

STATE OF MINNESOTA

Journal of the Senate

EIGHTIETH LEGISLATURE

SIXTY-SECOND DAY

St. Paul, Minnesota, Saturday, May 17, 1997

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

CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Ms. Ranum was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 15, 1997

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 612, 755 and 566.

Warmest regards,
Arne H. Carlson, Governor

May 16, 1997

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1351, 1881, 4 and 526.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1646.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mr. President:

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

S.F. No. 95: A bill for an act relating to health; modifying provisions related to health maintenance organizations; modifying lead inspection provisions; providing for the expiration of certain advisory and work groups; modifying vital statistics provisions; modifying asbestos abatement provisions; modifying provisions relating to traumatic brain injury and spinal cord injury notification and data; modifying licensing requirements for elderly housing with services; modifying provisions for hearings related to permitting, licensing, registration, and certification; modifying revocation and suspension provisions for permits, licenses, registration, and certifications; modifying provisions for testing infants for inborn metabolic errors; modifying medical education and research costs trust fund provisions; requiring conformance with federal regulations; amending Minnesota Statutes 1996, sections 62D.02, subdivision 10; 62D.03, subdivisions 3 and 4; 62D.04, subdivision 3; 62D.042, subdivision 3; 62D.06, subdivision 1; 62D.07, subdivision 3; 62D.09, subdivisions 1, 3, and 8; 62D.102; 62D.11, subdivisions 1, 1b, and 3; 62D.12, by adding a subdivision; 62D.20, subdivision 2; 62J.15, by adding a subdivision; 62J.60, subdivision 3; 62J.69, subdivision 1; 62Q.03, subdivision 5a; 144.125; 144.215, subdivision 1; 144.218; 144.664, subdivision 3; 144.665; 144.672, subdivision 1; 144.9501, subdivision 29, and by adding a subdivision; 144.9504, subdivision 2; 144.9506, subdivisions 1 and 5; 144.99, subdivisions 9 and 10; 257.73; 326.71, subdivisions 4 and 6; 326.72, subdivision 2; 326.74; 326.76; 326.78, subdivision 1; and 326.785; repealing Minnesota Statutes 1996, sections 62D.03, subdivision 2; and 62D.11, subdivision 4; Laws 1988, chapter 495, section 1; Minnesota Rules, part 4600.3900.

Senate File No. 95 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Mrs. Lourey moved that the Senate concur in the amendments by the House to S.F. No. 95 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 95: A bill for an act relating to health; modifying provisions related to health maintenance organizations; modifying lead inspection provisions; modifying vital statistics provisions; modifying asbestos abatement provisions; modifying provisions relating to traumatic brain injury and spinal cord injury notification and data; modifying provisions for hearings related to permitting, licensing, registration, and certification; modifying revocation and suspension provisions for permits, licenses, registration, and certifications; modifying provisions for testing infants for inborn metabolic errors; modifying medical education and research costs trust fund provisions; requiring conformance with federal regulations; amending Minnesota Statutes 1996, sections 62D.02, subdivision 10; 62D.03, subdivisions 3 and 4; 62D.04, subdivision 3; 62D.042, subdivision 3; 62D.06, subdivision 1; 62D.07, subdivision 3; 62D.09, subdivisions 1, 3, and 8; 62D.102; 62D.11, subdivisions 1, 1b, and 3; 62D.12, by adding a subdivision; 62D.20, subdivision 2; 62J.60, subdivision 3; 62J.69, subdivision 1; 144.125; 144.215, subdivision 1; 144.218; 144.664, subdivision 3; 144.665; 144.9501, subdivision 29, and by adding a subdivision; 144.9504, subdivision 2; 144.9506, subdivisions 1 and 5; 144.99, subdivisions 9 and 10; 257.73; 326.71, subdivisions 4 and 6; 326.72, subdivision 2; 326.74; 326.76; 326.78, subdivision 1; and 326.785; repealing Minnesota Statutes 1996, sections 62D.03, subdivision 2; and 62D.11, subdivision 4; Laws 1988, chapter 495, section 1; Minnesota Rules, part 4600.3900.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1834: A bill for an act relating to agriculture; suspending the dairy trade practices laws during the month of June; amending Minnesota Statutes 1996, section 32.72, subdivision 2; repealing Minnesota Statutes 1996, section 32.73.

Senate File No. 1834 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mrs. Lourey moved that the Senate do not concur in the amendments by the House to S.F. No. 1834, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 735, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 735 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1997

CONFERENCE COMMITTEE REPORT ON H.F. NO. 735

A bill for an act relating to civil commitment; clarifying and reorganizing portions of the commitment act; allowing the designated agency to consent to voluntary treatment for certain incompetent persons; creating a new standard for court-ordered early intervention to provide less intrusive treatment; modifying standards and procedures for the administration of neuroleptic medications; providing for access to records; amending the provisional discharge procedures; requiring medical documentation of a patient's refusal to be examined and allowing determination of need for treatment based on other information; prohibiting prepetition screeners from filing commitment petitions; limiting use of prepetition screening reports in unrelated proceedings; requiring distribution to specified parties; increasing time for return after provisional discharge; modifying provisions governing special review boards; increasing time for hearing appeals; changing provisions for state liens for cost of care; amending Minnesota Statutes 1996, sections 13.42, subdivisions 2 and 3; 55.10, subdivision 4; 246B.01, subdivisions 3 and 4; 253B.01; 253B.02, subdivisions 2, 4, 4a, 7, 9, 13, 14, 15, 18, 18a, 18b, and by adding subdivisions; 253B.03, subdivisions 1, 2, 3, 4, 5, 6, 6b, 7, 8, and by adding a subdivision; 253B.04; 253B.05, subdivisions 1, 2, 3, 4, and by adding a subdivision; 253B.06; 253B.07, subdivisions 1, 2, 2a, 3, 4, 5, 7, and by adding subdivisions; 253B.08, subdivisions 1, 2, 3, 5, and by adding subdivisions; 253B.09, subdivisions 1, 2, 3, 5, and by adding a subdivision; 253B.095; 253B.10; 253B.11, subdivision 2; 253B.12, subdivisions 1, 3, 4, and by adding a subdivision; 253B.13, subdivisions 1 and 2; 253B.14; 253B.15, subdivisions 1, 1a, 2, 3, 5, 10, and by adding subdivisions; 253B.16, subdivision 1; 253B.17, subdivisions 1 and 3; 253B.18, subdivisions 1, 2, 3, 4, 4a, 4b, 5, 6, 7, 9, 12, 14, 15, and by adding a subdivision; 253B.185, subdivision 4; 253B.19, subdivisions 1, 2, 3, and 5; 253B.20, subdivisions 1, 3, 4, 6, and 7; 253B.21, subdivision 4; 253B.22, subdivision 1; 253B.23, subdivisions 1, 4, 6, 7, and 9; 256.015, subdivisions 1, 2, and 4; 256B.042, subdivisions 1, 2, and 4; 256B.37, subdivision 1; 514.71; 514.980, subdivision 2; 514.981, subdivision 2; 514.982, subdivisions 1 and 2; 514.985; 524.1-201; 524.3-801; 524.3-1004; 524.3-1201; and 524.6-207; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1996, sections 253B.03, subdivisions 6c and 9; 253B.05, subdivisions 2a and 5; 253B.07, subdivision 6; 253B.08, subdivisions 4 and 6; 253B.091; 253B.12, subdivisions 5 and 8; 253B.13, subdivision 3; 253B.15, subdivisions 4 and 6; 253B.18, subdivision 4; 253B.21, subdivision 5; and 253B.23, subdivision 1a.

May 16, 1997

The Honorable Phil Carruthers
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 735, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 735 be further amended as follows:

Page 45, after line 21, insert:

"Sec. 65. Minnesota Statutes 1996, section 253B.11, is amended by adding a subdivision to read:

Subd. 2a. [COST OF CARE.] Notwithstanding subdivision 2, a county shall be responsible for the cost of care as specified under section 246.54 for persons hospitalized at a regional treatment center in accordance with section 253B.09 and the person's legal status has been changed to a court hold under section 253B.07, subdivision 6, pending a judicial determination regarding continued commitment pursuant to sections 253B.12 and 253B.13."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 33, before the semicolon, insert ", and by adding a subdivision"

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

House Conferees: (Signed) Matt Entenza, Thomas Pugh, Jim Rhodes

Senate Conferees: (Signed) Don Betzold, David J. Ten Eyck, Sheila M. Kiscaden

Mr. Betzold moved that the foregoing recommendations and Conference Committee Report on H.F. No. 735 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 735 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 420: A bill for an act relating to state agencies; modifying department of

administration authority for elevator regulation, the building code, leases, and other administrative matters; modifying licensure provisions for manufactured home installers; amending Minnesota Statutes 1996, sections 16B.24, subdivisions 6 and 6a; 16B.482; 16B.49; 16B.50; 16B.54, subdivision 8; 16B.72; 16B.73; 16B.747, subdivision 3; and 326.841; Laws 1996, chapter 463, section 13, subdivision 7; repealing Minnesota Statutes 1996, sections 15.171; 15.172; 15.173; 15.174; and 16B.88, subdivision 6.

Senate File No. 420 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Mr. Wiger moved that the Senate concur in the amendments by the House to S.F. No. 420 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 420 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

REPORTS OF COMMITTEES

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as it relates to the Committee Reports on S.F. Nos. 1369 and 834. The motion prevailed.

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Ms. Berglin from the Committee on Human Resources Finance, to which was re-referred

S.F. No. 1369: A bill for an act relating to capital improvements; appropriating money to expand the Minneapolis Convention Center; amending Laws 1986, chapter 396, section 2, subdivision 1, as amended; repealing Laws 1986, chapter 396, section 2, subdivision 2.

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

Page 1, line 12, delete everything after the period

Page 1, delete lines 13 to 15

And when so amended the bill do pass.

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

Joint Rule 2.03 suspended. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Human Resources Finance, to which was re-referred

S.F. No. 834: A bill for an act relating to capital improvements; appropriating money for St. Paul Civic Center; authorizing local bonds.

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

Page 1, after line 15, insert:

"(b) The commitment must be that the hockey team will lease the new arena for the purpose of playing all of its National Hockey League home games and will not relocate the team from the arena during the lease term; provided, that the team will have the right after the first ten years of the lease term to terminate the lease by paying the city and the state an amount required to discharge the outstanding city bonds and state bonds, respectively, including any related premium or early retirement penalty associated with prepayment.

(c) The commitment must include an agreement whereby the team will pay liquidated damages in the event of a breach of its covenant to operate exclusively at the new arena during the first ten years of the lease term or, after the first ten years of the lease term, to pay the city and state the amount required to discharge the outstanding city bonds and state bonds if it relocates the team. The amount of the liquidated damages must be the unpaid principal balance of the outstanding city bonds and state bonds, including any related premium or early retirement penalty associated with prepayment, plus the amount of money expended by the city and the St. Paul civic center authority for construction costs.

(d) Disputes between the parties under the lease must be venued exclusively in Ramsey county."

Page 1, line 16, delete "(b)" and insert "(e)" and delete "appropriate \$58,500,000" and insert "authorize"

Page 1, line 17, delete "through"

Page 1, line 18, delete "general obligation bonds," and insert "revenue bonds in the amount of \$58,500,000"

Page 1, line 22, delete "appropriation" and insert "authorization"

Page 1, after line 22, insert:

"(f) Any excess of the 40 percent of revenue from the sales tax imposed under Laws 1993, chapter 375, article 9, section 46, that has been designated by resolution of the St. Paul city council for the civic center account over the debt service on bonds issued by the city pursuant to Laws 1993, chapter 375, article 9, section 46, and the debt service on bonds issued under section 2 must be used to retire the state bonds issued under section 1, provided that the use of this revenue shall not delay repayments to the cultural projects account and the neighborhood investment account of amounts advanced from those accounts to cover shortages for financing the debt service for the revenue bonds issued in 1993 for the civic center construction program, as provided by resolution of the St. Paul city council."

Page 2, delete lines 9 to 12

Page 2, line 32, delete "\$60,000,000" and insert "\$65,000,000"

Page 4, line 27, before the period, insert ", subdivision 3"

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

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

Joint Rule 2.03 suspended. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for January 9, 1997:

BOARD OF INVENTION

Janet Robb

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

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred the following appointment as reported in the Journal for February 10, 1997:

PUBLIC UTILITIES COMMISSION

Edward A. Garvey

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

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which were referred the following appointments as reported in the Journal for February 27, 1997:

WORKERS' COMPENSATION COURT OF APPEALS

Steven D. Wheeler

Debra A. Wilson

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

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

Ms. Piper, Messrs. Pogemiller and Stumpf from the Committee on Children, Families and Learning, to which were referred the following appointments as reported in the Journal for January 9, 1997:

BOARD OF THE LOLA AND RUDY PERPICH MINNESOTA CENTER
FOR ARTS EDUCATION

Lorraine E. Kruse

Sheila Livingston

Sylvia L. Strobel

BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND
UNIVERSITIES

Nancy Brataas
J. Dennis Dotson
Robert Erickson
Michael Vekich

DEPARTMENT OF CHILDREN, FAMILIES AND LEARNING
COMMISSIONER

Robert J. Wedl

STATE BOARD OF EDUCATION

George Jernberg

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

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

Ms. Piper, Messrs. Pogemiller and Stumpf from the Committee on Children, Families and Learning, to which was referred the following appointment as reported in the Journal for January 23, 1997:

STATE BOARD OF EDUCATION

Carmen Robles

Report the same back with the recommendation that the appointment be confirmed.

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

Ms. Piper, Messrs. Pogemiller and Stumpf from the Committee on Children, Families and Learning, to which were referred the following appointments as reported in the Journal for March 20, 1997:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

John Hoyt
Kenneth Johnson

Report the same back with the recommendation that the appointment be confirmed.

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

SECOND READING OF SENATE BILLS

S.F. No. 1369 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Neville introduced--

Senate Resolution No. 59: A Senate resolution commending the residents of Faribault, Minnesota for their traditional observance of Memorial Day.

Referred to the Committee on Rules and Administration.

Mr. Wiger introduced--

Senate Resolution No. 60: A Senate resolution congratulating Judy Duffy of Birchwood, Minnesota, on being elected chair of the Minnesota League of Women Voters.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D., with the concurrence of the first author, moved that S.F. No. 1955 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Rules and Administration. The motion prevailed.

S.F. No. 960 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 960

A bill for an act relating to health care; prohibiting contracts that restrict communication between providers and their patients; requiring certain disclosures; requiring health plan companies to provide continuity of care and access to specialty care for certain enrollees; prohibiting certain exclusive arrangements; modifying dispute resolution provisions; requiring identification of health care providers; requiring emergency services coverage; establishing a consumer advisory board; amending Minnesota Statutes 1996, sections 62Q.105, subdivision 1; 62Q.30; 181.932, subdivision 1; and 214.16, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; and 144.

May 15, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 960, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 960 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62J.695] [CITATION.]

Sections 62J.695 to 62J.76 may be cited as the "Patient Protection Act."

Sec. 2. [62J.70] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62J.70 to 62J.76, the terms defined in this section have the meanings given them.

Subd. 2. [HEALTH CARE PROVIDER OR PROVIDER.] "Health care provider" or "provider" means:

- (1) a physician, nurse, or other provider as defined under section 62J.03;
- (2) a hospital as defined under section 144.696, subdivision 3;
- (3) an individual or entity that provides health care services under the medical assistance, general assistance medical care, MinnesotaCare, or state employee group insurance program; and
- (4) an association, partnership, corporation, limited liability corporation, or other organization of persons or entities described in clause (1) or (2) organized for the purposes of providing, arranging, or administering health care services or treatment.

This section does not apply to trade associations, membership associations of health care professionals, or other organizations that do not directly provide, arrange, or administer health care services or treatment.

Subd. 3. [HEALTH PLAN COMPANY.] "Health plan company" means health plan company as defined in section 62Q.01, subdivision 4.

Subd. 4. [ENROLLEE.] "Enrollee" means an individual covered by a health plan company or health insurance or health coverage plan and includes an insured policyholder, subscriber, contract holder, member, covered person, or certificate holder.

Sec. 3. [62J.71] [PROHIBITED PROVIDER CONTRACTS.]

Subdivision 1. [PROHIBITED AGREEMENTS AND DIRECTIVES.] The following types of agreements and directives are contrary to state public policy, are prohibited under this section, and are null and void:

(1) any agreement that prohibits a health care provider from communicating with an enrollee with respect to the enrollee's health status, health care, or treatment options, if the health care provider is acting in good faith and within the provider's scope of practice as defined by law;

(2) any agreement or directive that prohibits a health care provider from making a recommendation regarding the suitability or desirability of a health plan company, health insurer, or health coverage plan for an enrollee, unless the provider has a financial conflict of interest in the enrollee's choice of health plan company, health insurer, or health coverage plan;

(3) any agreement or directive that prohibits a provider from providing testimony, supporting or opposing legislation, or making any other contact with state or federal legislators or legislative staff or with state and federal executive branch officers or staff;

(4) any agreement or directive that prohibits a health care provider from disclosing accurate information about whether services or treatment will be paid for by a patient's health plan company or health insurer or health coverage plan; and

(5) any agreement or directive that prohibits a health care provider from informing an enrollee about the nature of the reimbursement methodology used by an enrollee's health plan company, health insurer, or health coverage plan to pay the provider.

Subd. 2. [PERSONS AND ENTITIES AFFECTED.] The following persons and entities shall not enter into any agreement or directive that is prohibited under this section:

(1) a health plan company;

(2) a health care network cooperative as defined under section 62R.04, subdivision 3; or

(3) a health care provider as defined in section 62J.70, subdivision 2.

Subd. 3. [RETALIATION PROHIBITED.] No person, health plan company, or other organization may take retaliatory action against a health care provider solely on the grounds that the provider:

(1) refused to enter into an agreement or provide services or information in a manner that is prohibited under this section or took any of the actions listed in subdivision 1;

(2) disclosed accurate information about whether a health care service or treatment is covered by an enrollee's health plan company, health insurer, or health coverage plan; or

(3) expressed personal disagreement with a decision made by a person, organization, or health care provider regarding treatment or coverage provided to a patient of the provider, or assisted the patient in seeking reconsideration of such a decision, provided the health care provider makes it clear that the provider is acting in a personal capacity and not as a representative of or on behalf of the entity that made the decision.

Subd. 4. [EXCLUSION.] (a) Nothing in this section prohibits a health plan from taking action against a provider if the health plan has evidence that the provider's actions are illegal, constitute medical malpractice, or are contrary to accepted medical practices.

(b) Nothing in this section prohibits a contract provision or directive that requires any contracting party to keep confidential or to not use or disclose the specific amounts paid to a provider, provider fee schedules, provider salaries, and other proprietary information of a specific health plan or health plan company.

Sec. 4. [62J.72] [DISCLOSURE OF HEALTH CARE PROVIDER INFORMATION.]

Subdivision 1. [WRITTEN DISCLOSURE.] (a) A health plan company, as defined under section 62J.70, subdivision 3, a health care network cooperative as defined under section 62R.04, subdivision 3, and a health care provider as defined under section 62J.70, subdivision 2, shall, during open enrollment, upon enrollment, and annually thereafter, provide enrollees with a description of the general nature of the reimbursement methodologies used by the health plan company, health insurer, or health coverage plan to pay providers. This description may be incorporated into the member handbook, subscriber contract, certificate of coverage, or other written enrollee communication. The general reimbursement methodology shall be made available to employers at the time of open enrollment.

(b) Health plan companies and providers must, upon request, provide an enrollee with specific information regarding the reimbursement methodology, including, but not limited to, the following information:

(1) a concise written description of the provider payment plan, including any incentive plan applicable to the enrollee;

(2) a written description of any incentive to the provider relating to the provision of health care services to enrollees, including any compensation arrangement that is dependent on the amount of health coverage or health care services provided to the enrollee, or the number of referrals to or utilization of specialists; and

(3) a written description of any incentive plan that involves the transfer of financial risk to the health care provider.

(c) The disclosure statement describing the general nature of the reimbursement methodologies must comply with the Readability of Insurance Policies Act in chapter 72C. Notwithstanding any other law to the contrary, the disclosure statement may voluntarily be filed with the commissioner for approval.

(d) A disclosure statement that has voluntarily been filed with the commissioner for approval under chapter 72C or voluntarily filed with the commissioner for approval for purposes other than pursuant to chapter 72C is deemed approved 30 days after the date of filing, unless approved or disapproved by the commissioner on or before the end of that 30-day period.

(e) The disclosure statement describing the general nature of the reimbursement methodologies must be provided upon request in English, Spanish, Vietnamese, and Hmong. In addition, reasonable efforts must be made to provide information contained in the disclosure statement to other non-English-speaking enrollees.

(f) Health plan companies and providers may enter into agreements to determine how to respond to enrollee requests received by either the provider or the health plan company. This subdivision does not require disclosure of specific amounts paid to a provider, provider fee schedules, provider salaries, or other proprietary information of a specific health plan company or health insurer or health coverage plan or provider.

Subd. 2. [ADDITIONAL WRITTEN DISCLOSURE OF PROVIDER INFORMATION.] In the event a health plan company prepares a written disclosure as specified in subdivision 1, in a manner that explicitly makes a comparison of the financial incentives between the providers with whom it contracts, it must describe the incentives that occur at the provider level.

Subd. 3. [INFORMATION ON PATIENTS' MEDICAL BILLS.] A health plan company and health care provider shall provide patients and enrollees with a copy of an explicit and intelligible bill whenever the patient or enrollee is sent a bill and is responsible for paying any portion of that bill. The bills must contain descriptive language sufficient to be understood by the average patient or enrollee. This subdivision does not apply to a flat co-pay paid by the patient or enrollee at the time the service is required.

Subd. 4. [NONAPPLICABILITY.] Health care providers as defined in section 62J.70, subdivision 2, clause (1), need not individually provide information required under this section if it has been provided by another individual or entity that is subject to this section.

Sec. 5. [62J.73] [PROHIBITION ON EXCLUSIVE ARRANGEMENTS.]

Subdivision 1. [PROHIBITION ON EXCLUSIVE RELATIONSHIPS.] No provider, group of providers, or health plan company shall restrict a person's right to provide health services or procedures to another provider, group of providers, or health plan company, unless the person is an employee.

Subd. 2. [PROHIBITION ON RESTRICTIVE CONTRACT TERMS.] No provider, group of providers, or person providing goods or health services to a provider shall enter into a contract or subcontract with a health plan company or group of providers on terms that require the provider, group of providers, or person not to contract with another health plan company, unless the provider or person is an employee.

Subd. 3. [PROHIBITION REGARDING ESSENTIAL FACILITIES AND SERVICES.] (a) No health plan company, provider, or group of providers may withhold from its competitors health care services, which are essential for competition between health care providers within the meaning of the essential facilities doctrine as interpreted by the federal courts.

(b) This subdivision should be construed as an instruction to state court in interpreting federal law.

Subd. 4. [VIOLATIONS.] Any provider or other individual who believes provisions of this section may have been violated may file a complaint with the attorney general's office regarding a possible violation of this section.

Sec. 6. [62J.74] [ENFORCEMENT.]

Subdivision 1. [AUTHORITY.] The commissioners of health and commerce shall each periodically review contracts and arrangements among health care providing entities and health plan companies they regulate to determine compliance with sections 62J.70 to 62J.73. Any person may submit a contract or arrangement to the relevant commissioner for review if the person believes sections 62J.70 to 62J.73 have been violated. Any provision of a contract or arrangement found by the relevant commissioner to violate this section is null and void, and the relevant commissioner may assess civil penalties against the health plan company in an amount not to exceed \$2,500 for each day the contract or arrangement is in effect, and may use the enforcement procedures otherwise available to the commissioner. All due process rights afforded under chapter 14 apply to this section.

