 2, and 3; 80A.08; 80A.12, by adding a subdivision; 80A.14, subdivisions 3, 4, and by adding subdivisions; 80A.15, subdivisions 1 and 2; 80A.16; 80A.28, subdivisions 1 and 2; 80C.01, subdivision 4; 82.19, by adding a subdivision; 82.20, subdivision 15; 82.22, subdivision 13; 82.24, subdivision 5; 82B.13, subdivisions 1, 4, and 5; 82B.14; 82B.19, subdivision 1; 326.83, subdivisions 11 and 19; 326.84, subdivision 3; 326.85, by adding a subdivision; 326.921; 332.33, subdivision 1, and by adding a subdivision; 332.34; 359.061; and 359.071; proposing coding for new law in Minnesota Statutes, chapters 45; 60K; and 80A; repealing Minnesota Statutes 1996, section 60K.07, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Foley	Marty	Piper	Ranum
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So the bill passed and its title was agreed to.

S.F. No. 703: A bill for an act relating to elections; allowing mail balloting in certain elections in additional cities and towns; amending Minnesota Statutes 1996, section 204B.45, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kelley, S.P.	Moe, R.D.	Ranum
Beckman	Higgins	Kelly, R.C.	Morse	Robertson
Berglin	Hottinger	Krentz	Murphy	Scheid
Betzold	Janezich	Langseth	Novak	Solon
Cohen	Johnson, D.H.	Lourey	Pappas	Ten Eyck
Flynn	Johnson, D.J.	Marty	Piper	Wiener
Foley	Johnson, J.B.	Metzen	Price	Wiger

Those who voted in the negative were:

Belanger	Johnson, D.E.	Larson	Ourada	Scheevel
Berg	Junge	Lesewski	Pariseau	Spear
Day	Kiscaden	Lessard	Robling	Stevens
Dille	Kleis	Limmer	Runbeck	Terwilliger
Fischbach	Knutson	Oliver	Sams	Vickerman
Frederickson	Laidig	Olson	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 266: A bill for an act relating to water; including ex officio agency members as voting members of the board of water and soil resources; amending Minnesota Statutes 1996, section 103B.101, subdivisions 1, 2, and 5; repealing Minnesota Statutes 1996, section 103B.101, subdivisions 3 and 8.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Wiger, Marty, Ms. Piper, Mrs. Lourey and Ms. Anderson introduced--

S.F. No. 1647: A bill for an act relating to health; appropriating money for the STAR program.

Referred to the Committee on Governmental Operations and Veterans.

Mrs. Lourey introduced--

S.F. No. 1648: A bill for an act relating to state government; requiring establishment of a toll-free telephone service for all Minnesotans to call the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Mrs. Lourey and Mr. Langseth introduced--

S.F. No. 1649: A bill for an act relating to taxation; property; changing the date by which certain taxing authorities must certify certain levies to the county auditor; amending Minnesota Statutes 1996, section 275.065, subdivisions 1 and 1a.

Referred to the Committee on Local and Metropolitan Government.

Mrs. Scheid introduced--

S.F. No. 1650: A bill for an act relating to public safety; authorizing payments to metropolitan airports commission for 911 emergency services; amending Minnesota Statutes 1996, section 403.113, subdivision 2.

Referred to the Committee on Local and Metropolitan Government.

Mrs. Scheid introduced--

S.F. No. 1651: A bill for an act relating to motor vehicles; authorizing issuance of general-use collector license plates; exempting vehicles with general-use collector plates from vehicle emissions testing requirements; amending Minnesota Statutes 1996, sections 116.61, subdivision 2; and 168.12, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Janezich introduced--

S.F. No. 1652: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, R.D. introduced--

S.F. No. 1653: A bill for an act relating to education; permitting independent school district No. 593, Crookston, to begin the 1997-1998 school year prior to Labor Day.

Referred to the Committee on Children, Families and Learning.