Subd. 2. [ASSISTANCE TO LICENSING BOARDS.] A health-related licensing board as defined under section 214.01, subdivision 2, shall submit a contract or arrangement to the relevant commissioner for review if the board believes sections 62J.70 to 62J.73 have been violated. If the commissioner determines that any provision of a contract or arrangement violates those sections, the board may take disciplinary action against any person who is licensed or regulated by the board who entered into the contract arrangement.

Sec. 7. [62J.75] [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 the provision of health care services or in an activity directly related to the provision of health care services, such as health insurance sales or health plan administration;

(2) are not registered lobbyists; and

(3) are not currently responsible for or directly involved in the purchasing of health insurance for a business or organization.

(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 advise the commissioners of health and commerce on the following: (1) the needs of health care consumers and how to better serve and educate the consumers on health care concerns and recommend solutions to identified problems; and (2) consumer protection issues in the self-insured market, including, but not limited to, public education needs.

The board also may make recommendations to the legislature on these issues.

(d) The board and this section expire June 30, 2001.

Sec. 8. [62J.76] [NONPREEMPTION.]

Nothing in the Patient Protection Act preempts or replaces requirements related to patient protections that are more protective of patient rights than the requirements established by the Patient Protection Act.

Sec. 9. Minnesota Statutes 1996, section 62Q.105, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Each health plan company shall establish and make available to enrollees, by July 1, ~~1997~~ 1998, an informal complaint resolution process that meets the requirements of this section. A health plan company must make reasonable efforts to resolve enrollee complaints, and must inform complainants in writing of the company's decision within 30 days of receiving the complaint. The complaint resolution process must treat the complaint and information related to it as required under sections 72A.49 to 72A.505.

Sec. 10. Minnesota Statutes 1996, section 62Q.30, is amended to read:

62Q.30 [EXPEDITED FACT FINDING AND DISPUTE RESOLUTION PROCESS.]

The commissioner shall establish an expedited fact finding and dispute resolution process to assist enrollees of health plan companies with contested treatment, coverage, and service issues to be in effect July 1, ~~1997~~ 1998. ~~The commissioner may order an integrated service network or an all-payer insurer to provide or pay for a service that is within the standard health coverage.~~ If the disputed issue relates to whether a service is appropriate and necessary, the commissioner shall issue an order only after consulting with appropriate experts knowledgeable, trained, and practicing in the area in dispute, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner shall take steps including but not limited to fining, suspending, or revoking the license of a health plan company that is the subject of repeated orders by the commissioner that suggests a pattern of inappropriate underutilization.

Sec. 11. [62Q.53] [EMERGENCY SERVICES.]

(a) Enrollees have the right to available and accessible emergency services, 24 hours a day and

seven days a week. The health plan company shall inform its enrollees how to obtain emergency care and, if prior authorization for emergency services is required, shall make available a toll-free number, which is answered 24 hours a day, to answer questions about emergency services and to receive reports and provide authorizations, where appropriate, for treatment of emergency medical conditions. Emergency services shall be covered whether provided by participating or nonparticipating providers and whether provided within or outside the health plan company's service area. In reviewing a denial for coverage of emergency services, the health plan company shall take the following factors into consideration:

(1) a reasonable layperson's belief that the circumstances required immediate medical care that could not wait until the next working day or next available clinic appointment;

(2) the time of day and day of the week the care was provided;

(3) the presenting symptoms, including, but not limited to, severe pain, to ensure that the decision to reimburse the emergency care is not made solely on the basis of the actual diagnosis;

(4) the enrollee's efforts to follow the health plan company's established procedures for obtaining emergency care; and

(5) any circumstances that precluded use of the health plan company's established procedures for obtaining emergency care.

(b) The health plan company may require enrollees to notify the health plan company of nonreferred emergency care as soon as possible, but not later than 48 hours, after the emergency care is initially provided. However, emergency care which would have been covered under the contract had notice been provided within the set time frame must be covered.

(c) Notwithstanding paragraphs (a) and (b), a health plan company, health insurer, or health coverage plan that is in compliance with the rules regarding accessibility of services adopted under section 62D.20 is in compliance with this section.

Sec. 12. [62Q.56] [CONTINUITY OF CARE.]

Subdivision 1. [CHANGE IN HEALTH CARE PROVIDER.] (a) If enrollees are required to access services through selected primary care providers for coverage, the health plan company shall prepare a written plan that provides for continuity of care in the event of contract termination between the health plan company and any of the contracted primary care providers or general hospital providers. The written plan must explain:

(1) how the health plan company will inform affected enrollees, insureds, or beneficiaries about termination at least 30 days before the termination is effective, if the health plan company or health care network cooperative has received at least 120 days' prior notice;

(2) how the health plan company will inform the affected enrollees about what other participating providers are available to assume care and how it will facilitate an orderly transfer of its enrollees from the terminating provider to the new provider to maintain continuity of care;

(3) the procedures by which enrollees will be transferred to other participating providers, when special medical needs, special risks, or other special circumstances, such as cultural or language barriers, require them to have a longer transition period or be transferred to nonparticipating providers;

(4) who will identify enrollees with special medical needs or at special risk and what criteria will be used for this determination; and

(5) how continuity of care will be provided for enrollees identified as having special needs or at special risk, and whether the health plan company has assigned this responsibility to its contracted primary care providers.

(b) If the contract termination was not for cause, enrollees can request a referral to the

terminating provider for up to 120 days if they have special medical needs or have other special circumstances, such as cultural or language barriers. The health plan company can require medical records and other supporting documentation in support of the requested referral. Each request for referral to a terminating provider shall be considered by the health plan company on a case-by-case basis.

(c) If the contract termination was for cause, enrollees must be notified of the change and transferred to participating providers in a timely manner so that health care services remain available and accessible to the affected enrollees. The health plan company is not required to refer an enrollee back to the terminating provider if the termination was for cause.

Subd. 2. [CHANGE IN HEALTH PLANS.] (a) The health plan company shall prepare a written plan that provides a process for coverage determinations for continuity of care for new enrollees with special needs, special risks, or other special circumstances, such as cultural or language barriers, who request continuity of care with their former provider for up to 120 days. The written plan must explain the criteria that will be used for determining special needs cases, and how continuity of care will be provided.

(b) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Subd. 3. [DISCLOSURES.] The written plans required under this section must be made available upon request to enrollees or prospective enrollees.

Sec. 13. [62Q.58] [ACCESS TO SPECIALTY CARE.]

Subdivision 1. [STANDING REFERRAL.] A health plan company shall establish a procedure by which an enrollee may apply for a standing referral to a health care provider who is a specialist if a referral to a specialist is required for coverage. This procedure for a standing referral must specify the necessary criteria and conditions, which must be met in order for an enrollee to obtain a standing referral.

Subd. 2. [COORDINATION OF SERVICES.] A primary care provider or primary care group shall remain responsible for coordinating the care of an enrollee who has received a standing referral to a specialist. The specialist shall not make any secondary referrals related to primary care services without prior approval by the primary care provider or primary care group. However, an enrollee with a standing referral to a specialist may request primary care services from that specialist. The specialist, in agreement with the enrollee and primary care provider or primary care group, may elect to provide primary care services to that enrollee according to procedures established by the health plan company.

Subd. 3. [DISCLOSURE.] Information regarding referral procedures must be included in member contracts or certificates of coverage and must be provided to an enrollee or prospective enrollee by a health plan company upon request.

Sec. 14. [62Q.64] [DISCLOSURE OF EXECUTIVE COMPENSATION.]

(a) Each health plan company doing business in this state shall annually file with the consumer advisory board created in section 62J.75:

(1) a copy of the health plan company's form 990 filed with the federal Internal Revenue Service; or

(2) if the health plan company did not file a form 990 with the federal Internal Revenue Service, a list of the amount and recipients of the health plan company's five highest salaries, including all types of compensation, in excess of \$50,000.

(b) A filing under this section is public data under section 13.03.

Sec. 15. [144.6585] [IDENTIFICATION OF HEALTH CARE PROVIDERS.]

Any health care provider who is licensed, credentialed, or registered by a health-related licensing board as defined under section 214.01, subdivision 2, must wear a name tag that indicates by words, letters, abbreviations, or insignia the profession or occupation of the individual. The name tag must be worn whenever the health care provider is rendering health services to a patient, unless wearing the name tag would create a safety or health risk to the patient. The failure to wear a name tag is not reportable under chapter 214.

Sec. 16. Minnesota Statutes 1996, section 181.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTION.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason; or

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm.

Sec. 17. Minnesota Statutes 1996, section 214.16, subdivision 1, is amended to read:

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

(a) "Board" means the boards of medical practice, chiropractic examiners, nursing, optometry, dentistry, pharmacy, psychology, social work, marriage and family therapy, and podiatry.

(b) "Regulated person" means a licensed physician, chiropractor, nurse, optometrist, dentist, pharmacist, psychologist, social worker, marriage and family therapist, or podiatrist.

Sec. 18. Minnesota Statutes 1996, section 214.16, subdivision 3, is amended to read:

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action, which may include license revocation, against a regulated person for:

(1) intentional failure to provide the commissioner of health with the data required under chapter 62J;

(2) intentional failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(3) intentional failure to pay the health care provider tax required under section 295.52; and

(4) entering into a contract or arrangement that is prohibited under sections 62J.70 to 62J.73.

Sec. 19. [CONSOLIDATION AND COORDINATION OF CONSUMER ASSISTANCE AND ADVOCACY OFFICES.]

The commissioners of health and commerce, in consultation with the commissioners of human services and employee relations, shall study the feasibility and desirability of consolidating and improving coordination of some or all existing state consumer assistance, ombudsperson, and

advocacy activities. The commissioners shall submit a report with recommendations, and draft legislation to the legislature by January 15, 1998.

Sec. 20. [COMPLAINT PROCESS STUDY.]

The commissioners of health and commerce, in consultation with the consumer advisory board and other affected parties, shall make recommendations to the legislature by January 15, 1998, on developing a complaint resolution process for health plan companies to make available for enrollees.

Sec. 21. [CONSIDERATION.]

The consumer advisory board shall consider the use of physicians by utilization review organizations, including whether only Minnesota licensed physicians should be used for utilization review, whether appropriate types of medical practitioners are being used for utilization review, and whether Minnesota's utilization review statutes afford adequate consumer protection. The consumer advisory board may report findings to the legislature prior to the 1998 legislative session.

Sec. 22. [REPEALER; ANTITRUST EXEMPTION PROCESS.]

Minnesota Statutes 1996, sections 62J.2911, 62J.2912, 62J.2913, 62J.2914, 62J.2915, 62J.2916, 62J.2917, 62J.2918, 62J.2919, 62J.2920, and 62J.2921 are repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 3, 17, and 18 are effective January 1, 1998, and apply to contracts entered into or renewed on or after the effective date. Sections 1, 7 to 10, 16, 20, and 22 are effective the day following final enactment. Sections 4, 11, 12, and 13 are effective January 1, 1998, and apply to contracts or coverage issued or renewed on or after the effective date."

Delete the title and insert:

"A bill for an act relating to health care; providing for patient protection; requiring certain disclosures; prohibiting certain provider contracts; providing for continuity of care and specialty care; prohibiting certain exclusive arrangements; modifying dispute resolution provisions; requiring identification of health care providers; requiring studies; requiring emergency services coverage; establishing a consumer advisory board; providing civil penalties; amending Minnesota Statutes 1996, sections 62Q.105, subdivision 1; 62Q.30; 181.932, subdivision 1; and 214.16, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; and 144; repealing Minnesota Statutes 1996, sections 62J.2911; 62J.2912; 62J.2913; 62J.2914; 62J.2915; 62J.2916; 62J.2917; 62J.2918; 62J.2919; 62J.2920; and 62J.2921."

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

Senate Conferees: (Signed) Linda Berglin, Steven Morse, Sheila M. Kiscaden, Deanna L. Wiener, Roy W. Terwilliger

House Conferees: (Signed) Linda Wejcman, John Dorn, Thomas Huntley

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 960 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 960 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Krentz moved that the following members be excused for a Conference Committee on S.F. No. 254 from 10:00 to 10:45 a.m.:

Messrs. Frederickson, Lessard, Stumpf, Ms. Krentz and Mrs. Pariseau. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Price moved that the following members be excused for a Conference Committee on H.F. No. 244 from 10:00 to 10:55 a.m.:

Messrs. Price, Dille and Stumpf. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 12:00 noon. The motion prevailed.

The hour of 12:00 noon having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1833.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mr. President:

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

S.F. No. 848: A bill for an act relating to civil actions; creating a state court action for relief for damages caused by a federal court action that affects public participation by the plaintiff; proposing coding for new law in Minnesota Statutes, chapter 554.

Senate File No. 848 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Ms. Flynn moved that the Senate concur in the amendments by the House to S.F. No. 848 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 848 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1114: A bill for an act relating to claims against governmental units; increasing tort liability limits; amending Minnesota Statutes 1996, sections 3.736, subdivision 4; and 466.04, subdivisions 1 and 3.

Senate File No. 1114 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Mr. Kelly, R.C. moved that the Senate concur in the amendments by the House to S.F. No. 1114 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1114 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 877: A bill for an act relating to civil actions; clarifying admissibility of evidence regarding seat belts and child passenger restraint systems in certain actions; amending Minnesota Statutes 1996, section 169.685, subdivision 4.

Senate File No. 877 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Mr. Foley moved that the Senate concur in the amendments by the House to S.F. No. 877 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 877 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Berglin	Dille	Frederickson	Johnson, D.E.
Beckman	Betzold	Fischbach	Hanson	Johnson, D.H.
Belanger	Cohen	Flynn	Hottinger	Johnson, D.J.
Berg	Day	Foley	Janezich	Johnson, J.B.

Junge	Lesewski	Neuville	Price	Solon
Kelley, S.P.	Lessard	Novak	Robertson	Stevens
Kelly, R.C.	Limmer	Oliver	Robling	Stumpf
Kleis	Lourey	Olson	Runbeck	Ten Eyck
Knutson	Marty	Ourada	Sams	Vickerman
Krentz	Metzen	Pariseau	Samuelson	Wiener
Langseth	Moe, R.D.	Piper	Scheevel	Wiger
Larson	Murphy	Pogemiller	Scheid	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 627: A bill for an act relating to civil actions; requiring certification of expert review in actions against certain professionals; proposing coding for new law in Minnesota Statutes, chapter 544.

Senate File No. 627 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Mr. Hottinger, for Ms. Ranum, moved that the Senate concur in the amendments by the House to S.F. No. 627 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 627 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS

AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1513: A bill for an act relating to civil actions; modifying and expanding provisions for sanctions in civil actions; amending Minnesota Statutes 1996, sections 336.2A-108; 566.25; 570.041, subdivision 1; 571.932, subdivision 6; and 609.5314, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 1996, section 549.21.

Senate File No. 1513 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Mr. Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 1513 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1513 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 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.

Senate File No. 294 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

CONCURRENCE AND REPASSAGE

Ms. Junge moved that the Senate concur in the amendments by the House to S.F. No. 294 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 294 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 184: A bill for an act relating to the environment; modifying requirements relating to toxics in products; amending Minnesota Statutes 1996, section 115A.9651.

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

Wagenius, Rukavina and Mares.

Senate File No. 184 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mr. President:

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

S.F. No. 234: A bill for an act relating to human services; adding provisions for licensing programs; imposing and modifying civil penalties; amending Minnesota Statutes 1996, sections 144.057, subdivision 1; 144A.46, subdivision 5; 245A.02, subdivisions 15, 16, and 17, and by adding subdivisions; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, 3b, 3c, 4, 5, 6, 7, and by adding a subdivision; 245A.06, subdivisions 1, 3, 4, 5, 5a, 6, and 7; 245A.07, subdivisions 1 and 3; 245A.08, subdivisions 1 and 2; 245A.09, subdivision 7; 245A.11, subdivision 2; 245A.16,

subdivision 2; 256E.115; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1996, sections 245A.091; 245A.20; 245A.21; and 252.53; Laws 1996, chapter 408, article 10, section 13; Minnesota Rules, parts 4668.0020; 9503.0170, subpart 7; 9525.0215; 9525.0225; 9525.0235; 9525.0243; 9525.0245; 9525.0255; 9525.0265; 9525.0275; 9525.0285; 9525.0295; 9525.0305; 9525.0315; 9525.0325; 9525.0335; 9525.0345; 9525.0355; 9525.0500; 9525.0510; 9525.0520; 9525.0530; 9525.0540; 9525.0550; 9525.0560; 9525.0570; 9525.0580; 9525.0590; 9525.0600; 9525.0610; 9525.0620; 9525.0630; 9525.0640; 9525.0650; 9525.0660; 9525.1240, subpart 1, item E, subitem (6); 9525.1500; 9525.1510; 9525.1520; 9525.1530; 9525.1540; 9525.1550; 9525.1560; 9525.1570; 9525.1590; 9525.1610; 9525.1620; 9525.1630; 9525.1640; 9525.1650; 9525.1660; 9525.1670; 9525.1680; 9525.1690; 9525.2000; 9525.2010; 9525.2020; 9525.2025; 9525.2030; 9525.2040; 9525.2050; 9525.2060; 9525.2070; 9525.2080; 9525.2090; 9525.2100; 9525.2110; 9525.2120; 9525.2130; 9525.2140; 9543.3070; 9555.8000; 9555.8100; 9555.8200; 9555.8300; 9555.8400; and 9555.8500.

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

Wejcman; Johnson, R. and Bradley.

Senate File No. 234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mr. President:

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

S.F. No. 739: A bill for an act relating to telecommunications; providing policies to carry out the state's role in telecommunications regulation; providing for a state policy encouraging high speed telecommunication services and greater capacity for services; providing for a single statewide local access and transport area (LATA); amending Minnesota Statutes 1996, sections 8.33, subdivision 2; 237.12, by adding a subdivision; 237.121; 237.16, subdivision 9; 237.761, subdivisions 4 and 8; 237.762, subdivisions 1, 3, and by adding a subdivision; 237.764, subdivision 1; 237.765; 237.766; and 237.769; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Jennings, Delmont and Vickerman.

Senate File No. 739 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mr. President:

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

S.F. No. 830: A bill for an act relating to child support enforcement; modifying provisions governing the establishment and enforcement of child support and maintenance; authorizing disclosure of certain data to the attorney general; providing for certain financial data matches; changing provisions for driver's license suspension, motor vehicle liens, payment agreements, and child support judgments; modifying provisions governing publication of names of delinquent obligors; providing for case reviewers; providing for a child support lien; regulating work release and probation violation for criminal nonsupport for certain offenders; requiring a study; specifying penalties; amending Minnesota Statutes 1996, sections 8.35; 13.46, subdivision 2; 13.99, by

adding a subdivision; 168A.05, subdivision 8; 171.19; 256.87, subdivisions 1, 1a, 3, 5, and by adding a subdivision; 256.978, subdivisions 1 and 2; 256.979, subdivisions 5, 6, 7, 8, and by adding a subdivision; 256.9791, subdivision 1; 256.9792, subdivisions 1 and 2; 256.998, subdivisions 1, 6, 7, and 9; 257.62, subdivisions 1 and 2; 257.66, subdivision 3, and by adding a subdivision; 257.70; 257.75, subdivisions 1a, 2, 3, 4, 5, and 7; 299C.46, subdivision 3; 508.63; 508A.63; 518.005, by adding a subdivision; 518.10; 518.148, subdivision 2; 518.171, subdivisions 1 and 4; 518.54, subdivision 6, and by adding a subdivision; 518.551, subdivisions 5, 5b, 7, 12, 13, 14, and by adding a subdivision; 518.5511, subdivisions 1, 2, 3, 4, and by adding a subdivision; 518.5512, subdivisions 2, 3, and by adding subdivisions; 518.553; 518.575; 518.616, by adding a subdivision; 518.64, subdivision 2; 518.641, subdivision 2; 518.68, subdivision 2; 548.091, subdivisions 1a, 2a, 3a, and by adding subdivisions; 550.37, subdivision 24; and 609.375, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13B; 256; and 518; proposing coding for new law as Minnesota Statutes, chapter 552; repealing Minnesota Statutes 1996, sections 256.74; 256.979, subdivision 9; 518.5511, subdivisions 5, 6, 7, 8, and 9; 518.611; 518.613; 518.645; 518C.502; 518C.9011; and 609.375, subdivisions 3, 4, and 6.

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

Entenza, Dawkins and Broecker.

Senate File No. 830 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1997

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 309, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 309: A bill for an act relating to state lands; authorizing the conveyance of tax-forfeited land bordering on public waters to the city of Mankato for no consideration; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Cass county; authorizing public sale of certain tax-forfeited land that borders public water in Crow Wing county; authorizing public sale of certain tax-forfeited land that borders public water in Becker county; authorizing public sale of certain tax-forfeited land that borders public water in Aitkin county; authorizing sale of certain tax-forfeited land that borders public water in Mille Lacs county; authorizing sales of certain tax-forfeited lands bordering public waters in Cook county; authorizing the transfers of tax-forfeited lands in Washington county; authorizing the private sale of tax-forfeited land in Carlton county; authorizing private sale of certain state lands to wild rice lessees.

Senate File No. 309 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1997

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 555, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 555: A bill for an act relating to telecommunications; authorizing creation of telecommunication services purchasing cooperatives; proposing coding for new law in Minnesota Statutes, chapters 237; and 308A.

Senate File No. 555 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1997

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 632:

H.F. No. 632: A bill for an act relating to public administration; modifying requirements for spending to improve the capitol area and construct bridges, environmental learning centers, and community performing arts centers; appropriating money; amending Laws 1994, chapter 643, sections 3, subdivision 2; 15, subdivisions 2 and 4; and 23, subdivision 28, as amended; and Laws 1996, chapter 463, sections 13, subdivision 2; and 24, subdivision 8; repealing Laws 1996, chapter 463, section 7, subdivision 26.

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

Kalis, Solberg, Bishop, Jennings and Trimble have been appointed as such committee on the part of the House.

House File No. 632 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1997

Ms. Junge, for Mr. Morse, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 632, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Lesewski introduced--

Senate Resolution No. 61: A Senate resolution congratulating the city of Marshall, Minnesota, on celebrating its 125th Anniversary.

Referred to the Committee on Rules and Administration.

S.F. No. 739 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 739

A bill for an act relating to telecommunications; providing policies to carry out the state's role in telecommunications regulation; providing for a state policy encouraging high speed telecommunication services and greater capacity for services; providing for a single statewide local access and transport area (LATA); amending Minnesota Statutes 1996, sections 8.33, subdivision 2; 237.12, by adding a subdivision; 237.121; 237.16, subdivision 9; 237.761, subdivisions 4 and 8; 237.762, subdivisions 1, 3, and by adding a subdivision; 237.764, subdivision 1; 237.765; 237.766; and 237.769; proposing coding for new law in Minnesota Statutes, chapter 237.

May 16, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 739, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S.F. No. 739 be further amended as follows:

Page 5, after line 32, insert:

"Sec. 8. [237.162] [UNIVERSAL SERVICE DISCOUNTS FOR SCHOOLS AND LIBRARIES.]

The commission shall establish intrastate service discounts for schools and libraries by order to the extent and within the time frame necessary to enable schools and libraries to begin receiving federally supported discounts at the earliest date permitted by the Federal Communications Commission."

Page 13, line 6, delete "19" and insert "20"

Renumber the sections in sequence

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

Senate Conferees: (Signed) Steve Kelley, Steven G. Novak, Mark Ourada

House Conferees: (Signed) Loren Jennings, Mike Delmont, Barb Vickerman

Mr. Kelley, S.P. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 739 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 739 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

CALL OF THE SENATE

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

CONFIRMATION

Mr. Johnson, D.J. moved that the report from the Committee on Taxes, reported February 3, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes, reported February 3, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF REVENUE
COMMISSIONER**

James L. Girard, Rt. 1, Box 233, Lynd, Lyon County, effective July 1, 1996, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Johnson, D.H., for Mr. Spear, moved that the report from the Committee on Crime Prevention, reported February 6, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.H., for Mr. Spear, moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.H., for Mr. Spear, moved that in accordance with the report from the Committee on Crime Prevention, reported February 6, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF CORRECTIONS
COMMISSIONER**

Gothriel J. (Fred) La Fleur, 1124 Vincent Ave. N., Minneapolis, Hennepin County, effective August 2, 1996, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Sams moved that the report from the Committee on Agriculture and Rural Development, reported March 17, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Sams moved that the foregoing report be now adopted. The motion prevailed.

Mr. Sams moved that in accordance with the report from the Committee on Agriculture and Rural Development, reported March 17, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA RURAL FINANCE AUTHORITY

Christopher J. Skaalen, 235 W. Center St., Harmony, Fillmore County, effective February 3, 1997, for a term expiring on the first Monday in January, 2001.

Patrick A. Thiry, 37767 Rendova St. N.E., Stanchfield, Isanti County, effective February 3, 1997, for a term expiring on the first Monday in January, 2001.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Vickerman moved that the report from the Committee on Local and Metropolitan Government, reported April 7, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Vickerman moved that the foregoing report be now adopted. The motion prevailed.

Mr. Vickerman moved that in accordance with the report from the Committee on Local and Metropolitan Government, reported April 7, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

GAMBLING CONTROL BOARD

Mary McLeod, 2277 South Shore Blvd., White Bear Lake, Ramsey County, effective June 30, 1996, for a term expiring June 30, 2000.

James W. Richter, 13960 - 17th St. N., Stillwater, Washington County, effective July 8, 1996, for a term expiring June 30, 2000.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Sams moved that the report from the Committee on Agriculture and Rural Development, reported April 10, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Sams moved that the foregoing report be now adopted. The motion prevailed.

Mr. Sams moved that in accordance with the report from the Committee on Agriculture and Rural Development, reported April 10, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF ANIMAL HEALTH

Joni Scheftel, D.V.M., 15155 County Rd. 32, Mayer, Carver County, effective March 15, 1997, for a term expiring on the first Monday in January, 2001.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Metzen moved that the reports from the Committee on Governmental Operations and Veterans, reported April 21, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the reports from the Committee on Governmental Operations and Veterans, reported April 21, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE ARTS

Caroline M. Baillon, 2567 Itasca Ave., St. Mary's Point, Washington County, effective February 24, 1997, for a term expiring on the first Monday in January, 2001.

Ellis F. Bullock, 4435 Harbor Ln. N., Plymouth, Hennepin County, effective February 24, 1997, for a term expiring on the first Monday in January, 2001.

Thomas L. Owens, 2200 Kenwood Pkwy., Minneapolis, Hennepin County, effective February 5, 1996, for a term expiring on the first Monday in January, 2000.

Teresa Parker, Rt. 1, Box 153, Henning, Otter Tail County, effective February 5, 1996, for a term expiring on the first Monday in January, 2000.

Robert E. Powless, 4911 Wyoming St., Duluth, St. Louis County, effective February 24, 1997, for a term expiring on the first Monday in January, 2001.

M. Judith Schmidt, 305 S. Jefferson, Houston, Houston County, effective February 5, 1996, for a term expiring on the first Monday in January, 2000.

DEPARTMENT OF FINANCE
COMMISSIONER

Wayne A. Simoneau, 465 - 57th Pl. N.E., Fridley, Anoka County, effective October 25, 1996, for a term expiring on the first Monday in January, 1999.

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Bertha M. Anderson, 213 Sunset Ave., Detroit Lakes, Becker County, effective March 18, 1996, for a term expiring on the first Monday in January, 2000.

Susan Kiley, 1514 Selby Ave., St. Paul, Ramsey County, effective January 25, 1997, for a term expiring on the first Monday in January, 2001.

Dennis E. McNeil, 436 W. Luverne St., Luverne, Rock County, effective March 18, 1996, for a term expiring on the first Monday in January, 2000.

Stephen J. O'Connor, R.R. 3, Box 28B, Spring Valley, Fillmore County, effective January 25, 1997, for a term expiring on the first Monday in January, 2001.

Beverly Anderson Otterness, 834 - 2nd Ave., North Branch, Chisago County, effective June 14, 1996, for a term expiring on the first Monday in January, 1997, and effective January 25, 1997, for a term expiring on the first Monday in January, 2001.

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
EXECUTIVE DIRECTOR

Mary Most Vanek, 899 Marnie Cir., Maplewood, Ramsey County, effective January 16, 1997.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Hottinger moved that the report from the Committee on Health and Family Security, reported May 14, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Hottinger moved that the foregoing report be now adopted. The motion prevailed.

Mr. Hottinger moved that in accordance with the report from the Committee on Health and Family Security, reported May 14, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HEALTH
COMMISSIONER

Anne Barry, 5533 Woodlawn Blvd., Minneapolis, Hennepin County, effective June 30, 1995, for a term expiring on the first Monday in January, 1999.

DEPARTMENT OF HUMAN RESOURCES
COMMISSIONER

David S. Doth, 3487 Orchard Ln., Minnetonka, Hennepin County, effective October 14, 1996, for a term expiring on the first Monday in January, 1999.

EMERGENCY MEDICAL SERVICES REGULATORY BOARD

Stevan Eikevik, 2633 Skyview Ct., Stillwater, Washington County, effective April 26, 1996, for a term expiring on the first Monday in January, 1999.

Debra Esse, 223 S. 32nd Ave. E., Duluth, St. Louis County, effective April 26, 1996, for a term expiring on the first Monday in January, 1998.

David W. Huisenga, 2117 Highland Pkwy., St. Paul, Ramsey County, effective April 26, 1996, for a term expiring on the first Monday in January, 1999.

Dr. G. Patrick Lilja, 4701 Emerson Ave. S., Minneapolis, Hennepin County, effective April 26, 1996, for a term expiring on the first Monday in January, 2000.

Steven Nesselth, 424 Gunderson Blvd., Kenyon, Goodhue County, effective April 26, 1996, for a term expiring on the first Monday in January, 1999.

Kevin Paap, Rt. 1, Box 88, Garden City, Blue Earth County, effective April 26, 1996, for a term expiring on the first Monday in January, 2000.

John Prondzinski, 500 S. Maple St., Waconia, Carver County, effective April 26, 1996, for a term expiring on the first Monday in January, 1999.

DeeWayne Rognstad, 1201 - 2nd St. S.E., Bemidji, Beltrami County, effective April 26, 1996, for a term expiring on the first Monday in January, 1998.

Michael Stockstead, 8100 Wayzata Blvd., St. Louis Park, Hennepin County, effective April 26, 1996, for a term expiring on the first Monday in January, 2000.

Dr. Albert Tsai, 6145 Chasewood Pkwy., Minnetonka, Hennepin County, effective April 26, 1996, for a term expiring on the first Monday in January, 2000.

Dr. Michael Wilcox, 310 - 1st Ave. N.W., New Prague, Scott County, effective April 26, 1996, for a term expiring on the first Monday in January, 1999.

Gary Wingrove, 1312 Lakeside Cir., Buffalo, Wright County, effective April 26, 1996, for a term expiring on the first Monday in January, 1998.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Betzold, for Ms. Ranum, moved that the reports from the Committee on Judiciary, reported May 9, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Betzold, for Ms. Ranum, moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Betzold, for Ms. Ranum, moved that in accordance with the reports from the Committee on Judiciary, reported May 9, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER

Dolores Fridge, 6752 Sunburst Dr., Eden Prairie, Hennepin County, effective February 25, 1997, for a term expiring on the first Monday in January, 1999.

BOARD ON JUDICIAL STANDARDS

Jon O. Haaven, 1118 Casa Marina Ln. N.W., Alexandria, Douglas County, effective February 12, 1996, for a term expiring on the first Monday in January, 2000.

Peter H. Watson, 2428 W. 22nd St., Minneapolis, Hennepin County, effective April 22, 1995, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Novak moved that the reports from the Committee on Jobs, Energy and Community Development, reported May 17, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Novak moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Novak moved that in accordance with the reports from the Committee on Jobs, Energy and Community Development, reported May 17, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF INVENTION

Janet Robb, 1754 W. Millwood Ave., Roseville, Ramsey County, effective March 5, 1996, for a term expiring on the first Monday in January, 2000.

PUBLIC UTILITIES COMMISSION

Edward A. Garvey, 32 Lawton St., St. Paul, Ramsey County, effective January 21, 1997, for a term expiring on the first Monday in January, 2003.

WORKERS' COMPENSATION COURT OF APPEALS

Steven D. Wheeler, 101 Norman Ridge Dr., Bloomington, Hennepin County, effective February 15, 1997, for a term expiring on the first Monday in January, 2003.

Debra A. Wilson, 2153 Highland Pkwy., St. Paul, Ramsey County, effective February 15, 1997, for a term expiring on the first Monday in January, 2003.

Mr. Marty requested the name of Mr. Edward A. Garvey be divided out.

The question was taken on the remainder of the appointments. The motion prevailed. So the appointments were confirmed.

The question was taken on the confirmation of Mr. Edward A. Garvey to the Public Utilities Commission. The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Ms. Piper, Messrs. Pogemiller and Stumpf moved that the reports from the Committee on Children, Families and Learning, reported May 17, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Piper, Messrs. Pogemiller and Stumpf moved that the foregoing reports be now adopted. The motion prevailed.

Ms. Piper, Messrs. Pogemiller and Stumpf moved that in accordance with the reports from the Committee on Children, Families and Learning, reported May 17, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE LOLA AND RUDY PERPICH MINNESOTA CENTER FOR
ARTS EDUCATION

Lorraine E. Kruse, 213 S. Summit Ave., Sauk Rapids, Benton County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

Sheila Livingston, 401 S. 1st St., Golden Valley, Hennepin County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

Sylvia L. Strobel, 670 Laurel Ave., St. Paul, Ramsey County, effective April 17, 1995, for a term expiring on the first Monday in January, 1999.

BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND
UNIVERSITIES

Nancy Brataas, 839 - 10 1/2 St. S.W., Rochester, Olmsted County, effective July 1, 1996, for a term expiring June 30, 2002.

J. Dennis Dotson, 210 Clover Ln., Mankato, Blue Earth County, effective July 1, 1996, for a term expiring June 30, 2002.

Robert Erickson, 8700 Walton Oaks Dr., Bloomington, Hennepin County, effective July 1, 1996, for a term expiring June 30, 2002.

Michael Vekich, 3924 Natchez Ave. S., St. Louis Park, Hennepin County, effective July 1, 1996, for a term expiring June 30, 2002.

DEPARTMENT OF CHILDREN, FAMILIES AND LEARNING
COMMISSIONER

Robert J. Wedl, 5000 - 3rd St., Minneapolis, Hennepin County, effective October 14, 1996, for a term expiring on the first Monday in January, 1999.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

John Hoyt, 4812 Dunberry Ln., Edina, Hennepin County, effective March 10, 1997, for a term expiring on the first Monday in January, 2001.

Kenneth Johnson, 1831 E. 8th St., Duluth, St. Louis County, effective March 10, 1997, for a term expiring on the first Monday in January, 2001.

STATE BOARD OF EDUCATION

George Jernberg, 321 Park Lake Blvd., Detroit Lakes, Becker County, effective June 6, 1996, for a term expiring on the first Monday in January, 2000.

Carmen Robles, 633 S. Robert St., St. Paul, Ramsey County, effective May 20, 1996, for a term expiring on the first Monday in January, 2000.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Lessard moved that the report from the Committee on Environment and Natural Resources, reported March 3, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing report be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the report from the Committee on Environment and Natural Resources, reported March 3, 1997, the Senate, having given its advice, do now consent to and confirm the appointment of:

**MINNESOTA POLLUTION CONTROL AGENCY
COMMISSIONER**

Peder A. Larson, 3932 Xerxes Ave. S., Minneapolis, Hennepin County, effective December 20, 1996, for a term expiring on the first Monday in January, 1999.

The motion prevailed. So the appointment was confirmed.

CALL OF THE SENATE

Mr. Betzold imposed a call of the Senate for the balance of the proceedings on the appointment to the Board on Judicial Standards. The Sergeant at Arms was instructed to bring in the absent members.

APPOINTMENT

Mr. Betzold, for Ms. Ranum, moved that the report from the Committee on Judiciary, reported May 16, 1997, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Betzold, for Ms. Ranum, moved that the foregoing report be now adopted. The motion prevailed.

Mr. Betzold, for Ms. Ranum, moved that in accordance with the report from the Committee on Judiciary, reported May 16, 1997, the Senate, having given its advice, do not now consent to and do not confirm the appointment of:

BOARD ON JUDICIAL STANDARDS

Christopher P. Georgacas, 309 - 69th St. N., Mahtomedi, Washington County, effective March 18, 1997, for a term expiring on the first Monday in January, 2001.

The question was taken on the adoption of the motion of Mr. Betzold to not confirm the appointment of Mr. Christopher P. Georgacas to the Board on Judicial Standards.

The roll was called, and there were yeas 40 and nays 25, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion prevailed. So the appointment was not confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2150, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2150 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1997

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2150

A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 1996, sections 17.76, by adding a subdivision; 32.394, subdivision 11; 32.415; 84.0273; 84.0887, subdivision 2; 84.794, subdivision 1; 84.803, subdivision 1; 84.927, subdivision 2; 85.015, by adding a subdivision; 85.22, subdivision 2a; 85A.04, subdivision 4; 86A.23; 86B.415, subdivision 9; 92.06, subdivision 4; 92.16, subdivision 1; 92.46, by adding a subdivision; 94.10, subdivision 2; 94.165; 97B.667; 103C.501, subdivision 6; 103F.378, subdivision 1; 115.03, subdivision 5; 115A.54, subdivision 2a; 116.07, by adding a subdivision; 296.421, subdivision 5; 300.111, by adding a subdivision; 308A.101, by adding a subdivision; 308A.201, by adding a subdivision; 325E.10, subdivision 2, and by adding subdivisions; 325E.11; 325E.112, subdivision 2; 373.01, subdivision 1; Laws 1995, chapter 220, section 19, subdivision 11; and Laws 1996, chapters 351, section 2; and 463, section 7, subdivision 24; proposing coding for new law in Minnesota Statutes, chapters 4; 17; 92; 115; 116; and 219; repealing Minnesota Statutes 1996, sections 1.31; 1.32; 1.33; 1.34; 1.35; 1.36; 1.37; 1.38; 1.39; 1.40; 84B.11; and 115A.9523; Laws 1995, chapters 77, section 3; and 220, section 21; Minnesota Rules, part 7009.0060.

May 16, 1997

The Honorable Phil Carruthers
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2150, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2150 be further amended as follows:

Delete everything after the enacting clause and insert:

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

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1997," "1998," and "1999," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1997, June 30, 1998, or June 30, 1999, respectively.

SUMMARY BY FUND

1997	1998	1999	TOTAL
------	------	------	-------

62ND DAY]		SATURDAY, MAY 17, 1997		3657
General	\$500,000	\$193,603,000	\$175,725,000	\$369,828,000
Petroleum Tank		3,177,000	3,227,000	6,404,000
State Government				
Special Revenue		42,000	43,000	85,000
Special Revenue		11,204,000	11,209,000	22,413,000
Environmental		20,569,000	21,292,000	41,861,000
Metro Landfill				
Contingency Trust		137,000	140,000	277,000
Solid Waste		6,224,000	6,283,000	12,507,000
Natural				
Resources	600,000	22,989,000	23,435,000	47,024,000
Game and Fish		53,986,000	56,354,000	110,340,000
Minnesota				
Future Resources		14,668,000	-0-	14,668,000
Environmental Trust		22,270,000	-0-	22,270,000
Great Lakes				
Protection		120,000	-0-	120,000
Oil Overcharge		150,000	-0-	150,000
TOTAL	1,100,000	349,139,000	297,708,000	647,947,000

APPROPRIATIONS
Available for the Year
Ending June 30
1998 1999

Sec. 2. POLLUTION CONTROL
AGENCY

Subdivision 1. Total
Appropriation 44,351,000 42,347,000

Summary by Fund

General	15,117,000	12,294,000
Petroleum Tank	3,177,000	3,227,000
State Government		
Special Revenue	42,000	43,000
Special Revenue	740,000	755,000
Environmental	19,014,000	19,705,000
Metro Landfill		
Contingency	137,000	140,000
Solid Waste	6,124,000	6,183,000

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

Subd. 2. Protection of the Water
14,119,000 11,308,000

Summary by Fund

General	11,581,000	8,709,000
State Government		
Special Revenue	42,000	43,000
Environmental	2,496,000	2,556,000

\$1,946,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$515,000 the first year and \$519,000 the second year are for the Minnesota River nonpoint source pollution program and must be matched by federal dollars.

Of this amount, \$855,000 in each fiscal year is for grants for county administration of the feedlot permit program. This amount is transferred to the board of water and soil resources for disbursement in accordance with Minnesota Statutes, section 103B.3369, in cooperation with the pollution control agency. Grants must be matched with a combination of local cash and/or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activities conducted under the grant, expenditures made, and local match contributions. First priority for funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. Delegated counties shall be eligible to receive a grant of either: \$30 multiplied by the number of livestock or poultry farms with sales greater than \$10,000, as reported in the 1992 Census of Agriculture, published by the United States Bureau of Census; or \$35 multiplied by the number of feedlots with greater than ten animal units as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the Feedlot Inventory Guidebook published by the board of water and soil resources, dated June 1991. To receive the additional funding that is based on the county feedlot inventory, the county shall submit a copy of the inventory to the pollution control agency. Any remaining money is for distribution to all counties on a competitive basis through the challenge grant process for the

conducting of feedlot inventories, development of delegated county feedlot programs, and for information and education or technical assistance efforts to reduce feedlot-related pollution hazards. Any money remaining after the first year is available for the second year.

\$163,000 the first year and \$92,000 the second year are for compliance activities and air quality monitoring to address hydrogen sulfide emissions from animal feedlots. The air quality monitoring must include the use of portable survey instruments.

\$200,000 is for a grant to the Red river basin board to develop a Red river basin plan that will aid in coordinating water management activities in the states and provinces bordering the Red river. This appropriation is only available to the extent it is matched by an equal amount from the state of North Dakota. This appropriation is available until June 30, 1999. This is a one-time appropriation.

\$1,027,000 the first year and \$1,038,000 the second year are for water monitoring activities. Of these amounts, \$250,000 the first year and \$300,000 the second year are for payment of a grant to the metropolitan council for monitoring sites on the Minnesota river and tributaries, automated monitoring sites in metropolitan area watersheds, and groundwater trend analysis assessment of best management practices for control of nonpoint source pollution.

\$300,000 the first year is for an appropriation to the pollution control agency for a grant to the University of Minnesota for the development of two pilot water quality cooperatives that own or control alternative discharging sewage systems, as defined in Minnesota Statutes, section 115.58, subdivision 1, paragraph (b). The grant may be used by the university for public education of the purposes and benefits of water quality treatment and management by water quality cooperatives and other purposes defined as eligible costs under Minnesota Statutes, section 116.16, subdivision 2, clause (6), and capital cost components under Minnesota Statutes, section 471A.02, subdivision 3. As a condition of this grant, the university must submit a work program and submit semiannual progress reports as provided in Minnesota Statutes, section 116P.05, subdivision 2, paragraph (c).

\$100,000 the first year is for a grant to the University of Minnesota Extension Service for

public education programs in Nicollet county which promote improved farm management practices on feedlot management and watershed protection.

\$861,000 the first year and \$648,000 the second year are added to the amount available to administer the point source pollution program. The portion of this appropriation to be included in the agency's base for fiscal year 2000 is \$490,000 and for fiscal year 2001 is \$348,000.

\$236,000 the first year and \$318,000 the second year are for community technical assistance and education, including grants and technical assistance to communities for local and basin-wide water quality protection.

\$144,000 the first year and \$200,000 the second year are for individual sewage treatment system (ISTS) administration. \$86,000 in the second year is transferred to the board of water and soil resources for assistance to local units of government through competitive grant programs for ISTS program development.

\$214,000 is for administration of the wastewater infrastructure fund (WIF) construction program.

Notwithstanding Laws 1994, chapter 617, section 3, paragraph (b), the amount spent of the \$120,000 appropriation from the environmental fund for the ISTS program during the biennium ending June 30, 1995, must be reimbursed to the environmental fund no later than June 30, 1999.

\$140,000 the first year and \$60,000 the second year are for the investigation of deformed frogs in Minnesota, and may be used for cooperative arrangements with federal agencies. This is a one-time appropriation.

Subd. 3. Protection of the Air

7,724,000

8,260,000

Summary by Fund

Environmental	6,984,000	7,505,000
Special Revenue	740,000	755,000

Up to \$150,000 in the first year and \$150,000 in the second year may be transferred to the small business environmental improvement loan account established in Minnesota Statutes, section 116.994.

\$200,000 each year from the environmental fund is for a monitoring program under Minnesota Statutes, section 116.454.

Upon enactment of the air quality fee increase contained in Minnesota Statutes, section 116.07, subdivision 4d, as amended by this act, the commissioner shall appoint an advisory task force to examine the air quality program. The task force must include representatives of permittees regulated by the agency, environmental interest groups, and labor organizations. By January 15, 1999, the committee shall report to the chairs of the senate state government finance committee, the house ways and means committee, the house and senate environmental policy committees, the house environment and natural resources finance committee, and the senate environment and agriculture budget division. After making the report, the task force shall be dissolved.

The report shall include a benchmarking comparison with other states of the following air quality service level criteria: (1) the length of time and staff effort required to issue permits; (2) the backlog of permit applications; (3) the number of facility inspections per inspector; and (4) the nature and effectiveness of training and monitoring programs. In addition, the report shall include: (1) a recommendation for a reporting mechanism which provides tracking of staff time and resources devoted to point source, mobile source, and area source general program activities; (2) an analysis of inequities in the current air emissions fee system; and (3) recommendations regarding mobile source, area source, and point source contributions and general air program activity.

Subd. 4. Protection of the
Land

	15,617,000	15,839,000	
	Summary by Fund		
General		1,679,000	1,699,000
Petroleum Tank		2,744,000	2,785,000
Environmental		6,101,000	6,142,000
Metro Landfill			
Contingency		129,000	132,000
Solid Waste		4,964,000	5,081,000

All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes,

section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 1999.

Any unencumbered balance from the metropolitan landfill contingency action trust fund remaining in the first year does not cancel but is available for the second year.

\$51,000 the first year and \$52,000 the second year are from the solid waste fund for transfer to the commissioner of revenue to enhance compliance and collection of solid waste assessments.

The agency's annual performance reports required for this biennium under Minnesota Statutes, section 15.91, must specify the amount of lead, mercury, and cadmium contained in sewage biosolids spread on the land after wastewater treatment.

Subd. 5. General Support

	6,891,000	6,940,000	
	Summary by Fund		
General	1,857,000		1,886,000
Petroleum Tank	433,000		442,000
Environmental	3,433,000		3,502,000
Metro Landfill Contingency	8,000		8,000
Solid Waste	1,160,000		1,102,000

\$234,000 the first year and \$168,000 the second year are added to the amount available for indirect costs of the water quality point source pollution program. The portion of this appropriation to be included in the agency's base for fiscal year 2000 is \$130,000 and for fiscal year 2001 is \$92,000.

\$85,000 is from the solid waste fund for a grant to Benton county to pay the principal amount due in fiscal year 1998 on bonds issued by the county to pay part of a final order or settlement of a lawsuit for environmental response costs at a mixed municipal solid waste facility.