Mr. Ten Eyck introduced--

S.F. No. 1654: A bill for an act relating to real property; providing for fee changes for filing and recording certain documents; amending Minnesota Statutes 1996, sections 357.18, subdivisions 1, 2, and 3; 508.82, subdivision 1; and 515B.1-116.

Referred to the Committee on Judiciary.

Messrs. Sams, Larson and Ten Eyck introduced--

S.F. No. 1655: A bill for an act relating to game and fish; permitting nonresident youth to hunt deer for resident fee; amending Minnesota Statutes 1996, section 97A.451, subdivision 3a.

Referred to the Committee on Environment and Natural Resources.

Mr. Stumpf introduced--

S.F. No. 1656: A bill for an act relating to natural resources; appropriating money to dredge the Red Lake and Thief rivers.

Referred to the Committee on Environment and Natural Resources.

Messrs. Janezich, Ourada and Sams introduced--

S.F. No. 1657: A bill for an act relating to transportation; providing for payment with tax certificates for highway and transit infrastructure; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Ms. Pappas introduced--

S.F. No. 1658: A bill for an act relating to education; establishing a pilot interpreting and translating program at campuses of the Minnesota state colleges and universities; providing training and professional services through the University of Minnesota; appropriating money.

Referred to the Committee on Children, Families and Learning.

Mr. Cohen introduced--

S.F. No. 1659: A bill for an act relating to taxation; reducing the threshold for implementation of limited market value treatment; making the provision permanent; amending Minnesota Statutes 1996, section 273.11, subdivision 1a.

Referred to the Committee on Local and Metropolitan Government.

Mr. Hottinger introduced--

S.F. No. 1660: A bill for an act relating to early childhood education; establishing a grant to establish an early childhood teacher development center; appropriating money.

Referred to the Committee on Children, Families and Learning.

Ms. Runbeck introduced--

S.F. No. 1661: A bill for an act relating to retirement; local police and paid fire relief associations; clarifying the treatment of certain legal expenses as authorized administrative expenses; amending Minnesota Statutes 1996, section 69.80.

Referred to the Committee on Governmental Operations and Veterans.

Messrs. Stevens; Johnson, D.J.; Belanger; Vickerman and Mrs. Robling introduced--

S.F. No. 1662: A bill for an act relating to taxation; providing for payments to counties with Indian casinos of a portion of revenues under tribal tax agreements; appropriating money; amending Minnesota Statutes 1996, section 270.60, by adding a subdivision.

Referred to the Committee on Taxes.

Messrs. Johnson, D.E. and Sams introduced--

S.F. No. 1663: A bill for an act relating to agriculture; limiting entry into facilities in which confined farm animals are kept; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Beckman and Hottinger introduced--

S.F. No. 1664: A bill for an act relating to education; appropriating money for a model school to address chronic truancy and other behavior problems.

Referred to the Committee on Children, Families and Learning.

Messrs. Dille and Johnson, D.E. introduced--

S.F. No. 1665: A bill for an act relating to taxation; changing provisions for costs and disbursements in certain tax appeals; amending Minnesota Statutes 1996, sections 271.19; and 278.07.

Referred to the Committee on Taxes.

Messrs. Larson, Berg, Vickerman, Scheevel and Beckman introduced--

S.F. No. 1666: A bill for an act relating to education; modifying secondary vocational education aid guarantee; amending Minnesota Statutes 1996, section 124.573, subdivision 2f.

Referred to the Committee on Children, Families and Learning.

Ms. Olson, Mrs. Pariseau, Messrs. Neuville, Day and Ms. Robertson introduced--

S.F. No. 1667: A bill for an act relating to taxation; individual income; reducing the rate of tax on the first income bracket; amending Minnesota Statutes 1996, section 290.06, subdivisions 2c and 2d.

Referred to the Committee on Taxes.

Ms. Runbeck, Mr. Murphy, Ms. Olson and Mrs. Pariseau introduced--

S.F. No. 1668: A bill for an act relating to taxation; providing a reduced class rate for certain golf courses; amending Minnesota Statutes 1996, section 273.13, subdivision 24.

Referred to the Committee on Local and Metropolitan Government.

Mr. Stevens introduced--

S.F. No. 1669: A bill for an act relating to Benton county; permitting the combining of the offices of auditor and treasurer and appointment to the combined office and to the offices of recorder and coroner.

Referred to the Committee on Local and Metropolitan Government.

Mr. Samuelson introduced--

S.F. No. 1670: A bill for an act relating to economic development; requiring the commissioner of trade and economic development to guarantee a loan from the Minnesota investment fund.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Samuelson introduced--

S.F. No. 1671: A bill for an act relating to taxes; sales and use tax; exempting the sales of firewood for certain business purposes from the tax; amending Minnesota Statutes 1996, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes.

Mrs. Scheid introduced--

S.F. No. 1672: A bill for an act relating to taxation; property tax; eliminating the one commercial-industrial parcel per county limitation to receive the preferred class rate in certain cases; amending Minnesota Statutes 1996, section 273.13, subdivision 24.

Referred to the Committee on Local and Metropolitan Government.

Mr. Langseth introduced--

S.F. No. 1673: A bill for an act relating to natural resources; appropriating money for a local match for a state trail between Pelican Rapids and Maplewood state park.

Referred to the Committee on Environment and Natural Resources.

Messrs. Betzold; Kelley, S.P.; Mses. Robertson, Olson and Mrs. Scheid introduced--

S.F. No. 1674: A bill for an act relating to parks; funding the operation and maintenance of parks in the metropolitan area; appropriating money.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Novak; Moe, R.D. and Murphy introduced--

S.F. No. 1675: A resolution memorializing the strawberry industry to recognize and respect the rights of strawberry workers.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Novak; Johnson, D.H.; Metzen and Beckman introduced--

S.F. No. 1676: A bill for an act relating to community development; providing training for certain public assistance recipients; appropriating money; amending Minnesota Statutes 1996, section 268A.15, subdivisions 2, 6, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Novak, Mses. Pappas, Robertson, Krentz and Mr. Larson introduced--

S.F. No. 1677: A bill for an act relating to education; appropriating money for the school enrichment partnership program.

Referred to the Committee on Children, Families and Learning.

Messrs. Johnson, D.J.; Price; Pogemiller; Belanger and Ms. Flynn introduced--

S.F. No. 1678: A bill for an act relating to taxation; providing an exemption for construction materials used in correctional facilities; amending Minnesota Statutes 1996, sections 297A.15, subdivision 7; and 297A.25, subdivision 11, and by adding a subdivision.

Referred to the Committee on Taxes.

Mr. Janezich introduced--

S.F. No. 1679: A bill for an act relating to the city of Hibbing; authorizing the use of tax increments.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Morse, Dille, Sams and Scheevel introduced--

S.F. No. 1680: A bill for an act relating to agriculture; animal health; providing for the identification of certain diseased cattle herds; requiring a report; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Ms. Runbeck, Mrs. Scheid and Mr. Oliver introduced--

S.F. No. 1681: A bill for an act relating to taxation; property; changing classification rates; providing an education homestead credit; requiring certain information on property tax statement; providing a property tax refund for persons over 65; requiring referenda to increase levies in certain instances; providing for a state tax refund in certain instances; limiting the general education levy growth rate; appropriating money; amending Minnesota Statutes 1996, sections 16A.102, by adding a subdivision; 124A.23, subdivision 1; 273.13, subdivisions 22, 23, 24, 25, and 31; 275.065, subdivisions 1, 3, 5a, and 6; 275.07, by adding subdivisions; 276.04, subdivision 2; and 290A.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 273; and 275; repealing Minnesota Statutes 1996, sections 273.13, subdivision 32.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Sams, Morse, Day and Dille introduced--

S.F. No. 1682: A bill for an act relating to agriculture; appropriating money for technical support grants to soil and water conservation districts.

Referred to the Committee on Agriculture and Rural Development.