Sec. 3. OFFICE OF ENVIRONMENTAL ASSISTANCE

20,497,000

20,595,000

Summary by Fund

General	19,211,000	19,277,000
Environmental	1,286,000	1,318,000

\$14,008,000 the first year and \$14,008,000 the second year are for the SCORE block grants to counties.

Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the office of environmental assistance for the purposes of Minnesota Statutes, section 473.844.

Sec. 4. ZOOLOGICAL BOARD

Subdivision 1. Total Appropriation		5,535,000	5,368,000
------------------------------------	--	-----------	-----------

The amounts that may be spent from this appropriation are specified in the following subdivisions.

Subd. 2. Biological Programs

666,000	676,000
---------	---------

Subd. 3. Operations

4,869,000	4,692,000
-----------	-----------

\$240,000 in the first year is for computer systems.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation		188,063,000	180,580,000
------------------------------------	--	-------------	-------------

Summary by Fund

General	111,019,000	100,723,000
Natural Resources	22,958,000	23,403,000
Game and Fish	53,986,000	56,354,000
Solid Waste	100,000	100,000

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

Subd. 2. Mineral Resources Management

5,299,000	4,883,000
-----------	-----------

\$311,000 the first year and \$311,000 the second year are for iron ore cooperative research, of which \$225,000 the first year and \$225,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$376,000 the first year and \$377,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$46,000 the first year and \$47,000 the second year are for minerals cooperative environmental research, of which \$30,000 the first year and \$30,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$500,000 the first year is for a grant to develop a direct reduction iron processing facility in Minnesota. This appropriation is available until July 1, 1999.

Subd. 3. Water Resources Management

11,002,000	9,560,000
------------	-----------

Summary by Fund

General	10,751,000	9,304,000
Natural Resources	251,000	256,000

\$95,000 the first year and \$95,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

\$400,000 the first year and \$500,000 the second year are for water monitoring activities, including gauging of priority lakes and watersheds, dissemination of information, replacement of equipment, and installation of observation wells, groundwater sensitivity maps, and documentation.

\$70,000 the first year is for a grant to the city of Granite Falls, not to exceed 50 percent of the nonfederal share of costs for restoration of the banks of the Minnesota river within the city limits.

\$400,000 the first year is for a grant to the St. Paul Foundation for restoring native vegetation

along the Mississippi river through the Greening the Great River Park Project. Money is available for the grant to the extent matched by an expenditure of money from nonstate sources for the project until June 30, 1999.

\$25,000 the first year and \$25,000 the second year are for a grant to the joint powers board established under Minnesota Statutes, section 471.59, for the Lewis and Clark rural water system. The joint powers board must prepare an annual work plan that identifies actions to be taken to advance the Lewis and Clark project as a continuing source of water to meet water supply needs in the southwest part of the state. The work plan must include a report on the ongoing efforts of member cities and rural water systems to conserve water and protect existing groundwater supplies. The work plan is subject to review and approval by the commissioner. This appropriation is available to the extent matched by an equal amount of nonstate money.

Notwithstanding Minnesota Statutes, section 103G.271, subdivision 6, paragraph (g), all water appropriation fees collected from July 1, 1997, to July 1, 1999, shall be deposited in the general fund.

\$100,000 is for a mediation process regarding flood damage reduction issues in the Red river basin. The commissioner, the Red River Watershed Management Board, and additional parties selected in an equal number by the commissioner and by the board are the parties to the mediation. All parties to the mediation must consent to the expenditure of any funds by the commissioner for the mediation process. This is a one-time appropriation.

\$190,000 is for a grant to the city of East Grand Forks for a river bank stabilization project on the Red River of the North and the Red Lake river. The appropriation is available until June 30, 1999, to the extent matched by an equal amount of nonstate money.

\$376,000 is for a grant to the city of Marshall for its flood control project. \$70,000 is for the Lake Charlotte project in Wright county. Prior to these funds being made available, the commissioner must ensure that the project sponsor has held a public hearing in each affected watershed after the date of enactment of this section.

\$500,000 the first year is for a grant to the city of Thief River Falls for dredging projects within the

city on the Red Lake river and the Thief river. The appropriation is available until June 30, 1999, to the extent matched by an equal amount of nonstate money.

Subd. 4. Forest Management

34,786,000 33,750,000

Summary by Fund

General	34,343,000	33,298,000
Natural Resources	443,000	452,000

\$3,500,000 the first year and \$3,500,000 the second year are for presuppression and suppression costs of emergency fire fighting. If the appropriation for either year is insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund. If money is spent under the appropriation in the preceding sentence, the commissioner of natural resources shall, by 15 days after the end of the following quarter, report on how the money was spent to the chairs of the house of representatives ways and means committee, the environment and agriculture budget division of the senate environment and natural resources committee, and the house of representatives environment and natural resources finance committee. The appropriations may not be transferred.

\$600,000 the first year and \$600,000 the second year are for programs and practices on state, county, and private lands to regenerate and protect Minnesota's white pine. Up to \$280,000 of the appropriation in each year may be used by the commissioner to provide 50 percent matching funds to implement cultural practices for white pine management on nonindustrial, private forest lands at rates specified in the Minnesota stewardship incentives program manual. Up to \$150,000 of the appropriation in each year may be used by the commissioner to provide funds to implement cultural practices for white pine management on county-administered lands through grant agreements with individual counties, with priorities for areas that experienced wind damage in July 1995. \$40,000 each year is for a study of the natural regeneration process of white pine. The remainder of the funds in each fiscal year will be available to the commissioner for white pine regeneration and protection on department-administered lands.

\$150,000 the first year and \$150,000 the second year is appropriated to the commissioner for a grant to the University of Minnesota's College of Natural Resources for research to reduce the impact of blister rust on Minnesota's white pine.

\$300,000 is for grants to the counties of Becker, Clearwater, and Hubbard for reforestation, timber stand improvements, aerial photography, and new forest inventories in areas damaged by windstorms in July 1995. The appropriation is available until June 30, 1999. Of this amount, \$33,000 is for Becker county, \$87,000 for Hubbard county, and \$180,000 for Clearwater county.

\$750,000 the first year is for the corps to career community service program established in Minnesota Statutes, section 84.0887, subdivision 2. This appropriation is subject to the receipt of education awards from the national service trust for the participants. This appropriation may be used for administering the program and for providing a monthly stipend for a living allowance as provided in Minnesota Statutes, section 121.707, subdivision 5. Eligible participants in the program may provide only services authorized in Minnesota Statutes, section 84.0887, subdivision 1, clauses (1) to (12). To the extent that service opportunities are not suitable under subdivision 1, participants may provide services under subdivision 2. Up to seven percent of this appropriation is available for the cost of health and child care coverage for eligible participants and their dependents, to the extent such coverage is not otherwise available.

\$250,000 the first year is for grants to local community forest ecosystem health programs. The appropriations are available until June 30, 1999. The commissioner of natural resources shall allocate individual grants of up to \$10,000 to local communities that have matching nonstate money available to undertake projects that improve the health of forest ecosystems, including insect and disease suppression programs, community-based forest health education programs, and other arboricultural treatments. This is a one-time appropriation.

\$60,000 the first year and \$60,000 the second year are for the focus on community forests program, to provide communities with natural resources technical assistance.

\$200,000 the first year is for the Minnesota Releaf program to provide matching grants to

local communities to plant predominantly native trees. This appropriation is available until June 30, 1999, and is a one-time appropriation.

\$50,000 the first year is to develop guidelines for communities and best management practices for developers and landowners in order to increase the protection of woodlands being lost through urbanization.

\$1,018,000 the first year and \$1,030,000 the second year are for implementation of the activities under Minnesota Statutes, chapter 89A, including the generic environmental impact statement on timber harvesting. Up to \$240,000 the first year and \$190,000 the second year are available for grants to the University of Minnesota college of natural resources' continuing education center, county land departments for participation in the Interagency Information Cooperative, and for forest research projects identified by the Minnesota Forest Resources Council's research advisory committee.

The commissioner must report to the chairs of the house and senate environment and natural resources finance committee and division, by February 1998, detailing progress toward implementation of the comprehensive timber harvesting and forest management guidelines, and the establishment of a framework for conducting landscape-based forest resource planning and coordination under Minnesota Statutes, chapter 89A. By December 31, 1998, the council must submit its fully integrated and comprehensive timber harvest guidelines to the senate environment and agriculture budget division and the house environment and natural resources finance committee.

Subd. 5. Parks and Recreation
Management

27,033,000

26,870,000

Summary by Fund

General

26,402,000

26,238,000

Natural Resources

631,000

632,000

\$631,000 the first year and \$632,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$3,000,000 the first year and \$3,000,000 the

second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

\$500,000 the first year is for state park and recreation area acquisition, development, and rehabilitation.

\$75,000 the first year is for predesign and design for a Minnesota rock, gem, and mineral interpretative center to be located within Moose Lake state park near prime rock collecting areas. The commissioner shall initiate the architectural and engineering design for the center. The focal point of the center shall be the display of Lake Superior agates as well as rocks, gems, minerals, and geologic artifacts indigenous to Minnesota. The commissioner shall consult with the Minnesota geological survey and members of state and local rock, gem, and mineral associations on the design of the center. The commissioner may accept for display at the center rocks, gems, minerals, and geologic artifacts collected by individuals and associations and shall enter into any loan agreements necessary to protect all parties from liability for loss or damage to items loaned for display. The commissioner shall prepare information for visitors describing geologic field trips and local rock collecting opportunities and, in addition, shall display and provide written information on other areas of the state that provide prime rock, gem, and mineral collecting opportunities. The commissioner shall consult with the Minnesota Geological Society as well as state and local rock, gem, and mineral associations on the location of prime collection sites and on the preparation of field trip literature. This appropriation is available until June 30, 1999.

Subd. 6. Trails and Waterways
Management

18,129,000 15,760,000

Summary by Fund

General	4,672,000	2,227,000
Natural Resources	12,178,000	12,482,000
Game and Fish	1,279,000	1,051,000

\$4,649,000 the first year and \$4,649,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid. Also, \$600,000 each year is from the general fund for snowmobile grants-in-aid.

The commissioner shall study improved paving

methods for state trails that prevent wear from snowmobile and other uses, including the use of improved paving materials and the application of coatings to existing paved trails. The commissioner must report on the results of the study to the house environment and natural resources finance committee, the senate environment and agriculture budget division, and the house and senate environment and natural resources committees by December 15, 1998.

\$252,000 the first year and \$254,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

\$400,000 the first year is for the Taconite Harbor safe harbor project. This appropriation is available until expended. The legislature intends that future appropriations will be contingent on receipt of an equal amount of nonstate matching money for the total project.

\$30,000 in the first year is for an upgrade of the horse rider section of the Heartland trail to permit use by snowmobiles equipped with metal studs.

\$300,000 the first year is to provide safe crossings along the Gateway segment of the Willard Munger trail in North St. Paul and parking enhancements.

\$600,000 the first year is for a grant to Ramsey county for a connection from the city of Roseville trail system to the Gateway segment of the Willard Munger trail.

\$340,000 the first year is for trail improvements. Of this amount, \$128,000 is to develop the western extension of the Root river state trail in the Blufflands trail system and \$212,000 is to construct a parking lot at the Harmony trailhead.

\$300,000 the first year is to provide increased access to lakes and rivers statewide through the provision of fishing piers and shoreline access. One-half of the amount is for access within the seven-county metropolitan area. This is a one-time appropriation.

\$500,000 is for grants of up to \$250,000 for locally funded trails of regional significance.

The unobligated balance remaining in the appropriation from the taconite environmental protection fund, Laws 1996, chapter 407, section

3, to acquire and develop the Iron Range off-highway vehicle recreation area, shall not cancel but be made available until June 30, 1998.

Subd. 7. Fish and Wildlife Management

40,538,000 41,719,000

Summary by Fund

General	4,535,000	3,664,000
Natural Resources	2,013,000	2,048,000
Game and Fish	33,990,000	36,007,000

\$305,000 the first year and \$310,000 the second year are for resource population surveys in the 1837 treaty area. Of this amount, \$104,000 the first year and \$106,000 the second year are from the game and fish fund.

\$923,000 the first year and \$943,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$1,337,000 the first year and \$1,361,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$1,110,000 the first year and \$1,117,000 the second year are from the wildlife acquisition account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 2a.

\$860,000 the first year and \$881,000 the second year are from the deer habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$60,000 the first year and \$61,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$668,000 the first year and \$673,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$652,000 the first year and \$654,000 the second

year are from the trout and salmon management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$545,000 the first year and \$545,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4. In addition to the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4, this appropriation may be used for pheasant restocking efforts.

\$292,000 the first year and \$295,000 the second year are from the game and fish fund for activities relating to reduction and prevention of property damage by wildlife. \$50,000 each year is for emergency damage abatement materials.

\$63,000 the first year and \$63,000 the second year are from the wild turkey management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 5.

\$100,000 the first year and \$100,000 the second year are for water monitoring activities, including integrated monitoring using biology, chemistry, hydrology, and habitat assessment for water quality assessment.

Before January 15, 1998, the commissioner must hold one public meeting in each of the department's regions to identify priority fisheries projects. Before the public meetings, notice of the meetings must be published in a news release issued by the commissioner and in a newspaper of general circulation in each county within the region. The notice must be published at least once between 30 and 60 days before the meetings, and at least once between seven and 30 days before the meetings. The notices required in this paragraph must invite public comment and specify a deadline for the receipt of public comments. The commissioner shall consider any public comments received in making final decisions on expenditure of additional revenue generated by increased fishing license revenue raised under this act. At least 75 percent of the increase must be spent on fisheries.

\$8,000 is for the construction of an interpretive sign in the Thief Lake wildlife management area, to be available until June 30, 1998.

\$600,000 the first year is to the critical habitat private sector matching account for the purposes of Minnesota Statutes, section 84.943.

\$250,000 the first year is to accelerate the acquisition of land for scientific and natural areas under Minnesota Statutes, section 84.033.

\$125,000 the first year is for a railroad prairie right-of-way inventory and for the development of voluntary prairie right-of-way best management practices.

The positions for the forest ecologist, metropolitan natural community ecologist, and scientific and natural areas volunteer stewardship coordinator now in the unclassified service shall be transferred without competitive examination to the classified service of the state.

Subd. 8. Enforcement

19,599,000 19,457,000

Summary by Fund

General	3,489,000	3,092,000
Natural Resources	3,971,000	3,991,000
Game and Fish	12,039,000	12,274,000
Solid Waste	100,000	100,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$100,000 each year is from the solid waste fund for solid waste enforcement activities under Minnesota Statutes, section 116.073.

\$100,000 the first year is for enforcement activities regarding the 1837 treaty.

Within the funding appropriated, the commissioner shall hire at least seven new full-time equivalent conservation officers. Four of the officers must come from protected groups. The protected group officers must be hired before the remaining new officers.

\$200,000 is for the purchase of specialty equipment to increase the effectiveness and safety of enforcement of snowmobile laws and rules.

\$150,000 the first year and \$100,000 the second year are to recruit and train members of the Southeast Asian community for four new conservation officer positions that will begin after July 1, 1999. This appropriation is for recruiting, screening, and training the candidates, and for providing a monthly stipend for the candidates, educational costs, a part-time program coordinator, and outreach locations

unexpended in fiscal year 1998 remains available for expenditure in fiscal year 1999.

\$100,000 the first year and \$100,000 the second year are for the Southeast Asian environmental education internship and training program.

\$200,000 the first year is for a grant to the city of South St. Paul for erosion control at Kaposia Park and development of a regional trail connection. Nonstate match funding of \$2 for every \$1 of this appropriation is required.

\$85,000 the first year and \$85,000 the second year are for a grant to the Minnesota Children's Museum for early childhood environmental education that introduces young children to the natural environment through four different Minnesota habitats.

\$2,700,000 the first year is for a grant to the city of St. Paul for expenditures necessary to carry out the Harriet Island redevelopment in accordance with the Lilydale/Harriet Island master plan. The appropriation is available to the extent it is matched by an equal amount from nonstate sources by June 30, 1998. Before the appropriation or local match is spent or obligated, the city of St. Paul must seek public comments on the Harriet Island redevelopment.

\$142,000 is for a survey of trails in state parks for accessibility to persons with disabilities. This appropriation is available for the biennium.

\$325,000 the first year is for a grant to independent school district No. 621, Mounds View, to renovate the Laurentian Environmental Learning Center located in the Superior National Forest. This appropriation is available until June 30, 1999.

\$300,000 the first year and \$300,000 the second year is for the electronic licensing system. Of this amount, \$200,000 the second year is from the game and fish fund.

\$1,503,000 the first year and \$1,522,000 the second year are for administrative costs. This is a one-time only appropriation.

\$55,000 the first year is for a grant to Chippewa county for design and engineering specifications for: (1) expansion of the landing and boat access on the Minnesota river at Wegdahl and related development of a regional park; and (2) development of a 15-mile multiuse trail along the Minnesota river valley connecting the city of Granite Falls to the Chippewa county regional trail system.

Sec. 6. BOARD OF WATER AND
SOIL RESOURCES

15,741,000

15,186,000

\$5,353,000 the first year and \$5,353,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 in each year is for a grant to the North Shore Management Board and \$35,000 in each year is for a grant to the St. Louis River Board. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

The board shall reduce the amount of the natural resource block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's 1996 allocation.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$2,282,000 the first year and \$2,509,000 the second year are for grants to soil and water conservation districts for general purposes and for implementation of the RIM conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$2,120,000 the first year and \$2,120,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for floodplain management. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$200,000 the first year is for a grant to Chisago and Washington counties for the abandonment of joint ditch No. 1.

\$475,000 is for completion of water quality improvement projects with the 12 major

watersheds of the Minnesota river basin, to be available until June 30, 1999. The water quality improvement projects must utilize practices that are proven effective, must have landowner support, and must be prioritized by the Minnesota river basin joint powers board and the board of water and soil resources. The board shall use this appropriation only for those projects where the local landowners and counties provide 50 percent of project costs in cash.

\$150,000 the first year is for a grant to the Faribault county soil and water conservation district for the quad-lakes restoration project in Faribault and Blue Earth counties.

\$100,000 the first year and \$200,000 the second year are for a community assistance program to provide watershed education and communication assistance to local governments in the metropolitan area and in southern Minnesota.

Any unencumbered balance in the board's program of grants does not cancel at the end of the first year and is available for the second year for the same grant program.

\$27,000 the first year and \$27,000 the second year are for a grant to the southeast Minnesota water resources board for administrative costs. This appropriation is available only to the extent it is matched by \$1 of nonstate money for each \$1 of state money.

\$90,000 the first year and \$90,000 the second year are for grants to soil and water conservation districts to cover the costs of contracting for technical staff to implement activities under the state revolving fund.

Sec. 7. AGRICULTURE

Subdivision 1. Total

Appropriation	29,482,000	25,391,000
---------------	------------	------------

Summary by Fund

General	18,949,000	14,868,000
Special Revenue	10,264,000	10,254,000
Environmental	269,000	269,000

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

Subd. 2. Protection Service

18,324,000	17,435,000
------------	------------

Summary by Fund

General	8,047,000	7,053,000
Special Revenue	10,008,000	10,113,000
Environmental	269,000	269,000

\$269,000 the first year and \$269,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

\$4,287,000 the first year and \$4,367,000 the second year are from the pesticide regulatory account established under Minnesota Statutes, section 18B.05, for administration and enforcement of Minnesota Statutes, chapter 18B.

\$995,000 the first year and \$1,010,000 the second year are from the fertilizer inspection account established under Minnesota Statutes, section 18C.131, for administration and enforcement of Minnesota Statutes, chapter 18C.

\$50,000 the first year is from the fertilizer account to provide a match to the \$150,000 appropriation from the environmental trust fund to conduct nitrate testing clinics.

\$368,000 the first year and \$368,000 the second year are from the seed potato inspection fund established under Minnesota Statutes, section 21.115, for administration and enforcement of Minnesota Statutes, sections 21.111 to 21.122.

\$727,000 the first year and \$741,000 the second year are from the seed inspection fund established under Minnesota Statutes, section 21.92, for administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92.

\$731,000 the first year and \$744,000 the second year are from the commercial feed inspection account established under Minnesota Statutes, section 25.39, subdivision 4, for administration and enforcement of Minnesota Statutes, sections 25.35 to 25.44.

\$530,000 the first year and \$530,000 the second year are from the fruit and vegetables inspection account established under Minnesota Statutes, section 27.07, subdivision 6, for administration and enforcement of Minnesota Statutes, section 27.07.

\$1,746,000 the first year and \$1,779,000 the second year are from the dairy services account established under Minnesota Statutes, section 32.394, subdivision 9, for the purpose of dairy services under Minnesota Statutes, chapter 32.

\$324,000 the first year and \$324,000 the second

year are from the livestock weighing fund established under Minnesota Statutes, section 17A.11, for the purpose of livestock weighing costs under Minnesota Statutes, chapter 17A.

\$53,000 the first year and \$53,000 the second year are for payment of claims relating to livestock damaged by threatened or endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$160,000 the first year and \$160,000 the second year are an increase for the grade A and manufacturing grade inspection programs under Minnesota Statutes, section 32.394.

\$222,000 is transferred to the seed potato inspection fund and must be used for the administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92.

\$960,000 the first year and \$40,000 the second year are to expand the one-on-one educational delivery team system to provide appropriate technologies, including rotational grazing and other sustainable agriculture methods, applicable to small and medium sized dairy farms to enhance the financial success and long-term sustainability of dairy farms in the state. Activities of the dairy diagnostic teams must be spread throughout the dairy producing regions of the state. The teams must consist of farm business management instructors, dairy extension specialists, and dairy industry partners to deliver the informational and technological services. Not later than February 1, 1998, the commissioner shall provide an interim report to the standing committees of the Minnesota senate and house of representatives that deal with agricultural policy issues and funding on activities and accomplishments of the dairy diagnostic teams. The commissioner shall provide a follow-up report to the committees on February 1, 1999. This is a one-time appropriation.

\$25,000 the first year and \$25,000 the second year are for activities of the dairy producers board under Minnesota Statutes, section 17.76.

Subd. 3. Agricultural Marketing and Development

	3,475,000	3,210,000	
		Summary by Fund	
General		3,219,000	3,069,000

Special Revenue	256,000	141,000
-----------------	---------	---------

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3a, the total payments from the ethanol development account to all producers may not exceed \$49,651,000 for the biennium ending June 30, 1999. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis. In fiscal year 1998, the commissioner shall first reimburse producers for eligible unpaid claims accumulated through June 30, 1997.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$141,000 the first year and \$141,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$115,000 is from the Minnesota conservation fund, established in Minnesota Statutes, section 40A.151, to the commissioner of agriculture to provide a match to the \$100,000 appropriation from the future resources fund to evaluate the effectiveness of Minnesota's agricultural land preservation programs, make recommendations for statutory and programmatic improvements, and identify and quantify fiscal impacts of urban sprawl.

\$76,000 the first year and \$77,000 the second year are for development and promotion of integrated pest management in an urban environment. The urban integrated pest management development and promotion program must be coordinated with Metropolitan State University.

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation

for either year is insufficient, the appropriation for the other is available.

\$200,000 is for grants under Minnesota Statutes, section 17.101, subdivision 5.

Subd. 4. Administration and
Financial Assistance

7,683,000

4,746,000

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$115,000 the first year and \$99,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1998 or 1999.

\$201,000 the first year and \$202,000 the second year are for the family farm advocacy program.

\$70,000 the first year and \$70,000 the second year are for the northern crops institute. These appropriations may be spent to purchase equipment and are available until spent.

\$150,000 the first year and \$150,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of \$4 of state money for each \$1 of matching nonstate money that is raised.

\$100,000 is for a grant to the University of Minnesota for a farm safety outreach program. The program must be designed to provide specialized health and safety information and training to targeted at-risk individuals and groups.