Ms. Runbeck introduced--

S.F. No. 1683: A bill for an act relating to licensed professions; requiring notice to licensees of investigations; requiring destruction of data on unsubstantiated complaints; authorizing health care providers to dispose of records of deceased patients; amending Minnesota Statutes 1996, sections 144.335, by adding a subdivision; and 214.10, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Family Security.

Mr. Spear introduced--

S.F. No. 1684: A bill for an act relating to education; holding Minneapolis school board elections at the same time as state elections; amending Minnesota Statutes 1996, section 128D.08, subdivision 1; repealing Minnesota Statutes 1996, section 128D.08, subdivision 2.

Referred to the Committee on Election Laws.

Ms. Ranum, Mr. Spear and Ms. Higgins introduced--

S.F. No. 1685: A bill for an act relating to appropriations; appropriating money to the city of Minneapolis to be used by the Minneapolis police department for transporting and housing detainees.

Referred to the Committee on Crime Prevention.

Messrs. Pogemiller and Stumpf introduced--

S.F. No. 1686: A bill for an act relating to education; appropriating money for education and related purposes to the board of trustees of the Minnesota state colleges and universities.

Referred to the Committee on Children, Families and Learning.

Ms. Anderson and Mr. Solon introduced--

S.F. No. 1687: A bill for an act relating to appropriations; appropriating money for the neighborhood land trust program.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Marty introduced--

S.F. No. 1688: A bill for an act relating to education; appropriating money for the learning readiness program revenue.

Referred to the Committee on Children, Families and Learning.

Mr. Marty introduced--

S.F. No. 1689: A bill for an act relating to energy assistance; providing funding for various energy assistance programs; appropriating money.

Referred to the Committee on Children, Families and Learning.

Mr. Samuelson, Ms. Piper and Mr. Terwilliger introduced--

S.F. No. 1690: A bill for an act relating to health; establishing a minority health steering committee to promote data collection and analysis of minority health issues; establishing a grant program to fund minority health and wellness programs; permitting establishment of an advisory committee to oversee grant allocations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Family Security.

Mr. Stumpf introduced--

S.F. No. 1691: A bill for an act relating to education; increasing the dollar amount of revenue bonds that the higher education facilities authority may issue; amending Minnesota Statutes 1996, section 136A.29, subdivision 9.

Referred to the Committee on Children, Families and Learning.

Messrs. Johnson, D.H.; Kelly, R.C.; Ten Eyck; Foley and Ms. Junge introduced--

S.F. No. 1692: A bill for an act relating to crime prevention; creating a pilot project work program at Camp Ripley; requiring that nonviolent felony offenders whose sentences are stayed by courts be ordered to complete the work program for a specified period of time; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 241; and 609.

Referred to the Committee on Crime Prevention.

Mr. Hottinger introduced--

S.F. No. 1693: A bill for an act relating to labor relations; requiring employers to recognize a representative of employees; amending Minnesota Statutes 1996, sections 179.16, by adding a subdivision; and 179A.12, by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Johnson, D.H.; Meses. Junge, Higgins, Messrs. Wiger and Ten Eyck introduced--

S.F. No. 1694: A bill for an act relating to crime prevention; providing for increased criminal penalties and mandatory minimum prison sentences for certain violent offenders; amending Minnesota Statutes 1996, sections 244.05, subdivisions 4 and 5; 609.152, subdivisions 1, 2a, and by adding subdivisions; and 609.196.

Referred to the Committee on Crime Prevention.

Messrs. Lessard, Day, Mses. Runbeck, Wiener and Mr. Hottinger introduced--

S.F. No. 1695: A bill for an act relating to taxation; providing a reduced class rate for certain property bordering public waters; amending Minnesota Statutes 1996, section 273.13, subdivision 23.

Referred to the Committee on Local and Metropolitan Government.

Mr. Metzen introduced--

S.F. No. 1696: A bill for an act relating to sports; appropriating money for youth sports programs; proposing coding for new law in Minnesota Statutes, chapter 240A.

Referred to the Committee on Governmental Operations and Veterans.

Mr. Pogemiller introduced--

S.F. No. 1697: A bill for an act relating to public finance; updating and clarifying bond allocation provisions; amending Minnesota Statutes 1996, sections 474A.03, subdivisions 1 and 2a; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivision 2b; 474A.091, subdivisions 3 and 6; and 474A.131, subdivisions 1 and 1a.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Murphy introduced--

S.F. No. 1698: A bill for an act relating to education; appropriating money for abatement aid.

Referred to the Committee on Children, Families and Learning.

Ms. Junge introduced--

S.F. No. 1699: A bill for an act relating to crime prevention; providing for increased criminal penalties for persons who use children to import controlled substances into the state; amending Minnesota Statutes 1996, section 152.0261, by adding a subdivision.

Referred to the Committee on Crime Prevention.

Mrs. Lourey introduced--

S.F. No. 1700: A bill for an act relating to financial institutions; limiting charges for cashing certain state warrants; proposing coding for new law in Minnesota Statutes, chapter 48.

Referred to the Committee on Commerce.

Mrs. Lourey introduced--

S.F. No. 1701: A bill for an act relating to education; providing for a levy for independent school district No. 4, McGregor; appropriating money.

Referred to the Committee on Children, Families and Learning.

Mses. Flynn; Johnson, J.B. and Mr. Sams introduced--

S.F. No. 1702: A resolution to preserve funding and facilitate mediation for an improved St. Croix River crossing.

Referred to the Committee on Transportation.

Mr. Novak introduced--

S.F. No. 1703: A bill for an act relating to tax increment financing; allowing the city of Columbia Heights to operate housing replacement districts; amending Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; and 45, subdivision 1, as amended.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Langseth introduced--

S.F. No. 1704: A bill for an act relating to education; restoring pupil transportation formulas; establishing inflation factors; appropriating money; amending Minnesota Statutes 1996, sections 124.225, subdivisions 1, 3a, 7b, 7d, and 8a; 124.226, subdivisions 4 and 9; and 124A.22, subdivisions 1, 2, as amended, and 13b; repealing Minnesota Statutes 1996, sections 124.225, subdivisions 13, 14, 15, 16, and 17; 124.226, subdivisions 1, 3, 3a, and 10; and 124A.22, subdivisions 13 and 13a.

Referred to the Committee on Children, Families and Learning.

Mr. Metzen and Ms. Wiener introduced--

S.F. No. 1705: A bill for an act relating to state lands; providing for the sale or exchange of certain lands belonging to the board of trustees of the Minnesota state colleges and universities to or with the city of Inver Grove Heights, Dakota county, Minnesota, for public library site.

Referred to the Committee on Environment and Natural Resources.

Mrs. Scheid, Mr. Kelley, S.P.; Ms. Olson, Messrs. Larson and Metzen introduced--

S.F. No. 1706: A bill for an act relating to financial institutions; regulating advertising, prepayment penalties, credit extensions, electronic financial terminals, bank powers, and depository accounts; amending Minnesota Statutes 1996, sections 45.025, subdivision 1; 47.20, subdivision 5; 47.59, subdivisions 1, 3, 4, 5, 6, 7, 10, 11, 12, and 14; 47.62, subdivision 5; 47.69, subdivision 3; 48.15, subdivisions 2, 2a, and by adding subdivisions; 48.512, subdivision 7; 48.61, subdivisions 7 and 8; and 168.72, subdivision 5.

Referred to the Committee on Commerce.

Mr. Samuelson introduced--

S.F. No. 1707: A bill for an act relating to economic development; appropriating money to the commissioner of trade and economic development for a grant for a public-private nonprofit partnership to integrate telecommunication services in and around the city of Little Falls; exempting state and local agencies participating in the partnership from certain laws and rules.

Referred to the Committee on Jobs, Energy and Community Development.