\$115,000 the first year and \$115,000 the second year are for the Seaway Port Authority of Duluth.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota Livestock Breeders' Association.

\$50,000 the first year and \$50,000 the second year are for the Passing on the Farm Center under Minnesota Statutes, section 17.985. This appropriation is available only to the extent matched with nonstate money.

\$50,000 in each year is for beaver damage control grants for the purposes of Minnesota Statutes, section 17.110.

\$70,000 the first year is for the construction costs

of a greenhouse to produce biological control agents.

\$50,000 the first year and \$50,000 the second year are for funding litigation to accomplish reform of the federal milk market order system and for legal actions opposing the Northeast Dairy Compact.

\$100,000 the first year is for transfer to the public utilities commission for costs related to the duties of the commission and the team of science advisors established under Laws 1994, chapter 573, as amended. This appropriation remains available until June 30, 1999.

\$525,000 the first year is for livestock odor research. Of this amount, \$400,000 is for a grant to the University of Minnesota department of biosystems and agricultural engineering for research and development of: (1) an odor rating system that compares odor levels of livestock production facilities based on the species of livestock, livestock housing, manure management systems, and other factors that contribute to odor levels, with the odor rating to be determined using olfactometry; (2) information tools to be provided to local units of government to create setback requirements for livestock production facilities based on the odor rating system developed in clause (1); (3) best management practices to control livestock odor with priority on the development of practices that control odor as much as economically feasible during seasonal and other periods of peak odor levels; and (4) provisions for rating the efficacy of new odor-reduction technologies and additives. Applicants for a rating under this clause must pay for the research necessary to provide the rating to be used in marketing their new technology. \$125,000 is for a grant to the Minnesota institute for sustainable agriculture for research, development, and promotion of low-emission and low-energy alternative hog production systems and promotion of developed systems, including hoop houses, the Swedish model (Vastgotamodellen) for farrowing and feeder pig production, and pasture grazing and farrowing.

\$200,000 the first year and \$200,000 the second year are to develop a scientific data base on odor from feedlots, conduct research on biofilters as odor suppressants, and evaluate composting and drainage systems for effectiveness. This is a one-time appropriation.

\$1,200,000 the first year is for an electronic information management system. By January 15, 1998, the commissioner shall report to the legislature concerning the status of the system and shall make a recommendation concerning the remaining needs for the system and costs of funding those needs.

\$1,000,000 is to create and administer a "Minnesota grown" coupon program to provide food coupons to adult or minor legal noncitizens who are residing in this state as of July 1, 1997, lost their eligibility for the federal food stamp program under the provisions of Public Law Number 104-193, title IV, are receiving general assistance or supplemental security income, and comply with the eligibility requirements in Minnesota Statutes, section 256D.05, subdivision 8, paragraph (b). Coupons shall be issued each month within the funds available by the commissioner to noncitizens who are residents of participating counties and eligible for the supplement under this paragraph. The commissioner of human services must provide to the commissioner of agriculture the names of the heads of households that contain adult or minor legal noncitizens who are eligible for the supplement under this paragraph, their addresses, and any other information necessary to ensure the administrative efficiency of the "Minnesota grown" coupon program. The amount of the "Minnesota grown" coupons must be excluded as income under the AFDC, refugee cash assistance, general assistance, MFIP, MFIP-R, MFIP-S, food stamp programs, state housing subsidy programs, low-income energy assistance programs, and other programs that do not count food stamps as income. Counties must apply to the commissioner to participate in the "Minnesota grown" coupon program.

The coupons must be clearly labeled as redeemable only for products licensed to use the "Minnesota grown" logo or labeling statement under Minnesota Statutes, section 17.102. Coupons may be redeemed by farmers, custom meat processors, community-supported agriculture farms, grocery stores, and retailers. The person accepting the coupon is responsible for its redemption only on products licensed to use the "Minnesota grown" logo or labeling statement.

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

The commissioner shall report on the "Minnesota grown" coupon program by January 15, 1998, to the house of representatives agriculture committee, the senate agriculture and rural development committee, the house environment and natural resources finance committee, and the senate environment and agriculture budget division.

Sec. 8. BOARD OF ANIMAL HEALTH	2,348,000	2,383,000
--------------------------------	-----------	-----------

\$40,000 the first year and \$40,000 the second year are for a program to control para-tuberculosis ("Johne's disease") in domestic bovine herds. The board must design and implement a program to provide educational and financial assistance to bovine herd owners for testing and related activities that will reduce the prevalence of the disease in herds known to be infected and to establish "test negative" herds as a source of negative replacement cattle. Not later than January 31, 1999, the executive secretary shall report to the legislature on the progress and results of the para-tuberculosis control program.

\$49,000 the first year and \$40,000 the second year are for a grant to the University of Minnesota college of veterinary medicine to be used for development and implementation of the companion animal resource education program, in collaboration with the Minnesota extension service.

Sec. 9. CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK	63,000	64,000
---	--------	--------

Sec. 10. SCIENCE MUSEUM OF MINNESOTA	1,136,000	1,164,000
---	-----------	-----------

Sec. 11. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	172,000	177,000
--	---------	---------

Summary by Fund

General	141,000	145,000
---------	---------	---------

Natural Resources	31,000	32,000
-------------------	--------	--------

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

\$31,000 the first year and \$32,000 the second year are from the water recreation account in the natural resources fund for the St. Croix management and stewardship program.

Sec. 12. MINNESOTA ACADEMY OF SCIENCE	41,000	41,000
--	--------	--------

\$5,000 the first year and \$5,000 the second year

are for a program to provide hands on science activities for elementary school children.

Sec. 13. MINNESOTA HORTICULTURAL SOCIETY

82,000 82,000

Sec. 14. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE

4,420,000 4,330,000

Summary by Fund

General	4,220,000	4,130,000
Special Revenue	200,000	200,000

\$90,000 the first year is for development of a program of marketing a value-added agriculture product by a community-based youth program.

\$200,000 the first year and \$200,000 the second year are for hybrid tree management research and development of an implementation plan for establishing hybrid tree plantations in the state. This appropriation is available to the extent matched by \$2 of nonstate contributions, either cash or in kind, for each \$1 of state money. This shall be added to the agency base.

Sec. 15. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation

37,208,000

Summary by Fund

Minnesota Future Resources Fund	14,668,000
---------------------------------	------------

Environment and Natural Resources Trust Fund	22,270,000
--	------------

Great Lakes Protection Account	120,000
--------------------------------	---------

Oil Overcharge Money in the Special Revenue Fund	150,000
--	---------

Unless otherwise provided, the amounts in this section are available until June 30, 1999, when projects must be completed and final products delivered.

Subd. 2. Definitions

(a) "Future resources fund" means the Minnesota future resources fund referred to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(c) "Great lakes protection account" means the account referred to in Minnesota Statutes, section 116Q.02.

(d) "Oil overcharge money" means the money referred to in Minnesota Statutes, section 4.071, subdivision 2.

Subd. 3. Legislative Commission
on Minnesota Resources

776,000

\$304,000 of this appropriation is from the future resources fund and \$472,000 is from the trust fund, pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

Subd. 4. Recreation

(a) STATE PARK AND RECREATION AREA
ACQUISITION, DEVELOPMENT, BETTERMENT,
AND REHABILITATION

3,500,000

This appropriation is from the trust fund to the commissioner of natural resources as follows: (1) for state park and recreation area acquisition, \$2,500,000; and (2) for state park and recreation area development, rehabilitation, and resource management, \$1,000,000, unless otherwise specified in the approved work program. The use of the Minnesota conservation corps is encouraged. The commissioner must submit grant requests for supplemental funding for federal ISTEA money in eligible categories and report the results to the legislative commission on Minnesota resources. This project must be completed and final products delivered by June 30, 2000, and the appropriation is available until that date.

(b) METROPOLITAN REGIONAL PARK
SYSTEM

3,500,000

This appropriation is from the trust fund for payment by the commissioner of natural resources to the metropolitan council for subgrants for acquisition, development and rehabilitation in the metropolitan regional park system consistent with the metropolitan council regional recreation open space capital improvement plan. This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources. The metropolitan council shall collect and digitize all local, regional, state and federal parks and all off-road trails with connecting on-road routes for the Metropolitan area and produce a printed map. This project must be completed and final

products delivered by June 30, 2000, and the appropriation is available until that date.

(c) LOCAL INITIATIVES GRANTS
PROGRAM

2,900,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants, as follows:

(1) \$600,000 to local units of government for local park and recreation areas pursuant to Minnesota Statutes, section 85.019. \$50,000 of this appropriation is to complete the Larue public water access.

(2) \$600,000 to local units of government for natural and scenic areas pursuant to Minnesota Statutes, section 85.019.

(3) \$900,000 for trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grant. \$200,000 is for grants of up to \$50,000 per project for trail linkages between communities, trails, and parks, and \$700,000 is for grants of up to \$250,000 for locally funded trails of regional significance. \$250,000 is to provide matching funds for an ISTE A grant to provide easement acquisition and engineering costs for a proposed trail between the city of Pelican Rapids and Maplewood state park.

(4) \$600,000 for a statewide conservation partners program, to encourage private organizations and local governments to cost share improvement of fish, wildlife, and native plant habitats and research and surveys of fish and wildlife. Conservation partners grants may be up to \$10,000 each.

(5) \$200,000 for environmental partnerships program grants of up to \$10,000 each for environmental service projects and related education activities through public and private partnerships.

In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources and the commission has approved the grants or allowed 60 days to pass. The above appropriations, in combination, are available half for the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and half for outside of the metropolitan area. For the purpose of this paragraph, the match must be nonstate contributions, but may be either cash or

in-kind. This project must be completed and final products delivered by June 30, 2000, and the appropriation is available until that date.

(d) BORDER-TO-BORDER TRAIL STUDY 100,000

This appropriation is from the future resources fund to the commissioner of natural resources for the border-to-border trail study of the trails and waterways division. The border-to-border trail study shall inventory and integrate local, regional, and state trail systems and plan for future development, including identifying abandoned rail lines and dual treadways. The Minnesota recreational trail users association (MURTA) shall serve as the advisory group to the department of natural resources in developing the study and plan. The appropriation is available until June 30, 1999.

Subd. 5. Historic Sites

(a) FORT SNELLING STATE PARK - UPPER BLUFF UTILIZATION AND AYH HOSTEL 250,000

This appropriation is from the future resources fund to the commissioner of natural resources for a cooperative project with Hostelling International and community cooperators to develop a conceptual utilization plan for the Upper Bluff Area, assess buildings for potential hostel use, and complete the design and construction documents for a building or buildings for future renovation as a hostel. This appropriation must be matched by at least \$20,000 of nonstate money.

(b) PROTECTING RURAL HISTORIC LANDSCAPES IN HIGH DEVELOPMENT AREAS 80,000

This appropriation is from the trust fund to the Minnesota Historical Society to document resources and prepare a management plan for historical agricultural landscapes in the St. Cloud-Rochester growth corridor.

(c) JEFFERS PETROGLYPHS ENVIRONMENTAL ASSESSMENT AND PRAIRIE RESTORATION 125,000

This appropriation is from the future resources fund to the Minnesota Historical Society to establish an environmental monitoring program and assess environmental effects on the petroglyphs and restore native prairie to parts of this state site.

(d) DEVELOPMENT OF BIRCH COULEE STATE HISTORIC SITE 253,000

This appropriation is from the trust fund to the Minnesota Historical Society to improve public access to the state historic site at Birch Coulee, with self-guided trails, interpretive markers, and basic visitor amenities.

(e) WHITE OAK LEARNING CENTER
ENVIRONMENTAL AWARENESS
THROUGH HISTORY 120,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the White Oak Society, Inc., to create an education program integrating environmental education into historical, cultural, and social contexts.

(f) HISTORICAL AND CULTURAL MUSEUM ON
VERMILION LAKE INDIAN RESERVATION 100,000

This appropriation is from the future resources fund to the Minnesota Historical Society for an agreement with Bois Forte Reservation to design and construct a historical museum for cultural interpretation adjacent to an historic gold mine and fur trade post on Lake Vermilion. As an additional condition of acceptance of this appropriation, this facility may not be used for any form of gambling or the promotion of gambling. This appropriation must be matched by at least \$100,000 of nonstate money.

(g) NATIVE AMERICAN PERSPECTIVE OF
THE HISTORIC NORTH SHORE 60,000

This appropriation is from the future resources fund to the Minnesota Historical Society for an agreement with the Sugarloaf Interpretive Center Association for an interpretive study of Native Americans on the North Shore of Lake Superior in cooperation with Native American bands. This appropriation must be matched by at least \$30,000 of nonstate money.

(h) SOUDAN UNDERGROUND PHYSICS
LABORATORY EXPANSION 400,000

This appropriation is from the future resources fund to the University of Minnesota to assist in the construction of the Soudan Mine facilities for scientific interpretation.

Subd. 6. Water Resources

(a) ON-SITE SEWAGE TREATMENT
ALTERNATIVES AND TECHNOLOGY
TRANSFER 500,000

This appropriation is from the future resources fund to the pollution control agency for the

second biennium to evaluate alternative on-site sewage treatment systems for cost-effective removal of pathogenic bacteria, viruses and nutrients.

(b) NITRATE EDUCATION AND TESTING 150,000

This appropriation is from the trust fund to the commissioner of agriculture to accelerate knowledge of nitrate levels in private drinking water supplies through development of water testing clinics for rural well owners and education programs. This appropriation must be matched by at least \$50,000 from the agriculture fertilizer inspection account.

(c) SNAKE RIVER WATERSHED BMPS 100,000

This appropriation is from the trust fund to the board of water and soil resources for an agreement with the Snake River Watershed Management Board to accelerate the implementation of the 1996 Snake River Watershed Management Plan.

(d) EVALUATION OF WATERSHED BASED WATERSHED DISTRICT MANAGEMENT 150,000

This appropriation is from the future resources fund to the board of water and soil resources for an agreement with the Minnesota Association of Watershed Districts to evaluate the effectiveness of water quality management by watershed districts. This appropriation must be matched by at least \$75,000 of nonstate money.

(e) RED RIVER VALLEY PLANNING AND MANAGEMENT 375,000

This appropriation is from the trust fund to the pollution control agency to create an ecosystem management plan for the Red River Valley, integrating land and water basin management strategies in cooperation with interstate and international organizations.

(f) SUSTAINABLE LAKE PLANS 270,000

This appropriation is from the trust fund to the University of Minnesota, Center for Urban and Regional Affairs, in cooperation with the Minnesota Lakes Association, to develop education programs and a comprehensive lake plan in each of the state's five lake regions.

(g) LAKESHORE RESTORATION - MINNEAPOLIS CHAIN OF LAKES 300,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and

Recreation Board to restore native plants on lake shores of the chain of lakes to improve water quality, wildlife habitat, and decrease erosion. This appropriation must be matched by at least \$150,000 of nonstate money.

(h) ATMOSPHERIC AND NONPOINT POLLUTION TRENDS IN MINNESOTA LAKES 325,000

This appropriation is from the trust fund to the pollution control agency to document geographic and historic trends in lake eutrophication and inputs of toxic metals and organic pollutants from land-use impacts and atmospheric sources. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 7. Agricultural Practices

(a) BIOLOGICAL CONTROL OF AGRICULTURAL PESTS 200,000

This appropriation is from the trust fund to the University of Minnesota to accelerate using biological control of pests in agricultural production systems. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) CROP MANAGEMENT TO MINIMIZE PESTICIDE INPUTS 300,000

This appropriation is from the trust fund to the University of Minnesota to develop nonpesticide management strategies for pest control for crops.

(c) SUSTAINABLE FARMING SYSTEMS 560,000

This appropriation is from the trust fund to the University of Minnesota for a comprehensive program of complementary on-farm and experiment station research, demonstration, and educational activities about the economic and environmental effects of sustainable farming systems.

(d) PRAIRIE-GRASSLAND LANDSCAPES 125,000

This appropriation is from the trust fund to the commissioner of natural resources for the second biennium to implement grassland ecosystem stewardship activities in the Glacial Lake Agassiz Interbeach area in cooperation with the resource conservation and development councils.

(e) REDUCING MINNESOTA RIVER POLLUTION FROM LACUSTRINE SOILS 250,000

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the University of Minnesota for the second biennium to research the impact of farming systems utilizing crop residue for sediment control on lacustrine landscapes in the Minnesota River Basin.

(f) MERCURY MANOMETERS 250,000

This appropriation is from the future resources fund to the commissioner of agriculture for the purposes of Minnesota Statutes, sections 17.861, 115A.932, and 116.92, and is available until June 30, 1999.

Subd. 8. Pollution Prevention

(a) TOXIC EMISSIONS FROM FIRE TRAINING 65,000

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

(b) POLLUTION PREVENTION TRAINING PROGRAM FOR INDUSTRIAL EMPLOYEES 200,000

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

Subd. 9. Impacts on Natural Resources

(a) GRANTS TO LOCAL GOVERNMENTS TO ASSIST NATURAL RESOURCE DECISION MAKING 150,000

This appropriation is from the future resources fund to the board of water and soil resources for matching grants to local governments to help enable incorporation of impacts on natural resources into local decision making.

(b) EVALUATION OF URBAN GROWTH ECONOMIC AND ENVIRONMENTAL COSTS AND BENEFITS 275,000

This appropriation is from the future resources fund to the director of the office of strategic and long-range planning for an agreement with Minnesotans for an energy-efficient economy to

evaluate the benefits, costs, and environmental impacts of alternative urban and rural growth patterns.

(c) REINVENTING THE AGRICULTURAL LAND PRESERVATION PROGRAM 100,000

This appropriation is from the future resources fund to the commissioner of agriculture to evaluate the effectiveness of Minnesota's agricultural land preservation programs, and identify and quantify fiscal impacts of rural sprawl. This appropriation must be matched by at least \$100,000 of nonstate money or money from the Minnesota conservation fund.

(d) NEW MODELS FOR LAND-USE PLANNING 530,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the Land Stewardship Project for planning, inventory, technical assistance, and education addressing voluntary easements, purchase, and transfer of development rights to create a protected green corridor in Washington and Chisago counties. Up to \$30,000 is to provide training in adapting holistic resource management concepts and principles for decision making in land use planning.

(e) NORTH MINNEAPOLIS UPPER RIVER MASTER PLAN 300,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to develop a master plan addressing greenspace and trail development, riverbank restoration, and stimulation of river-oriented land uses within a corridor along the east and west banks of the Mississippi River from Plymouth Avenue north to the Minneapolis city limits. This appropriation must be matched by at least \$100,000 of nonstate money.

(f) PREVENTING STORMWATER RUNOFF PROBLEMS THROUGH WATERSHED LAND DESIGN 280,000

This appropriation is from the future resources fund to the University of Minnesota to develop watershed-based land design models for preserving habitat and traditional patterns, and preventing flooding and water quality degradation.

(g) MILLER CREEK MANAGEMENT 100,000

This appropriation is from the future resources

fund to the board of water and soil resources for agreements with the Miller Creek Task Force and the natural resources research institute. \$25,000 is available to the Miller Creek Task Force to begin the project to implement water quality improvement activities on Miller Creek. The remaining \$75,000 is contingent on the formation of a watershed district or a joint powers agreement in place by January 1998, and a match of at least \$25,000 of nonstate money and \$25,000 of additional activity being provided by the natural resources research institute or other sources. Up to \$25,000 of the remaining \$75,000 is for an agreement with the natural resources research institute for research activities.

(h) TROUT HABITAT PRESERVATION
USING ALTERNATIVE WATERSHED
MANAGEMENT PRACTICES 250,000

This appropriation is from the future resources fund to the board of water and soil resources to implement alternative watershed management practices to preserve the lower reaches of Browns Creek as trout habitat.

Subd. 10. Decision-Making Tools

(a) COMPARATIVE RISKS OF MULTIPLE
CHEMICAL EXPOSURES 150,000

This appropriation is from the future resources fund to the commissioner of health to develop comparative risk information for managing exposures to multiple environmental hazards from measurements of pesticides, volatile organic compounds, and metals in soil, air, water, and food.

(b) METROPOLITAN AREA GROUNDWATER
MODEL 300,000

This appropriation is from the trust fund to the pollution control agency for the second biennium to improve and refine the metropolitan groundwater model to improve contaminant tracking, cleanup evaluation, and overall protection of groundwater resources.

(c) WOLF MANAGEMENT PLAN 100,000

This appropriation is from the future resources fund to the commissioner of natural resources to develop a management plan for Minnesota wolves, to be ready for implementation if the Eastern Timberwolf is removed from the federal endangered species list.

(d) MINNESOTA RIVER BASIN NATURAL
RESOURCE DATA 250,000

This appropriation is from the trust fund to Mankato State University in cooperation with the Minnesota River Basin Joint Powers Board to prepare geographic information system data sets for the 1,208 minor watersheds, provide Internet access to the data, and outreach training. This appropriation must be matched by at least \$100,000 of nonstate money.

(e) LAND USE DEVELOPMENT AND NATURAL RESOURCE PROTECTION MODEL 400,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the city of Winona to develop a geographic information system implementation tool to assist in the evaluation of natural resource protection in land use decision making by local governments. This appropriation must be matched by at least \$88,000 of nonstate money.

(f) STATEWIDE DIGITAL SOIL DATABASE - PHASE I 145,000

This appropriation is from the future resources fund to the board of water and soil resources for the first biennium for a pilot program to investigate methods to digitize data from older soil surveys and to coordinate soil survey digitizing in at least one county on a 50 percent cost share basis. Up to \$30,000 of this appropriation is for digitization and must be matched by nonstate money by April 30, 1999.

(g) FILLMORE COUNTY SOIL SURVEY UPDATE 65,000

This appropriation is from the trust fund to the board of water and soil resources to provide half of the nonfederal share for the second year of a six-year project to update the Fillmore county soil survey into a digitized and manuscript format.

Subd. 11. Public Access to Natural Resource Data

(a) FOUNDATIONS FOR INTEGRATED ACCESS TO ENVIRONMENTAL INFORMATION 650,000

This appropriation is from the future resources fund to the director of the office of strategic and long-range planning for a collaborative effort among natural resource agencies to design, develop, and test a solution to provide integrated electronic access to environmental and natural resource data. These data must be made accessible and free to the public unless made private under the Data Practices Act.

(b) PUBLIC ACCESS TO ARCHAEOLOGICAL KNOWLEDGE 200,000

This appropriation is from the future resources fund to the Minnesota Historical Society for an agreement with the Institute for Minnesota Archaeology to enhance and provide public electronic access to regional archaeological data that have been acquired or maintained with public money.

Subd. 12. Sustainable Development Activities

(a) SUSTAINABLE DEVELOPMENT ASSISTANCE FOR MUNICIPALITIES THROUGH ELECTRIC UTILITIES 240,000

This appropriation is from the future resources fund to the commissioner of administration for an agreement with the Minnesota Municipal Utilities Association to provide decision-making tools, technical information, and expert assistance to advance sustainable renewable energy and energy efficiency developments and implement demonstration projects in at least four communities. This appropriation must be matched by at least \$250,000 in nonstate money.

(b) RENEWABLE ENERGY DEMONSTRATION AND EDUCATION IN STATE PARKS 230,000

\$80,000 of this appropriation is from the trust fund and \$150,000 is from oil overcharge money to the commissioner of natural resources for an agreement with the Center for Energy and Environment to demonstrate cost-effective applications of renewable energy technologies in state parks by developing technology selection guidelines, installing projects in state parks, and providing public renewable energy education. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) ALFALFA BIOMASS PRODUCTION 200,000

This appropriation is from the future resources fund to the University of Minnesota for the evaluation of the environmental impacts and benefits of the production of alfalfa for electrical power generation. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) SUSTAINABLE DEVELOPMENT OF WIND ENERGY ON FAMILY FARMS 200,000

This appropriation is from the future resources fund to the commissioner of administration for an agreement with the Sustainable Resources Center for the second biennium to provide technical assistance, wind assessment, and technology transfer for the development of wind energy harvesting.