Ms. Hanson, Messrs. Murphy, Samuelson, Ms. Wiener and Mr. Vickerman introduced--

S.F. No. 1708: A bill for an act relating to motor vehicles; providing for special license plate stickers for members of veteran service organizations; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Mses. Pappas, Higgins, Mr. Solon and Ms. Ranum introduced--

S.F. No. 1709: A bill for an act relating to education; increasing general education revenue; modifying pupil transportation formulas; increasing funding for limited English proficiency programs; increasing funding for special education; modifying the compensatory revenue program; modifying the special education excess cost formula; increasing funding for integration and desegregation programs; funding program deficiencies; expanding the general education program open and standing appropriation; appropriating money; amending Minnesota Statutes 1996, sections 124.17, subdivisions 1d and 5; 124.225, subdivisions 1, 13, 14, 15, and 16; 124.226, subdivisions 9 and 10; 124.2613, subdivision 3; 124.2615, subdivision 2; 124.2711, subdivision 1; 124.273, subdivisions 1d, 1g, and by adding a subdivision; 124.311, subdivision 4; 124.312, subdivision 5; 124.3201, subdivisions 1, 2, and 2b; 124.323, subdivisions 1 and 2; 124.912, subdivision 2; 124A.032; 124A.22, subdivision 2, as amended; 124A.225, subdivision 4; 124C.46, subdivision 2; and 126.262, subdivision 2; Laws 1996, chapter 463, section 4, subdivision 2; repealing Minnesota Statutes 1996, sections 124.223; 124.225, subdivisions 3a, 7a, 7b, 7d, 7e, 8a, and 8k; 124.226, subdivisions 1, 2, 3, 3a, 4, 5, and 7; and 124.273, subdivision 1f.

Referred to the Committee on Children, Families and Learning.

Mr. Johnson, D.H.; Ms. Krentz, Messrs. Pogemiller, Kleis and Scheevel introduced--

S.F. No. 1710: A bill for an act relating to education; establishing the partners for quality school improvement pilot training program; appropriating money.

Referred to the Committee on Children, Families and Learning.

Messrs. Beckman, Betzold and Price introduced--

S.F. No. 1711: A bill for an act relating to state government; requiring the state board of investment to sell certain stock in tobacco companies and to invest in specified other assets.

Referred to the Committee on Governmental Operations and Veterans.

Mr. Foley introduced--

S.F. No. 1712: A bill for an act relating to crime; requiring bias-motivated crimes training requirements for peace officers; authorizing a public education campaign about hate-based violence; amending Minnesota Statutes 1996, sections 8.34, subdivision 3, and by adding subdivisions; and 626.8451, subdivisions 1 and 4.

Referred to the Committee on Crime Prevention.

Mr. Berg introduced--

S.F. No. 1713: A bill for an act relating to natural resources; appropriating money for a grant to Chippewa county for design and engineering specifications for certain recreational facilities.

Referred to the Committee on Environment and Natural Resources.

Mr. Berg introduced--

S.F. No. 1714: A bill for an act relating to protection of agricultural crops; allowing a pilot program for emergency deer feeding; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Oliver introduced--

S.F. No. 1715: A bill for an act relating to insurance; Minnesota comprehensive health insurance association; modifying eligibility for coverage under the state plan; providing funding for the expenses of the association; prohibiting unfair referrals; amending Minnesota Statutes 1996, sections 62E.10, subdivision 7; 62E.11, by adding a subdivision; 62E.14, by adding a subdivision; 256B.0625, subdivision 15; 256D.03, subdivision 3b; and 268.022, subdivision 2.

Referred to the Committee on Commerce.

Mr. Johnson, D.H. introduced--

S.F. No. 1716: A bill for an act relating to crime; adding certain crimes relating to communications as predicate acts for purpose of the racketeering law; amending Minnesota Statutes 1996, section 609.902, subdivision 4.

Referred to the Committee on Crime Prevention.

Ms. Anderson introduced--

S.F. No. 1717: A bill for an act relating to human rights; directing the department of human rights to study discrimination in rental housing; appropriating money.

Referred to the Committee on Judiciary.

Messrs. Solon; Janezich; Lessard; Johnson, D.E. and Ms. Lesewski introduced--

S.F. No. 1718: A bill for an act relating to gambling; modifying the combined receipts tax schedule; amending Minnesota Statutes 1996, section 297E.02, subdivision 6.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Wiger, Berg, Mrs. Scheid, Messrs. Foley and Neuville introduced--

S.F. No. 1719: A bill for an act relating to gambling; modifying the combined receipts tax schedule; amending Minnesota Statutes 1996, section 297E.02, subdivision 6.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Terwilliger, Belanger and Oliver introduced--

S.F. No. 1720: A bill for an act relating to local government; permitting the cities of Bloomington, Chanhassen, Eden Prairie, Edina, and Richfield to issue general obligation bonds for a joint training facility.

Referred to the Committee on Local and Metropolitan Government.

Mr. Johnson, D.E. introduced--

S.F. No. 1721: A bill for an act relating to the city of Buffalo Lake; allowing an extension to certify an ethanol facility for purposes of tax increment financing.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Sams, Morse, Ms. Robertson and Mr. Foley introduced--

S.F. No. 1722: A bill for an act relating to professions and occupations; defining pharmacy technician; amending Minnesota Statutes 1996, section 151.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 151.

Referred to the Committee on Health and Family Security.

Mr. Kelley, S.P. introduced--

S.F. No. 1723: A bill for an act relating to the financing and operation of government in Minnesota; changing property tax classifications and class rates; modifying the property tax refund for homeowners and renters; restructuring various state aids; changing the local government aid formula; providing state financing of court administration employees; providing for three property tax installment payments; appropriating money; amending Minnesota Statutes 1996, sections 43A.02, subdivision 25; 43A.24, subdivision 2; 97A.065, subdivision 2; 124.3201, subdivision 1; 124A.23, subdivision 1; 145A.13, subdivision 2; 256E.06, subdivision 5; 273.1316, subdivisions 1, 6, and 7; 273.1398, subdivisions 2 and 3; 275.07, subdivision 1; 276.04, subdivision 3; 276.09; 276.10; 276.11, subdivision 1; 276.111; 278.03, subdivision 1; 278.05, subdivision 5; 279.01, by adding subdivisions; 289A.18, subdivision 5; 289A.56, subdivision 6; 290A.01; 290A.03, subdivisions 6 and 13; 290A.04, subdivision 2, and by adding a subdivision; 290A.07; 290A.23, subdivision 3; 299D.03, subdivision 5; 466.01, subdivision 6; 477A.011, subdivisions 34, 35, 37, and by adding subdivisions; 477A.013, subdivisions 8 and 9; 477A.03, subdivision 2; 480.181, subdivision 1; 485.01; 485.018, subdivisions 2a, 5, and 6; 485.021; 487.32, subdivision 3; and 574.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 273; 290A; and 477A; repealing Minnesota Statutes 1996, sections 256E.06, subdivision 2; 273.124; 273.13; 273.1398; 275.08, subdivisions 1c and 1d; 279.01, subdivisions 1 and 3; 290A.04, subdivisions 2a, 2b, and 2h; 290A.23, subdivision 1; 477A.05; 485.018, subdivisions 1, 2, 4, and 8; 485.03; 485.05; and 485.11.

Referred to the Committee on Local and Metropolitan Government.

Mr. Kelley, S.P. introduced--

S.F. No. 1724: A bill for an act relating to utilities; regulating intervenor compensation in certain proceedings related to electric and gas service utilities; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1996, section 216B.16, subdivision 10.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Kelley, S.P. introduced--

S.F. No. 1725: A bill for an act relating to housing; appropriating money for the St. Louis Park Meadowbrook Collaborative Housing Project.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Larson, Mses. Ranum, Kiscaden and Mr. Beckman introduced--

S.F. No. 1726: A bill for an act relating to human services; providing for an electronic Minnesota community services directory; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Children, Families and Learning.

Mr. Oliver introduced--

S.F. No. 1727: A bill for an act relating to sports; providing for a Minnesota baseball stadium limited partnership; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Metropolitan Government.

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today. Mr. Neuville was excused from the Session of today at 11:35 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:45 a.m., Tuesday, March 25, 1997. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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