(e) CONNECTING PEOPLE AND PLACES THROUGH YELLOW BIKES 95,000

This appropriation is from the future resources fund to the office of environmental assistance for an agreement with the Yellow Bike Coalition to expand and develop a bicycle recycling and transportation program in at least three cities.

(f) SUSTAINABLE GARDENING FOR MINNESOTA HOMES AND COMMUNITIES 400,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Sustainable Resources Center for the fifth biennium to accelerate community garden programs through technical assistance to encourage ecologically sound landscape plantings and maintenance. Up to \$60,000 is to provide a link between sustainable agriculture farmers and urban consumers.

(g) ECONOMICS FOR LASTING PROGRESS 250,000

This appropriation is from the future resources fund to the director of the office of strategic and long-range planning for an assessment of how economic indicators and policies reward or discourage pollution, employment, and sustainable resource use in Minnesota.

(h) SOY-BASED DIESEL FUEL STUDY 83,000

This appropriation is from the future resources fund to the commissioner of agriculture, in cooperation with one or more commissioners of appropriate state agencies, for a pilot project to test the use of soy-based biodiesel fuel to operate fleet vehicles. The study must include an analysis of the environmental effects, operational characteristics, and obstacles to widen use of soy-based biodiesel.

Subd. 13. Environmental Education

(a) SCHOOL NATURE AREA PROJECT (SNAP) 250,000

This appropriation is from the trust fund to the commissioner of natural resources for an

agreement with St. Olaf College for the second biennium to accelerate partnerships between institutions of higher education and schools to develop school nature areas and demonstrate methods of ecological enhancement for integration into school curriculum.

(b) WATERSHED SCIENCE: INTEGRATED RESEARCH AND EDUCATION PROGRAM 500,000

This appropriation is from the future resources fund to the Science Museum of Minnesota to establish a long-term monitoring program for the Valley Creek watershed, develop a public geographic information system laboratory, and watershed science education programs.

(c) MINNESOTA FROG WATCH 300,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the Center for Global Environmental Education, Hamline University, for the second biennium to accelerate the Minnesota frog watch environmental education and monitoring program for youth and families in formal and nonformal education settings. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(d) ENVIRONMENTAL SERVICE LEARNING PROJECTS IN MINNEAPOLIS SCHOOLS 100,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Eco Education to provide training and minigrants for student service learning projects. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) PARTNERS IN ACCESSIBLE RECREATION AND ENVIRONMENTAL RESPONSIBILITY 550,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with Wilderness Inquiry for the second biennium to provide a statewide program of environmental education, outdoor recreation, and inclusion of people with disabilities and other minority groups.

(f) ENVIRONMENTAL SERVICE LEARNING 100,000

This appropriation is from the trust fund to the

commissioner of natural resources for an agreement with Stowe Environmental Elementary School to develop a partnership of schools, communities, and agencies for environmental service learning projects.

(g) STATE WOLF MANAGEMENT: ELECTRONICALLY MODERATING THE PUBLIC DISCUSSION 100,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the International Wolf Center to provide a public electronic forum and information on wolf management. This appropriation must be matched by at least \$20,000 of nonstate money.

(h) CATCH AND RELEASE 20,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Rainy Lake Sportfishing Club to accelerate its catch and release program. This appropriation must be matched by at least \$10,000 of nonstate contributions, either cash or in-kind.

(i) ELECTRONIC ENVIRONMENTAL EDUCATION RAPTOR NETWORK 222,000

This appropriation is from the trust fund to the University of Minnesota raptor center for the second biennium to implement an electronic environmental education network using satellite tracking with birds of prey. The raptor center must seek additional public and private partnerships.

(j) GREEN PRINT SUCCESS 136,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Ramsey county parks and recreation department for a cooperative project including environmental learning centers, counties, and school districts to prepare, pilot, and disseminate information on successful implementation of the Minnesota green print plan for environmental education.

(k) ST. PAUL AND MINNEAPOLIS REGIONAL PARK URBAN INTERPRETATION PROGRAM 200,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the city of St. Paul, division of parks and recreation, for a program to increase utilization of St. Paul and Minneapolis regional parks for environmental education activities.

Subd. 14. Benchmarks and Indicators

(a) ENVIRONMENTAL INDICATORS
INITIATIVE-CONTINUATION 250,000

This appropriation is from the trust fund to the commissioner of natural resources for the second biennium of a three biennium project to create a statewide framework for selecting and monitoring environmental indicators to assess and communicate Minnesota's environmental health status and trends.

(b) MINNESOTA'S FOREST BIRD DIVERSITY
INITIATIVE: CONTINUATION 350,000

This appropriation is from the trust fund to the commissioner of natural resources for the fourth biennium of a six-biennium project for a comprehensive monitoring and research program that develops management tools to maintain forest bird diversity. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) WATER QUALITY INDICATORS OF
ENDOCRINE DISRUPTING CHEMICALS 250,000

This appropriation is from the trust fund to the pollution control agency to monitor and research the effects of endocrine disrupting chemicals in surface waters on fish and wildlife through analysis of biological effects.

(d) STREAM HABITAT PROTECTION:
CONTINUATION 225,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the stream flow protection program. This is the third biennium of a proposed eight-biennium effort to establish a watershed level stream habitat database and develop the tools to set protected flows for ecosystem diversity. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(e) WETLAND ECOSYSTEMS MONITORING 160,000

This appropriation is from the future resources fund to the University of Minnesota to monitor wetland restorations for their ecological success and develop a long-term monitoring database.

(f) LOONS: INDICATORS OF MERCURY
IN THE ENVIRONMENT 230,000

This appropriation is from the trust fund to the University of Minnesota to analyze loon exposure to mercury and its effects on loon health and reproduction in the wild.

(g) TRAINING AND RESEARCH VESSEL FOR LAKE SUPERIOR 250,000

\$130,000 of this appropriation is from the trust fund and \$120,000 of this appropriation is from the Great Lakes protection account to the University of Minnesota-Duluth to purchase a vessel for training and research on Lake Superior. This appropriation must be matched by at least \$250,000 of nonstate money. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 15. Native Fisheries

(a) IMPROVED DECISIONS FOR WALLEYE STOCKING AND SPECIAL REGULATIONS 245,000

This appropriation is from the future resources fund to the University of Minnesota to evaluate outcomes of various stocking and harvest strategies through modeling and genetic marker tracking of the best performing strains to maximize benefits of walleye stocking and harvest regulations on individual lakes. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) MINNESOTA RARE MUSSEL CONSERVATION 91,000

This appropriation is from the trust fund to the University of Minnesota to establish and monitor refugia in the St. Croix River to improve freshwater mussel conservation.

Subd. 16. Land Acquisition in High Growth Areas

(a) SAND DUNES STATE FOREST ACQUISITION 400,000

This appropriation is from the trust fund to the commissioner of natural resources to acquire approximately 200 acres of lands within the Sand Dunes State Forest, according to the Cambridge area forest resource management plan.

(b) ARBORETUM LAND ACQUISITION 450,000

This appropriation is from the trust fund to the University of Minnesota for a grant to the

University of Minnesota Landscape Arboretum Foundation for the second biennium for land acquisition to expand the boundary of the Minnesota Landscape Arboretum. This appropriation must be matched by at least \$450,000 of nonstate money.

Subd. 17. Critical Lands or Habitats

(a) SUSTAINABLE WOODLANDS ON PRIVATE LANDS 875,000

This appropriation is from the future resources fund to the commissioner of natural resources, in cooperation with the Minnesota Forestry Association, to develop stewardship plans for private landowners and implement natural resource projects by providing matching money to private landowners.

(b) CANNON RIVER WATERSHED: INTEGRATED MANAGEMENT 350,000

This appropriation is from the future resources fund to the board of water and soil resources for an agreement with the Cannon River Watershed Partnership for the third biennium to implement activities in the Cannon River watershed through easements, matching grants, and technical assistance.

(c) PEATLAND RESTORATION 275,000

This appropriation is from the future resources fund to the University of Minnesota-Duluth, natural resources research institute, to promote reestablishment of diverse, sustainable peatland ecosystems on harvested peatland sites through accelerated development of cost effective, reliable peatland restoration techniques.

(d) PRAIRIE HERITAGE PROJECT 500,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever, Inc., to acquire and develop land for prairie grasslands and wetlands to be donated to the public. The land must be open and accessible to the public. This appropriation must be matched by at least \$500,000 of nonstate money. In addition to the required work program, parcels may not be acquired until parcel lists have been submitted to the legislative commission on Minnesota resources and the commission has approved the parcel list or allowed 60 days to pass.

(e) PHALEN AREA WETLAND RESTORATION, PHASE II 600,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Paul for design, pre- and post-construction monitoring, and construction of approximately nine acres of wetland.

(f) POINT DOUGLAS BLUFFLAND
ACQUISITION

125,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Carpenter St. Croix Valley Nature Center to purchase bluffs along the Mississippi and St. Croix riverways. The land must be open and accessible to the public. The nature center must provide that the property will revert to the state if the property ceases to be used as a nature center that is open and accessible to the public at no charge. This appropriation is available until June 30, 1999, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(g) MINNESOTA POINT PROTECTION

75,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Park Point Community Club for administrative and management expenses to secure the protection of the old growth stands and bird sanctuary at Minnesota Point in Duluth.

(h) SAVANNAH RESTORATION FOR
SHARP-TAILED GROUSE

30,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the Minnesota Sharp-Tailed Grouse Society to identify and inventory restorable northern savannahs for sharp-tailed grouse habitat.

(i) RIM - CRITICAL HABITAT ACQUISITION
AND ENHANCEMENT

630,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program activities authorized under Minnesota Statutes, section 84.943. Projects must occur in both urban and rural areas. Retroactive reimbursement for the greening the great river park project is authorized.

(j) RIM - WILDLIFE HABITAT
STEWARDSHIP

400,000

This appropriation is from the trust fund to the

commissioner of natural resources to accelerate the reinvest in Minnesota program to improve wildlife habitat and natural plant communities statewide on public lands, both urban and rural, to protect and enhance wildlife, native plant species, and ecological diversity.

(k) SCIENTIFIC AND NATURAL AREA ACQUISITION 200,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the acquisition of land for scientific and natural areas under Minnesota Statutes, section 84.033.

(l) RIM - WILDLIFE HABITAT ACQUISITION 500,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate acquisition of North American waterfowl management plan wetlands and associated uplands on a cost-share basis and wildlife habitat in areas of high population growth.

(m) RIM - ACCELERATE FISHERIES ACQUISITION 567,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program to acquire land adjacent to lakes and streams to provide for angler and management access or protection of critical riparian habitat, including access for nonboat owners and urban users. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(n) MINNESOTA COUNTY BIOLOGICAL SURVEY - CONTINUATION 1,200,000

This appropriation is from the trust fund to the commissioner of natural resources for the sixth biennium of a proposed 12-biennium project to accelerate the county biological survey for the systematic collection, interpretation, and distribution of data on the ecology of rare plants, animals, and natural communities.

(o) FISHING PIER AND PUBLIC SHORE ACCESS 355,000

This appropriation is from the trust fund to the commissioner of natural resources to provide increased access to lakes and rivers statewide through the provision of fishing piers and shoreline access.

(p) PUBLIC BOAT ACCESS 350,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate public water access acquisition and development statewide.

(q) FISHERIES STATEWIDE HATCHERY REHABILITATION 400,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program to implement projects to maintain and improve statewide fish culture facilities. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 18. Wildlife or Trail Corridors

(a) MESABI TRAIL LAND ACQUISITION AND DEVELOPMENT 600,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Rail Authority for the third biennium to develop and acquire segments of the Mesabi trail. This appropriation must be matched by at least \$600,000 of nonstate money. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(b) CHIPPEWA COUNTY REGIONAL TRAIL 400,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the city of Montevideo for the second biennium to complete the construction of the Chippewa county trail system in Montevideo. This appropriation must be matched by at least \$226,000 of nonstate money. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 19. Native Species Planting

(a) MINNESOTA RELEAF TREE PLANTING AND PRESERVATION GRANT PROGRAM 300,000

This appropriation is from the future resources fund to the commissioner of natural resources for the third biennium for matching grants to local communities to plant predominantly native trees and protect native oak forests from oak wilt.

(b) RESTORING WHITE PINE IN THE
MINNESOTA LANDSCAPE 120,000

This appropriation is from the trust fund to the University of Minnesota to investigate factors currently limiting establishment of white pine seedlings in various forest cover types. Management recommendations for natural regeneration, seeding, and planting must be developed.

(c) OAK SAVANNAH RESTORATION IN
ST. PAUL REGIONAL PARKS 200,000

This appropriation is from the trust fund to the commissioner of natural resources for an agreement with the city of St. Paul, division of parks and recreation, to restore oak savannah ecosystems in regional parks.

(d) PRAIRIE AND OAK SAVANNAH
RESTORATION 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with the St. Paul Audubon Society to restore natural areas of sites in at least two parks that have residual prairie and oak savannah areas.

Subd. 20. Exotic Species

(a) BALLAST WATER TECHNOLOGY
DEMONSTRATION FOR EXOTIC
SPECIES CONTROL 250,000

This appropriation is from the future resources fund to the commissioner of natural resources for a demonstration project in cooperation with the Duluth Port Authority to test, evaluate, and refine techniques for preventing the introduction and dispersal of exotic species from ballast water into Lake Superior.

(b) BIOLOGICAL CONTROL OF EURASIAN
WATER MILFOIL AND PURPLE
LOOSESTRIFE - CONTINUATION 150,000

This appropriation is from the trust fund to the commissioner of natural resources for the third biennium of a five-biennium project to develop biological controls for Eurasian water milfoil and purple loosestrife. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

(c) CONTROL OF WEEDS IN NATIVE
WILD RICE 100,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Bois Forte Reservation for a Nett Lake biocontrol study to remove exotic and nuisance weeds from a wild rice lake. Any release of organisms must be in compliance with state and federal permits. This appropriation must be matched by at least \$100,000 of nonstate money. This appropriation is available until June 30, 2000, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

Subd. 21. Data Availability Requirements

(a) During the biennium ending June 30, 1999, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office and government information access council. These data must be made accessible and free to the public unless made private under the Data Practices Act.

(b) As part of their project expenditures, recipients of land acquisition appropriations must provide the information necessary to update public recreation information maps and other appropriate media to the department of natural resources in the specified form.

Subd. 22. Project Requirements

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must comply with Minnesota Statutes, chapter 116P.

Subd. 23. Match Requirements

Unless specifically authorized, appropriations in this section that must be matched and for which the match has not been committed by January 1, 1998, are canceled, and in-kind contributions may not be counted as match.

Subd. 24. Payment Conditions and Capital Equipment Expenditures

All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 1997, or the date the work program is approved, whichever is later, are eligible for reimbursement. Payment must be made upon receiving documentation that

project-eligible reimbursable amounts have been expended, except that reasonable amounts may be advanced to projects in order to accommodate cash flow needs. The advances must be approved as part of the work program. No expenditures for capital equipment are allowed unless expressly authorized in the project work program.

Subd. 25. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.123, requiring the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

Subd. 26. Carryforward

(a) The availability of the appropriations for the following projects is extended to June 30, 1998: Laws 1996, chapter 407, section 8, subdivision 3, paragraph (c), local grants; Laws 1995, chapter 220, section 19, subdivision 4, paragraph (e), local grants, paragraph (l), Wildcat Regional Park; subdivision 5, paragraph (d), blufflands landscape, paragraph (f), atmospheric mercury emissions, deposition and environmental cost evaluation, paragraph (i), water quality impacts of feedlot pollution control systems, and paragraph (r), developing, evaluating, and promoting sustainable farming systems; subdivision 6, paragraph (b), environmental education teacher training, paragraph (g), electronic environmental education network; and paragraph (r), as amended by Laws 1996, chapter 407, section 51, Ney environmental center and paragraph (s), Lawndale Environmental Center; subdivision 7, paragraph (f), completion of statewide land use update, paragraph (g), Fillmore county soil survey update, paragraph (j), microbial deterioration of asphalt materials and prevention, and paragraph (k), analysis of lands enrolled in conservation reserve program; subdivision 8, paragraph (a), urban wildlife habitat program; paragraph (e), Phalen wetland restoration; subdivision 11, paragraph (e), energy improvements in public ice arenas.

(b) The availability of the appropriation for the following projects is extended to June 30, 1999: Laws 1995, chapter 220, section 19, subdivision

4, paragraph (a), metropolitan regional park system; paragraph (g), clause (1), as amended by Laws 1996, chapter 407, section 50, local share for ISTE federal projects and subdivision 12, paragraph (a), restore historic Mississippi river mill site; Laws 1994, chapter 632, article 2, section 6, Silver Bay harbor; and Laws 1993, chapter 172, section 14, subdivision 10, paragraph (o), Lake Superior safe harbors-continuation.

Subd. 27. Energy Conservation

A recipient to whom an appropriation is made in this section for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including Minnesota Statutes, sections 216C.19 to 216C.21, and rules adopted thereunder. The recipient may use the energy planning and intervention and energy technologies units of the commissioner of public service to obtain information and technical assistance on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Sec. 16. 1997 DEFICIENCIES; DEPARTMENT OF NATURAL RESOURCES

\$500,000 in fiscal year 1997 is for a binding arbitration award related to the removal of the Flandrau Dam.

\$600,000 is for snowmobile grants-in-aid from the snowmobile trails and enforcement account for fiscal year 1997, to be available until June 30, 1997.

Sec. 17. ETHANOL DEVELOPMENT FUND TRANSFER

As cash flow in the ethanol development fund under Minnesota Statutes, section 41B.044, permits, but no later than June 30, 1999, the commissioner of finance, in consultation with the commissioner of agriculture, shall transfer \$820,000 from the unencumbered balance in the fund to the general fund.

Sec. 18. Minnesota Statutes 1996, section 17.03, is amended by adding a subdivision to read:

Subd. 12. [CONTRACTS; APPROPRIATION.] The commissioner may accept money as part of a contract with any public or private entity to provide statutorily prescribed services by the department. A contract must specify the services to be provided by the department and the amount and method of reimbursement. Money generated in a contractual agreement under this section must be deposited in a special revenue fund and is appropriated to the department for purposes of providing services specified in the contracts. Contracts under this section must be processed in accordance with section 16B.06. The commissioner must report revenues collected and

expenditures made under this section to the chairs of the environment and natural resources finance committee in the house of representatives and the environment and agriculture budget division in the senate by January 15 of each odd-numbered year.

Sec. 19. Minnesota Statutes 1996, section 17.101, is amended to read:

17.101 [PROMOTIONAL ACTIVITIES.]

Subdivision 1. [DEPARTMENTAL DUTIES.] For the purposes of expanding, improving, and developing ~~the markets for production and marketing of products of Minnesota agriculture~~, the commissioner shall encourage and promote the production and marketing of these products by means of:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products; ~~and~~
- (j) conducting research to eliminate or reduce specific production or technological barriers to market development and trade; and
- (k) other activities the commissioner deems appropriate to promote Minnesota agricultural products, provided that the activities do not duplicate programs or services provided by the Minnesota trade division or the Minnesota world trade center corporation.

Subd. 2. [AGRICULTURAL DEVELOPMENT GRANTS AND CONTRACTS.] In order to carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may enter into partnerships or seek gifts to carry out subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations, the University of Minnesota, and agriculture related businesses to fulfill the duties. The commissioner shall make permanent rules for the administration of these grants and contracts. The rules shall specify at a minimum:

- (a) eligibility criteria;
- (b) application procedures;
- (c) provisions for application review and project approval;
- (d) provisions for program monitoring and review for all approved grants and contracts; and
- (e) other provisions the commissioner finds necessary.

Contracts entered into by the commissioner pursuant to this subdivision shall not exceed 75

percent of the cost of the project supported by the commissioner's grant. In any biennium, no organization shall receive more than \$70,000 in grants from the commissioner.

Subd. 3. [AUDITS.] The books, records, documents, and accounting procedures and practices of any organization receiving a grant or contract from the commissioner under the provisions of subdivision 2 shall be subject to examination by the department. The commissioner may prescribe uniform methods of accounting to be used by grant or contract recipients.

Subd. 4. [ADVISORY GROUP.] The commissioner may establish an ad hoc advisory group to assist in evaluating grant requests made pursuant to under subdivision 2.

Subd. 5. [VALUE-ADDED AGRICULTURAL LIVESTOCK PROCESSING AND MARKETING GRANT PROGRAM.] (a) For purposes of this section, "livestock or dairy processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agricultural livestock or dairy commodities produced.

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

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

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

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

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

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

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

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

Sec. 20. [17.110] [BEAVER DAMAGE CONTROL GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of agriculture shall establish a beaver damage control grant program to provide grants for the control of beaver activities causing damage to public waters, roads, and ditches and adjacent private property. The grants may only be made to a joint powers board established under section 471.59 by two or more governmental units and may include Indian tribal governments.

Subd. 2. [GRANT AMOUNT.] The commissioner may provide up to 50 percent of the costs of implementing a beaver damage control program by a joint powers board.

Subd. 3. [AWARDING OF GRANTS.] Applications for grants must be made to the commissioner on forms prescribed by the commissioner. The commissioner shall consult with town supervisors and county commissioners representing different areas of the state in developing the application form. A joint powers board seeking a grant may be required to supply information on the beaver control program it has adopted, the extent of the problem in the geographic area covered by the joint powers agreement, and the ability of the joint powers board to match the state grant. The commissioner may prioritize the grant applications based upon the information requested as part of the grant application.

Subd. 4. [REPORT.] (a) Within one year after receiving a grant under this section, a joint powers board must report to the commissioner on the board's efforts to control beaver in the area.

(b) The commissioner shall report to the senate and house environment and natural resources committees on the efforts under this section to control beaver by December 15 of each even-numbered year.

Sec. 21. Minnesota Statutes 1996, section 17.116, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) Grants may only be made to farmers, educational institutions, individuals at educational institutions, or nonprofit organizations residing or located in the state for demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

- (1) the ability to maximize direct or indirect energy savings or production;
- (2) a positive effect or reduced adverse effect on the environment; and
- (3) profitability for the individual farm.

Sec. 22. Minnesota Statutes 1996, section 17.116, subdivision 3, is amended to read:

Subd. 3. [AWARDING OF GRANTS.] (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a post-secondary educational institution, two resident farmers of the state using sustainable agriculture methods, and a chair from the department.

(c) The technical review panel shall rank applications according to the following criteria:

- (1) direct or indirect energy savings or production;
- (2) environmental benefit;
- (3) farm profitability;
- (4) the number of farms able to apply the techniques or the technology proposed;
- (5) the effectiveness of the project as a demonstration;
- (6) the immediate transferability of the project to farms; and
- (7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use contribution. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multiyear projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

~~(g) Only one grant under this section may be made per grantee.~~

Sec. 23. [17.458] [AGROFORESTRY.]

Subdivision 1. [DEFINITION.] "Agroforestry" means the cultivation of short-rotation woody crops using agricultural practices to produce timber or forest products.

Subd. 2. [AGRICULTURAL PURSUIT.] Agroforestry is an agricultural pursuit.

Sec. 24. Minnesota Statutes 1996, section 17.4988, is amended to read:

17.4988 [LICENSE AND INSPECTION FEES.]

Subdivision 1. [REQUIREMENTS FOR ISSUANCE.] A permit or license must be issued by the commissioner if the requirements of law are met and the license and permit fees specified in this section are paid.

Subd. 2. [AQUATIC FARMING LICENSE.] (a) The annual fee for an aquatic farming license is \$275.

(b) The aquatic farming license may contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

- (1) minnow dealer license;
- (2) minnow retailer license for sale of minnows as bait;
- (3) minnow exporting license;
- (4) ~~minnow dealer helper license;~~

~~(5) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow hauler vehicle license, and a fish vendor vehicle license;~~

- ~~(6) (5) sucker egg taking license; and~~
- ~~(7) (6) game fish packers license.~~

Subd. 3. [INSPECTION FEES.] The fees for the following inspections are:

- (1) initial inspection of each water to be licensed, \$50;
- (2) fish health inspection and certification, \$20 plus \$80 \$100 per lot thereafter; and
- (3) initial inspection for containment and quarantine facility inspections, \$50.

Subd. 4. [AQUARIUM FACILITY.] (a) A person operating a commercial aquarium facility must have a commercial aquarium facility license issued by the commissioner if the facility contains species of aquatic life that are for sale and that are present in waters of the state. The commissioner may require an aquarium facility license for aquarium facilities importing or holding species of aquatic life that are for sale and that are not present in Minnesota if those species can survive in waters of the state. The fee for an aquarium facility license is \$15 \$19.

(b) Game fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 17.4985, subdivision 3, paragraph (b).

Sec. 25. Minnesota Statutes 1996, section 17.76, is amended to read:

17.76 [MINNESOTA DAIRY PRODUCERS BOARD.]

Subdivision 1. [ESTABLISHMENT; COMPOSITION; OFFICERS.] (a) The Minnesota dairy producers board consists of ~~17~~ 18 members. Fourteen of the members must be eligible family dairy producers. ~~Three~~ Four of the members must represent food consumer groups. For purposes of this section, "eligible family dairy producer" means a natural person who daily manages and operates a dairy farm owned by the person. "Eligible family dairy producer" does not include a

person who is currently an employee of or a member of the board of directors of an organization involved in milk processing or dairy marketing.

(b) The board shall elect from among its members a chair and other appropriate officers.

Subd. 2. [APPOINTMENT; TERMS; COMPENSATION.] (a) Two members of the board shall be appointed by each of seven organizations representing agriculture in Minnesota. The organizations are:

Minnesota Farmers Union;
 National Farmers Organization;
 Farmers Union Milk Marketing Cooperative;
 Minnesota Milk Producers;
 Sustainable Farming Association of Minnesota;
 Minnesota Farm Bureau; and
 Minnesota COACT.

~~One member~~ Two members of the board shall be appointed by each of ~~three~~ two organizations representing consumers in Minnesota. The organizations are:

Minnesota Food Association; and
 Minnesota Senior Federation; ~~and~~
~~Minnesota COACT.~~

To the extent practicable, the members must be selected to represent the broad diversity of Minnesota's dairy producers.

(b) The terms and compensation of members and reimbursement for their expenses is governed by section 15.059.

(c) The board expires on June 30, 2001.

Subd. 3. [DUTIES.] (a) The board ~~shall~~ may monitor economic aspects of the dairy production, processing, and marketing process including:

- (1) the movement of milk by processors;
- (2) price setting at the ~~Green Bay, Wisconsin,~~ National Cheese Exchange in Chicago;
- (3) processor pricing ~~schemes~~ methods;
- (4) producer checkoffs and the use of checkoff funds;
- (5) federal and state pricing policy; and
- (6) other activities that affect the farm gate price of raw milk.

(b) The board ~~shall~~ may regularly educate producers, processors, consumers, and policymakers about the reasons for inadequate raw milk prices.

(c) The board ~~shall~~ may conduct quarterly surveys of dairy producers to identify problems created by milk prices that do not provide a fair return on the investment of producers. The board ~~must~~ may compile the information from these surveys and recommend solutions to producers.

(d) The board ~~shall~~ may determine dairy production costs in each county through periodic surveys and from local organizations of producers.

~~(e) The board shall serve as an advocate for dairy producers in assuring that members of cooperatives are awarded protections similar to the rights of members of cooperative electric associations under section 216B.027.~~

Sec. 26. [17.861] [REPLACEMENT OF MERCURY MANOMETERS.]

The commissioner, in cooperation with the pollution control agency, the office of environmental assistance, dairy equipment manufacturers and suppliers, and other interested parties, shall develop a program to provide replacement nonmercury manometers for a \$50 fee and to arrange for the acceptance, disposal, and recycling of the mercury, apparatus, and manometers at no cost to the dairy farmer. The mercury, manometers, and apparatus shall be managed in accordance with sections 115A.932 and 116.92.

Sec. 27. Minnesota Statutes 1996, section 18.79, is amended by adding a subdivision to read:

Subd. 12. [NOXIOUS-WEED-FREE FORAGE AND MULCH CERTIFICATION AGENCY.] The official certification agency for noxious-weed-free forage and mulch shall be determined by the commissioner of agriculture in consultation with the director of the Minnesota agricultural experiment station.

Sec. 28. Minnesota Statutes 1996, section 18C.421, subdivision 1, is amended to read:

Subdivision 1. [SEMIANNUAL STATEMENT.] (a) Each licensed distributor of fertilizer and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the number of net tons and grade of each raw fertilizer material distributed or the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period.

(b) A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.

(c) The report is due on or before the last day of the month following the close of each reporting period of each calendar year.

(d) The inspection fee at the rate stated in section 18C.425, subdivision 6, must accompany the statement.

Sec. 29. Minnesota Statutes 1996, section 18C.425, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FEES FERTILIZER LICENSE.] (a) An application for other licenses a license for each fixed location to be covered by the license within the state must be accompanied by a nonrefundable application fee of \$100 fee.

(b) An application for a license for all fixed locations of a firm outside of the state must be accompanied by a nonrefundable application fee of \$100.

(c) An application for a license to cover mobile mechanical units must be accompanied by a nonrefundable application fee of \$100 for the first unit operated by one distributor and \$50 for each additional mobile mechanical unit.

Sec. 30. Minnesota Statutes 1996, section 18C.425, subdivision 2, is amended to read:

Subd. 2. [SPECIALTY FERTILIZER REGISTRATION.] An application for registration of a specialty fertilizer must be accompanied by a registration nonrefundable application fee of \$100 for each brand and grade to be sold or distributed as provided in section 18C.411.

Sec. 31. Minnesota Statutes 1996, section 18C.425, subdivision 3, is amended to read:

Subd. 3. [SOIL AMENDMENT AND PLANT AMENDMENT REGISTRATION.] An application for registration of a soil amendment or plant amendment must be accompanied by a

~~registration nonrefundable application~~ fee of \$200 for each brand sold or distributed as provided in section 18C.411.

Sec. 32. Minnesota Statutes 1996, section 18C.425, subdivision 6, is amended to read:

Subd. 6. [INSPECTION FEES.] ~~A The person who sells or distributes~~ responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee amounting to the greater of 15 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state or, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

Sec. 33. Minnesota Statutes 1996, section 18C.531, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL LIMING MATERIALS.] "Agricultural liming materials" means materials whose calcium or magnesium compounds, or both, account for an ENP of ~~30~~ 20 percent or more and includes, but is not limited to, burnt lime, hydrated lime, industrial by-product, limestone, and marl.

Sec. 34. Minnesota Statutes 1996, section 18C.551, is amended to read:

18C.551 [LICENSE APPLICATION, SAMPLING, AND INSPECTION FEES.]

Subdivision 1. [APPLICATION FEE AGRICULTURAL LIMING MATERIALS LICENSE.] An application for a license must be accompanied by a nonrefundable ~~license application~~ fee of \$150. This fee shall does not apply to occasional sales of 50 tons or less on an annual basis.

Subd. 2. [ADDITIONAL FEE AFTER JANUARY 1 FOR LATE APPLICATION.] If an application for license renewal is not filed before January 1, an additional nonrefundable application fee of 50 percent of the amount due may be assessed before the renewal license is issued.

Subd. 2a. [FEE FOR PRODUCT USE WITHOUT INITIAL LICENSE.] An applicant shall pay an additional application fee equal to the amount due for each license required if the applicant has distributed or used products in this state before the commissioner has issued an initial license for the products distributed or used.

Subd. 3. [INSPECTION FEES.] ~~A person shall pay an inspection fee, at the rate of five cents per ton, must be paid to the commissioner for all agricultural liming material offered for sale or sold in this state with a minimum of \$10 on all tonnage reports. If more than one person is involved in the distribution of agricultural liming material, the person who first sells or imports the agricultural liming material is responsible for the inspection fee. A person licensed under section 18C.541 must retain invoices showing proof of inspection fees paid.~~

Subd. 4. [SAMPLE AND ANALYSIS FEE.] The commissioner may sample agricultural liming material from a source of production to the extent the commissioner considers necessary to implement sections 18C.531 to 18C.575. The commissioner shall charge a sampling fee of \$40 ~~must be assessed for each sample collected. If the sample and analysis fee is not paid before 60 days after billing, the commissioner shall assess an additional nonrefundable late payment fee of 50 percent of the total sample and analysis fee due.~~

Subd. 5. [DEPOSIT OF FEES.] Fees and penalties collected under sections 18C.531 to 18C.575 must be deposited in the general fund.

Sec. 35. Minnesota Statutes 1996, section 25.31, is amended to read:

25.31 [CITATION, COMMERCIAL FEED LAW.]

Sections 25.31 to ~~25.44 shall be~~ 25.43 are known and may be cited as the Minnesota Commercial Feed Law.

Sec. 36. Minnesota Statutes 1996, section 25.32, is amended to read:

25.32 [ENFORCING OFFICIAL.]

Sections 25.31 to ~~25.44~~ 25.43 shall be administered by the commissioner of the department of agriculture, hereinafter referred to as the "commissioner".

Sec. 37. Minnesota Statutes 1996, section 25.33, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] When used in sections 25.31 to ~~25.44~~ 25.43, the terms defined in this section have the meanings given them.

Sec. 38. Minnesota Statutes 1996, section 25.33, subdivision 5, is amended to read:

Subd. 5. [COMMERCIAL FEED.] "Commercial feed" means ~~all materials except or combinations of materials that are distributed or intended to be distributed for use as feed or for mixing in feed, including feed for aquatic animals, unless the materials are specifically exempted. Unmixed seed, whole or processed, when seeds and physically altered entire unmixed seeds, if the whole or physically altered seeds are not chemically changed or are not adulterated within the meaning of section 25.37, paragraphs paragraph (a), (b), (c), or (d) which are distributed for use as feed or for mixing in feed, including feed for aquatic animals are exempt. The commissioner by rule may exempt from this definition, or from specific provisions of sections 25.31 to 25.44 25.43, commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual chemical compounds or substances when such if those commodities, compounds, or substances are not intermixed with other materials, and are not adulterated within the meaning of section 25.37, paragraphs paragraph (a), (b), (c), or (d).~~

Sec. 39. Minnesota Statutes 1996, section 25.33, subdivision 6, is amended to read:

Subd. 6. [FEED INGREDIENT.] "Feed ingredient" means each of the constituent materials making up a commercial feed ~~or pet food~~.

Sec. 40. Minnesota Statutes 1996, section 25.33, subdivision 9, is amended to read:

Subd. 9. [CUSTOMER FORMULA FEED.] "Customer formula feed" means commercial feed which consists of a mixture of commercial feeds or feed ingredients or both, each batch of which is manufactured according to the specific instructions of the final purchaser.

Sec. 41. Minnesota Statutes 1996, section 25.33, subdivision 20, is amended to read:

Subd. 20. [PET.] "Pet" means ~~any~~ a domesticated ~~animal~~ dog or cat normally maintained in or near the household of the its owner ~~thereof~~.

Sec. 42. Minnesota Statutes 1996, section 25.33, is amended by adding a subdivision to read:

Subd. 21. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or a designated representative.

Sec. 43. Minnesota Statutes 1996, section 25.33, is amended by adding a subdivision to read:

Subd. 22. [SPECIALTY PET.] "Specialty pet" means a domesticated animal normally maintained in a cage or tank, including, but not limited to, a gerbil, hamster, canary, psittacine bird, mynah, finch, tropical fish, goldfish, snake, or turtle. "Specialty pet" does not include a dog, cat, horse, rabbit, or wild bird.

Sec. 44. Minnesota Statutes 1996, section 25.33, is amended by adding a subdivision to read:

Subd. 23. [SPECIALTY PET FOOD.] "Specialty pet food" means commercial feed prepared and distributed for consumption by specialty pets.

Sec. 45. Minnesota Statutes 1996, section 25.33, is amended by adding a subdivision to read:

Subd. 24. [QUANTITY STATEMENT.] "Quantity statement" means a statement of the net weight (mass), net volume (liquid or dry), count, or other form of measurement.

Sec. 46. [25.341] [LICENSING.]

Subdivision 1. [REQUIREMENT.] Before a person may: (1) manufacture a commercial feed in the state; (2) distribute a commercial feed in or into the state; or (3) have the person's name appear on the label of a commercial feed as guarantor, the person must have a commercial feed license for each manufacturing or distributing facility. A person who makes only retail sales of commercial feed bearing labeling or another approved indication that the commercial feed is from a licensed manufacturer, guarantor, or distributor who has assumed full responsibility for the tonnage inspection fee due under sections 25.31 to 25.43 is not required to obtain a license.

Subd. 2. [APPLICATION; FEE; TERM.] A person who is required to have a commercial feed license shall submit an application on a form provided or approved by the commissioner accompanied by a license fee of \$25 paid to the commissioner for each facility. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid through January 31 of the next year or until the issuance of the renewal license, whichever comes first, if the licensee has filed a renewal application with the commissioner on or before December 31 of the year for which the current license was issued. A new applicant who fails to obtain a license within 15 working days of notification of the requirement to obtain a license, or a licensee who fails to comply with license renewal requirements, shall pay a \$50 late fee in addition to the license fee. The commissioner may issue a withdrawal from distribution order on any commercial feed that an unlicensed person produces or distributes in the state until a license is issued.

Subd. 3. [COPIES OF LABELS.] The commissioner may request from a licensee copies of labels and labeling in order to determine compliance with sections 25.31 to 25.43.

Subd. 4. [DENIAL; REVOCATION; SUSPENSION; LIMITS.] The commissioner may deny a license to a person or suspend or revoke the license of a person who is not in compliance with sections 25.31 to 25.43. The commissioner may impose conditions that limit production or distribution of a particular commercial feed on the license of a person who is not in compliance with sections 25.31 to 25.43. A license may not be made conditional, suspended, refused, or revoked unless the applicant or licensee has been given an opportunity to be heard before the commissioner in order to comply with the requirements of sections 25.31 to 25.43.

Sec. 47. Minnesota Statutes 1996, section 25.35, is amended to read:

25.35 [LABELING.]

~~A commercial feed shall be labeled as follows:~~

(a) ~~In case of~~ A commercial feed, except a customer formula feed, ~~it shall~~ must be accompanied by a label bearing the following information:

~~(1) The net weight.~~

~~(2) the product name and the brand name, if any, under which the commercial feed is distributed.;~~

~~(3) (2) the guaranteed analysis, stated in such terms as the commissioner requires by rule determines is required, to advise the user of the composition of the feed or to support claims made in the labeling. In all cases The substances or elements must be determinable by laboratory methods such as the methods published by the Association of Official Analytical Chemists. AOAC International or other generally recognized methods;~~

~~(4) (3) the common or usual name of each ingredient used in the manufacture of the commercial feed. The commissioner may by rule permit the use of a collective term for a group of ingredients which perform a similar function, or may exempt such commercial feeds; or any group thereof, of commercial feeds from this requirement of an ingredient statement on finding that such an ingredient statement is not required in the interest of consumers.;~~

~~(5) (4) the name and principal mailing address of the manufacturer or the person responsible for distributing the commercial feed.;~~

~~(6)~~ (5) adequate directions for use for all commercial feeds containing drugs and for such other feeds as the commissioner may require by rule as necessary for their safe and effective use.;

~~(7)~~ Such (6) precautionary statements as which the commissioner determines by rule determines are necessary for the safe and effective use of the commercial feed; and

(7) a quantity statement.

~~(b)~~ In the case of A customer formula feed, it shall must be accompanied by a label, invoice, delivery slip, or other shipping document, bearing the following information:

(1) name and address of the manufacturer.;

(2) name and address of the purchaser.;

(3) date of delivery.;

(4) the product name and brand name, if any, and either (1) (i) the net weight quantity of each registered commercial feed used in the mixture, and the net weight of each other ingredient used in the mixture, or (2) (ii) a guaranteed analysis and list of ingredients in paragraph (A), (3) and (4). (a), clauses (2) and (3);

(5) adequate directions for use for all customer formula feeds containing drugs and for such other feeds as the commissioner may require requires by rule as necessary for their safe and effective use.;

(6) Such precautionary statements as the commissioner determines by rule determines are necessary for the safe and effective use of the customer formula feed.;

(7) if a product containing a drug is used:

(i) the purpose of the medication (claim statement); and

(ii) the established name of each active drug ingredient and the level of each drug used in the final mixture expressed in a manner required by the commissioner by rule; and

(8) for a customer formula feed for which the formula is developed by someone other than the manufacturer, a disclaimer may be included on the label stating "THIS FEED IS A CUSTOMER FORMULA FEED DEVELOPED BY SOMEONE OTHER THAN THE MANUFACTURER. THE MANUFACTURER DOES NOT CLAIM, REPRESENT, WARRANT, OR GUARANTEE, AND IS NOT RESPONSIBLE FOR THE NUTRITIONAL ADEQUACY OF THIS FEED OR THE NUTRITIONAL SUITABILITY OF THIS FEED FOR ITS INTENDED PURPOSE."

(c) The manufacturer of a customer formula feed the formula of which is developed by someone other than the manufacturer is not responsible or liable for the nutritional adequacy or the nutritional suitability of the feed for its intended purpose if: (1) the manufacturer does not make a claim of nutritional adequacy for the customer formula feed and does not make a claim for nutritional suitability of the feed for its intended purpose; and (2) the manufacturer includes the disclaimer in paragraph (b), clause (8). A person other than the manufacturer who develops or recommends a formula for a customer formula feed is responsible for providing to the manufacturer of the feed the appropriate labeling information and for providing the appropriate use information to the feed manufacturer.

Sec. 48. Minnesota Statutes 1996, section 25.36, is amended to read:

25.36 [MISBRANDING.]

A commercial feed shall be deemed to be is misbranded if:

~~(a)~~ If (1) its labeling is false or misleading in any particular.;

~~(b)~~ If (2) it is distributed under the name of another commercial feed.;

~~(c) If (3) it is not labeled as required in section 25.35;~~

~~(d) If (4) it purports to be or is represented as a commercial feed, or if it purports to contain or is represented as containing a commercial feed ingredient unless such that commercial feed or feed ingredient conforms to the definition, if any, prescribed by rule by the commissioner;~~

~~(e) If (5) any word, statement, or other information required by or under authority of sections 25.31 to ~~25.44~~ 25.43 to appear on the label or labeling is not prominently placed thereon on it with such conspicuousness as compared with other words, statements, designs, or devices in the labeling, and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use; or~~

~~(6) its labeling would deceive or mislead the purchaser with respect to its composition or suitability.~~

Sec. 49. Minnesota Statutes 1996, section 25.37, is amended to read:

25.37 [ADULTERATION.]

(a) A commercial feed shall be deemed to be or a material exempted from the definition of commercial feed under section 25.33, subdivision 5, is adulterated if:

~~(a) If (1) it bears or contains any a poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such the commercial feed shall is not be considered adulterated under this section if the quantity of such the substance in such the commercial feed does not ordinarily render it injurious to health; or~~

~~(b) If (2) it bears or contains any an added poisonous, added deleterious, or added nonnutritive substance which is unsafe within the meaning of section 406 of the federal Food, Drug, and Cosmetic Act, other than the one which is a pesticide chemical in or on a raw agricultural commodity, or a food additive; or~~

~~(c) If (3) it is, unsafe or it bears or contains any food additive which is unsafe within the meaning of section 409 of the federal Food, Drug, and Cosmetic Act; or~~

~~(d) If (4) it is a raw agricultural commodity and it bears or contains a pesticide chemical which is unsafe within the meaning of section 408(a) of the federal Food, Drug, and Cosmetic Act; provided, that where a pesticide chemical has been used in or on a raw agricultural commodity in conformity with an exemption granted or a tolerance prescribed under section 408 of the federal Food, Drug, and Cosmetic Act and such that raw agricultural commodity has been subjected to processing such as canning, cooking, freezing, dehydrating, or milling, the residue of such the pesticide chemical remaining in or on such the processed feed shall is not be deemed unsafe if such the residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice and the concentration of such the residue in the processed feed is not greater than the tolerance prescribed for the raw agricultural commodity unless the feeding of such the processed feed will result or is likely to result in a pesticide residue in the edible product of the animal, which is unsafe within the meaning of section 408(a) of the federal Food, Drug, and Cosmetic Act; or~~

~~(e) If (5) it is, or it bears or contains any color additive which is unsafe within the meaning of section 706 of the federal Food, Drug, and Cosmetic Act; or~~

(6) it is, or it bears or contains, any new animal drug which is unsafe within the meaning of section 512 of the federal Food, Drug, and Cosmetic Act;

(7) it consists, in whole or in part, of any filthy, putrid, or decomposed substance, or is otherwise unfit for feed;

(8) it has been prepared, packed, or held under unsanitary conditions whereby it may have become contaminated with filth or may have been rendered injurious to health;

(9) it is, in whole or in part, the product of a diseased animal or of an animal which has died otherwise than by slaughter which is unsafe within the meaning of section 402(a)(1) or (2) of the federal Food, Drug, and Cosmetic Act;

(10) its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health; or

(11) it has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a regulation or exemption in effect under section 409 of the federal Food, Drug, and Cosmetic Act.

(b) A commercial feed is adulterated if:

~~(f) If (1) any valuable constituent has been in whole or in part omitted or abstracted therefrom from it or any less valuable substance substituted therefor for a constituent; or~~

~~(g) If (2) its composition or quality falls below or differs from that which it is purported or is represented to possess by its labeling; or~~

~~(h) If (3) it contains a drug and the methods used in or the facilities or controls used for its manufacture, processing, or packaging do not conform to current good manufacturing practice rules promulgated by the commissioner to assure that the drug meets the requirement safety requirements of sections 25.31 to 25.44 as to safety 25.43 and has the identity and strength and meets the quality and purity characteristics which it purports or is represented to possess. In promulgating such adopting rules under this clause, the commissioner shall adopt the current good manufacturing practice rules for medicated feed premixes and for medicated feeds established under authority of the federal Food, Drug, and Cosmetic Act, unless the commissioner determines that they are not appropriate to the conditions which exist in this state; or~~

~~(i) If (4) it contains viable weed seeds in amounts exceeding the limits which established by the commissioner shall establish by rule.~~

Sec. 50. Minnesota Statutes 1996, section 25.38, is amended to read:

25.38 [PROHIBITED ACTS.]

The following acts and the causing thereof within the state of the following acts in Minnesota are prohibited:

~~(a) The (1) manufacture or distribution of any commercial feed that is adulterated or misbranded;~~

~~(b) The (2) adulteration or misbranding of any commercial feed;~~

~~(c) The (3) distribution of agricultural commodities such as whole seed, hay, straw, stover, silage, cobs, husks, and hulls, which are adulterated within the meaning of section 25.37, paragraph (a), (b), (c), and (d);~~

~~(d) The (4) removal or disposal of a commercial feed in violation of an order under section 25.42;~~

~~(e) The (5) failure or refusal to register in accordance with obtain a commercial feed license under section 25.34. 25.341 or to provide a small package listing under section 25.39; or~~

~~(f) (6) failure to pay inspection fees or file reports as required by section 25.39.~~

Sec. 51. Minnesota Statutes 1996, section 25.39, is amended to read:

25.39 [INSPECTION FEES AND REPORTS.]

Subdivision 1. [AMOUNT OF FEE.] (a) An inspection fee at the rate of 16 cents per ton shall must be paid to the commissioner on commercial feeds distributed in this state by the person who

first distributes the commercial feed to the consumer, subject to the following, except that no fee needs to be paid on:

(a) No fee shall be paid on (1) a commercial feed if the payment has been made by a previous distributor;

(b) No fee shall be paid on (2) customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients therein; or

(c) No fee shall be paid on (3) commercial feeds which are used as ingredients for the manufacture of commercial feeds which are registered if the fee has been paid by a previous distributor. If the fee has already been paid, credit shall must be given for such that payment. A Minnesota feed distributor who distributes commercial feed to purchasers outside the state may purchase commercial feeds, without payment by any person of the inspection fee required on such those purchases, under a permit issued by the commissioner. Such permits shall only be issued to commercial feed distributors who comply with such rules as may be required adopted by the commissioner relative to recordkeeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to insure ensure that proper inspection fee payment has been made.

(d) (b) In the case of a commercial feed which is pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$50 shall be paid for each product in lieu of the inspection fee specified above. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.

(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$25 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.

(d) The minimum inspection fee is \$10 per annual reporting period.

Subd. 1a. [CONTAINERS OF TEN POUNDS OR LESS.] A distributor who is subject to the annual fee specified in subdivision 1, paragraph (b) or (c), shall do the following:

(1) before beginning distribution, file with the commissioner a listing of pet and specialty pet foods to be distributed in the state only in containers of ten pounds or less, on forms provided by the commissioner. The listing under this clause must be renewed annually before July 1 and is the basis for the payment of the annual fee. New products added during the year must be submitted to the commissioner as a supplement to the annual listing before distribution; and

(2) if the annual renewal of the listing is not received before July 1 or if an unlisted product is distributed, pay a late filing fee of \$10 per product in addition to the normal charge for the listing. The late filing fee under this clause is in addition to any other penalty under this chapter.

Subd. 2. [SEMIANNUAL ANNUAL STATEMENT.] Each A person who is liable for the payment of such a fee under this section shall file with the commissioner on forms furnished by the commissioner, a semiannual an annual statement for the periods ending December 31 and June 30 setting forth the number of net tons of commercial feeds distributed in this state during such reporting period the calendar year. The report shall be is due on or before by the 30th 31st of the month following the close of each reporting period of each calendar year each January. The inspection fee at the rate specified in subdivision 1, shall must accompany the statement. For each tonnage report not filed or payment of inspection fees not made within 30 days after the end of a reporting period on time, a penalty of 10 ten percent of the amount due, with a minimum penalty of \$10, shall must be assessed against the registrant, and the amount of fees due, plus penalty, shall constitute is a debt and may be recovered in a civil action against the registrant. The assessment of this penalty shall does not prevent the department from taking other actions as provided in this chapter.

Subd. 3. [RECORDS.] Each distributor person required to pay an inspection fee or to report in accordance with this section shall keep such records as may be that are necessary or required by the commissioner to indicate accurately the tonnage of commercial feed distributed in this state, and the commissioner shall have the right to may examine such those records to verify statements of tonnage. Failure to make an accurate statement of tonnage or to pay the inspection fee or comply as provided herein shall constitute with this section is sufficient cause for the cancellation of all registrations on file for the commercial feed license of the distributor.

Subd. 4. [COMMERCIAL FEED INSPECTION ACCOUNT.] A commercial feed inspection account is established in the state treasury. Fees and penalties collected under sections 25.35 to 25.44 25.43 and interest attributable to money in the account must be deposited in the state treasury and credited to the commercial feed inspection account.

Sec. 52. Minnesota Statutes 1996, section 25.41, subdivision 6, is amended to read:

Subd. 6. [METHODS.] Sampling and analysis shall must be conducted in accordance with methods published by the Association of Official Analytical Chemists, AOAC International or in accordance with other generally recognized methods.

Sec. 53. Minnesota Statutes 1996, section 28A.08, subdivision 3, is amended to read:

Subd. 3. [FEES EFFECTIVE JULY 1, 1996.]

Type of food handler	License Fee Effective July 1, 1996	Penalties Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 45	\$ 15	\$ 25
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$ 61	\$ 15	\$ 25
(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$118	\$ 35	\$ 75
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$202	\$ 50	\$100
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$562	\$100	\$175
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$787	\$150	\$300
(g) Having over \$10,000,000			

	gross sales for the immediately previous license or fiscal year	\$899	\$200	\$350
2.	Wholesale food handler			
	(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$ 50	\$ 15	\$ 15
	(b) Having \$25,000 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$225	\$ 50	\$100
	(c) Having \$250,000 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$337	\$ 75	\$150
	(d) Having \$250,000 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$449	\$100	\$200
	(e) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$562	\$125	\$250
	(f) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$647	\$150	\$300
3.	Food broker	\$112	\$ 30	\$ 50
4.	Wholesale food processor or manufacturer			
	(a) Having gross sales of less than \$250,000 <u>\$125,000</u> for the immediately previous license or fiscal year	<u>\$310</u>	<u>\$ 75</u>	<u>\$150</u>
	(b) Having \$250,000 <u>\$125,000</u> to \$1,000,000 <u>\$250,000</u> gross sales for the immediately previous license or fiscal year	<u>\$449</u> <u>\$310</u>	<u>\$100</u> <u>\$ 75</u>	<u>\$200</u> <u>\$150</u>
	(c) Having \$1,000,000 <u>\$250,001</u> to \$5,000,000 <u>\$1,000,000</u> gross sales for the immediately previous license or fiscal year	<u>\$562</u> <u>\$449</u>	<u>\$125</u> <u>\$100</u>	<u>\$250</u> <u>\$200</u>
	(d) Having over \$1,000,001 to \$5,000,000 gross sales for the immediately previous license or fiscal year	<u>\$647</u> <u>\$562</u>	<u>\$150</u> <u>\$125</u>	<u>\$300</u> <u>\$250</u>
	(e) Having <u>\$5,000,001</u> to <u>\$10,000,000</u> gross sales for			

	<u>the immediately previous license or fiscal year</u>	<u>\$647</u>	<u>\$150</u>	<u>\$300</u>
	<u>(f) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$900</u>	<u>\$200</u>	<u>\$350</u>
5.	Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
	<u>(a) Having gross sales of less than \$250,000 \$125,000 for the immediately previous license or fiscal year</u>	<u>\$169</u> <u>\$100</u>	<u>\$ 50</u> <u>\$ 25</u>	<u>\$ 75</u> <u>\$ 50</u>
	<u>(b) Having \$250,000 \$125,000 to \$1,000,000 \$250,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$253</u> <u>\$169</u>	<u>\$ 75</u> <u>\$ 50</u>	<u>\$125</u> <u>\$ 75</u>
	<u>(c) Having \$1,000,000 \$250,001 to \$5,000,000 \$1,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$310</u> <u>\$253</u>	<u>\$ 75</u>	<u>\$150</u> <u>\$125</u>
	<u>(d) Having over \$1,000,001 to \$5,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$366</u> <u>\$310</u>	<u>\$100</u> <u>\$ 75</u>	<u>\$175</u> <u>\$150</u>
	<u>(e) Having \$5,000,001 to \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$366</u>	<u>\$100</u>	<u>\$175</u>
	<u>(f) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year</u>	<u>\$500</u>	<u>\$150</u>	<u>\$250</u>
6.	Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$ 30	\$ 10	\$ 15
7.	Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
8.	Wholesale food manufacturer processing less than 70,000 <u>700,000</u> pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b) <u>raw milk</u>	\$ 30	\$ 10	\$ 15
9.	A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25

Sec. 54. Minnesota Statutes 1996, section 32.103, is amended to read:

32.103 [INSPECTION OF DAIRIES.]

(a) At times the commissioner determines proper, the commissioner shall cause to be inspected all places where dairy products are made, stored, or served as food for pay, and all places where cows are kept by persons engaged in the sale of milk, and shall require the correction of all insanitary conditions and practices found. During routine inspections or as necessary, the commissioner shall inspect for:

(1) evidence of use of rBGH in violation of section 32.75, by producers providing affidavits of nontreatment under that section; and

(2) mercury manometers in violation of section 116.92.

(b) A refusal or physical threat that prevents the completion of an inspection or neglect to obey a lawful direction of the commissioner or the commissioner's agent given while carrying out this section may result in the suspension of the offender's permit or certification. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the commissioner within 48 hours excluding holidays or weekends or the suspension will take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the offender's permit or certification to sell milk.

Sec. 55. Minnesota Statutes 1996, section 32.394, subdivision 11, is amended to read:

Subd. 11. [WAIVER OF RULES; WATER WELL DISTANCE REQUIREMENT.] A dairy farmer who wishes to be permitted to produce grade A milk may not be denied the grade A permit solely because of provisions in rules adopted by the commissioner of health requiring a minimum distance between a water well and a dairy barn. To be eligible for a grade A permit, the following conditions must be met:

(1) the water well must have been in place prior to January 1, 1974;

(2) the water well must comply with all rules of the commissioner of health other than the minimum distance requirement; and

(3) water from the well must be tested at least once every six months in compliance with guidelines established by the commissioner of agriculture unless the water from the well meets water quality requirements for three consecutive years, in which case the water must be tested only once every 12 months until the water fails to meet water quality requirements during one of the tests.

Sec. 56. Minnesota Statutes 1996, section 32.415, is amended to read:

32.415 [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

(a) The commissioner may adopt rules to provide uniform quality standards, and producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts B, C, D, E, and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, as revised through March 1, 1996 1997, except that the commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs.

(b) The commissioner shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

(c) The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the

experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

(d) The commissioner shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

Sec. 57. Minnesota Statutes 1996, section 41A.09, subdivision 3a, is amended to read:

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

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

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

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

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

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

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

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

(i) electrical or mechanical power; and

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

(d) The total payments under paragraphs (a) and (b) to all producers may not exceed \$30,000,000 ~~\$34,000,000~~ in a fiscal year. Total payments under paragraphs (a) and (b) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol, anhydrous alcohol, and wet alcohol production during the preceding three

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

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. The total quarterly payment to a producer under this paragraph, excluding amounts paid under paragraph (c), may not exceed \$750,000. If the total amount for which all producers are eligible in a quarter under paragraphs (a) and (b) exceeds \$7,500,000 \$8,500,000, the commissioner shall make payments in the order in which the portion of production capacity covered by each claim went into production. If the total amount of ethanol or wet alcohol production reported for a quarter under paragraph (e) equals or exceeds 55,000,000 gallons:

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

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

(3) only those producers that receive payments for the quarter, or received payments under paragraph (a) or (b) in an earlier quarter, will be eligible for future ethanol or wet alcohol production payments under this subdivision.

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

(h) After the effective date of this section, new production capacity is only eligible for payment under this subdivision if the commissioner receives:

(1) an application for approval of the new production capacity;

(2) an appropriate letter of long-term financial commitment for construction of the new capacity; and

(3) copies of all necessary permits for construction of the new capacity.

The commissioner may approve the additional capacity based on the order in which the applications are received. The commissioner shall not approve production capacity in excess of the limitations in paragraph (f). Existing plants are not eligible for new capacity beyond planned expansions reported to the commissioner by February 1997.

Sec. 58. Minnesota Statutes 1996, section 84.027, is amended by adding a subdivision to read:

Subd. 15. [ELECTRONIC TRANSACTIONS.] (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

(2) assign a license identification number to an applicant who purchases a hunting or fishing license by electronic means, to serve as temporary authorization to engage in the licensed activity until the license is received or expires;

(3) charge and permit agents to charge a fee of individuals who make electronic transactions, and transactions by telephone, including a transaction fee under section 97A.485, subdivision 6, and a credit card fee not to exceed \$3.50 for electronic transactions;

(4) select up to four volunteer counties, not more than two in the metropolitan area, to participate in this pilot project and the counties shall select the participating agents; and

(5) adopt rules to administer the provisions of this subdivision.

(b) A county shall not collect a commission for the sale of licenses or permits made by agents selected by the participating counties under this subdivision.

Sec. 59. Minnesota Statutes 1996, section 84.0273, is amended to read:

84.0273 [CORRECTION ESTABLISHMENT OF BOUNDARY LINES RELATING TO CERTAIN STATE LANDHOLDINGS.]

~~In order to correct errors in legal descriptions resolve boundary line issues affecting the ownership interests of the state and adjacent landowners, the commissioner of natural resources may, in the name of the state upon terms the commissioner deems appropriate, convey, without monetary consideration, by a boundary line agreement, quitclaim deed, or management agreement in such form as the attorney general approves, such rights, titles, and interests of the state in state lands for such rights, titles and interests in adjacent lands as are necessary for the purpose of correcting legal descriptions of establishing boundaries. A notice of the proposed conveyance and a brief statement of the reason therefor shall be published once in the State Register by the commissioner between 15 and 30 days prior to conveyance. The provisions of this section are not intended to replace or supersede laws relating to land exchange or disposal of surplus state property.~~

Sec. 60. Minnesota Statutes 1996, section 84.0887, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL SERVICES; CORPS TO CAREER COMMUNITY SERVICE.] (a) In addition to services under subdivision 1, youth corps programs may coordinate with or provide services to:

(1) making public facilities accessible to individuals with disabilities;

(2) federal, state, local, and regional governmental agencies;

(3) nursing homes, hospices, senior centers, hospitals, local libraries, parks, recreational facilities, child and adult day care centers, programs servicing individuals with disabilities, and schools;

(4) law enforcement agencies, and penal and probation systems;

(5) private nonprofit organizations that primarily focus on social service such as community action agencies;

(6) activities that focus on the rehabilitation or improvement of public facilities, neighborhood improvements, literacy training that benefits educationally disadvantaged individuals, weatherization of and basic repairs to low-income housing including housing occupied by older adults, activities that focus on drug and alcohol abuse education, prevention, and treatment; and

(7) any other nonpartisan civic activities and services that the commissioner determines to be of a substantial social benefit in meeting unmet human, educational, or environmental needs, particularly needs related to poverty, or in the community where volunteer service is to be performed.

(b) Youth and young adults may provide full-time or part-time youth community service in a program known as "corps to career" if the individual:

(1) is an unemployed high school dropout and is a parent of a minor member of an assistance unit under the AFDC, MFIP or MFIP-R programs under chapter 256 or under the MFIP-S program under chapter 256J, or is a person who is a member of an assistance unit under the AFDC, MFIP or MFIP-R programs under chapter 256 or under the MFIP-S program under chapter 256J;

(2) agrees to only use the individual's postservice benefit under the federal Americorps Act to complete a customized job training program that requires 20 percent of the individual's time to be spent in the corps to career program and that is consistent with the work requirements of the employment and training services component of the MFIP-S program under chapter 256J or, if a customized job training program is unavailable, agrees to use the postservice benefit consistent with the federal education award; and

(3) during the entire time the individual completes the individual's job training program, resides within an enterprise zone as defined in section 469.303.

To be eligible under this paragraph, any individual who receives assistance under clause (1) after MFIP-S has been implemented in the individual's county of financial responsibility, and who meets the requirements in clauses (2) and (3), also must meet the requirements of the employment and training services component of the MFIP-S program under chapter 256J.

(c) The commissioner of natural resources shall ensure that the corps to career program will not decrease employment opportunities that would be available without the program; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work.

Sec. 61. Minnesota Statutes 1996, section 84.82, subdivision 3, is amended to read:

Subd. 3. [FEES FOR REGISTRATION.] (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: \$30 ~~\$45~~ for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for all snowmobiles owned by a dealer and operated for demonstration or testing purposes shall be \$50 per year.

(c) The total registration fee for all snowmobiles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes shall be \$150 per year. Dealer and manufacturer registrations are not transferable.

Sec. 62. [84.8205] [SNOWMOBILE STATE TRAIL PERMIT.]

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

Sec. 63. Minnesota Statutes 1996, section 84.86, subdivision 1, is amended to read:

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

(1) Registration of snowmobiles and display of registration numbers.

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

Sec. 64. [84.862] [SNOWMOBILE TRAINING REQUIRED.]

Subdivision 1. [YOUTH AND YOUNG ADULT SAFETY TRAINING.] Effective October 1, 1998, any resident born after December 31, 1979, who operates a snowmobile in Minnesota, must possess a valid snowmobile safety certificate or a driver's license or identification card with a valid snowmobile qualification indicator issued under section 171.07, subdivision 12. The certificate or qualification indicator may only be issued upon successful completion of the course authorized under section 84.86.

Subd. 2. [ADULT SAFETY TRAINING.] Effective October 1, 2002, any resident born after December 31, 1976, and before December 31, 1983, who operates a snowmobile in Minnesota, must possess a valid operators permit or drivers license or identification card with a valid snowmobile qualification indicator issued under section 171.07, subdivision 12, showing successful completion of a safety course designed for adults. Whenever possible, the course shall include a riding component that stresses stopping distances.

Subd. 3. [TRAINING FOR OFFENDERS.] Any person who is convicted for a second or subsequent speeding violation in a snowmobile season, or any conviction for careless or reckless operation of a snowmobile, must successfully complete the training course in subdivision 1 or 2 before continuing operation of a snowmobile.

Sec. 65. Minnesota Statutes 1996, section 85.015, is amended by adding a subdivision to read:

Subd. 1c. [METAL TRACTION DEVICES; PROHIBITION ON PAVED TRAILS.] A person may not use a snowmobile with metal traction devices on any paved state trail.

Sec. 66. Minnesota Statutes 1996, section 85.015, is amended by adding a subdivision to read:

Subd. 20. [STAGECOACH TRAIL; STEELE, DODGE, AND OLMSTED COUNTIES.] The

trail shall originate at the Douglas trail near the city of Rochester in Olmsted county and extend westerly along the Zumbro river valley to the city of Mantorville and the village of Wasioja in Dodge county, following as closely as possible the historic stagecoach trail to Wasioja, through Rice Lake state park to the city of Owatonna in Steele county.

Sec. 67. Minnesota Statutes 1996, section 85.055, is amended by adding a subdivision to read:

Subd. 1a. [PATRON PERMIT.] The commissioner may develop a special patron permit requiring persons to pay an additional amount above the annual permit fee required in subdivision 1. The additional amount paid under this subdivision shall be deposited in the state treasury and credited to the working capital account under section 85.22, subdivision 1.

Sec. 68. Minnesota Statutes 1996, section 85A.04, subdivision 4, is amended to read:

Subd. 4. [ZOO CONCESSION AND REVENUE ACCOUNT.] All receipts and interest from the operation of zoo concessions, memberships, and donations must be deposited in a special account in the special revenue fund and are appropriated to the board.

Sec. 69. Minnesota Statutes 1996, section 86A.23, is amended to read:

86A.23 [OPEN FACILITIES; LIABILITY EXEMPTION.]

Facilities in harbors and connecting waterways established under sections 86A.20 to 86A.24 shall be public and open to all users on equal and reasonable terms. Users shall have no cause of action against owners of land adjacent to small craft harbors and mooring facilities for damage as a result of noise and dust generated by facilities of iron-producing industries.

Sec. 70. Minnesota Statutes 1996, section 88.79, is amended by adding a subdivision to read:

Subd. 3. [COST-SHARING OF CONSERVATION PRACTICES.] The commissioner of natural resources may provide cost-sharing of conservation practices to nonindustrial owners of less than 5,000 acres of private land within this state, provided that the landowners successfully complete conservation practices approved by the commissioner. The cost shared by the commissioner may not exceed 75 percent of the actual cost of the conservation practice.

Sec. 71. Minnesota Statutes 1996, section 92.06, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] (a) The terms of payment on the sale of state public lands must be as follows: The purchaser shall pay in cash at the time of sale the appraised value of all timber and costs determined by the commissioner to be associated with the sale including survey, appraisal, publication, deed tax, filing fee, and similar costs. At least 15 percent of the purchase price of the land exclusive of timber and associated costs must be paid in cash at the time of sale. The balance of the purchase price must be paid in no more than 20 equal annual installments. Payments must be made by June 1 each year following the year in which the purchase was made, with interest at the rate in effect at the time of sale, calculated under this subdivision, on the unpaid balances. Any installment of principal or interest may be paid in advance, but part payment of an installment will not be accepted. For the purpose of computing interest, any installment of principal not paid on June 1 shall be credited on the following June 1. The purchaser may pay the balance due on a sale within 30 days of the sale with no interest due.

(b) Interest on unpaid balances must be computed as annual simple interest. The rate of interest must be based on average effective interest rates on mortgage loans as provided in paragraph (c).

(c) On or before December 31 of each year, the commissioner of natural resources shall determine the rate from the average effective interest rate on loans closed using the office of thrift supervision series, formerly the federal home loan bank board series, or its successor agency, for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. This yield, rounded to the nearest quarter of one percent, is the annual interest rate for sales of state land during the succeeding calendar year.

(d) For state land sales in calendar year 1993 after July 1, 1993, the rate is eight percent, which

is the September 1992 average from the office of thrift supervision series, rounded to the nearest quarter of one percent.

Sec. 72. Minnesota Statutes 1996, section 92.06, subdivision 4, is amended to read:

Subd. 4. [IMPROVEMENTS, WHEN PAYMENT NOT NECESSARY.] If a person has made improvements to the land and if: (1) the commissioner believes that person settled the land in good faith as homestead land under the laws of the United States before it was certified to the state, or if (2) the improvements were lawfully made by that person as a lessee of the state, or (3) the commissioner determines, based on clear and convincing evidence provided by the person, that the improvements were made by the person as an inadvertent trespasser, then the value of the improvements must be separately appraised and, if the settler or, lessee, or inadvertent trespasser purchases the land, the settler or, lessee, or inadvertent trespasser is not required to pay for the improvements. If another person purchases the land, that person must pay the owner of the improvements, in addition to all other required payments, the appraised amount for the improvements. Payment for improvements must be made within 15 days of the auction sale, either in cash or upon terms and conditions agreeable to the owner of the improvements. If payment for improvements is not made in cash, and if there is no agreement between the parties within 15 days of the auction sale, the commissioner may:

(1) sell the property to the second highest qualified bidder if that bidder submitted to the commissioner's representative, at the auction sale, a written request to buy the property at a specified price; or

(2) void the sale and reoffer the property at a subsequent sale.

This subdivision does not apply unless the owner of the improvements makes a verified application to the commissioner showing entitlement to the improvements before the first state public sale at which the land is offered for sale. The applicant must appear at the sale and offer to purchase the land for at least its appraised value including all timber on it, and make the purchase if no higher bid is received. Actions or other proceedings involving the land in question begun before the sale must have been completed.

Sec. 73. Minnesota Statutes 1996, section 92.16, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; DEFAULT, RESALE.] At the time of the sale the commissioner shall execute, acknowledge, and deliver to the purchaser a certificate of sale, numbered and made assignable, certifying the description of the land sold, its quantity, the price per acre, the consideration paid and to be paid, and the time and terms of payment. A certificate must not be delivered until the sum required by law to be paid at the time of the sale is paid. ~~The sum includes costs determined by the commissioner to be associated with the sale such as survey, appraisal, publication, deed tax, filing fee, and similar costs.~~ If the purchaser fails to pay the sum, the commissioner may immediately reoffer the land for sale, but a bid may not be accepted from the person failing to pay the original offer. If the purchaser pays in full at the time of sale, the commissioner is not required to issue a certificate of sale.

Sec. 74. [92.80] [PAYMENT OF TAXES AND ASSESSMENTS.]

Subdivision 1. [CANCELLATION OF CERTIFICATE OF SALE.] If the state acquires an interest in real property prior to the cancellation of a certificate of sale or upon completion of the cancellation process by advertisement or court order, the state must make provision to pay all taxes, interests, costs, penalties, and assessments. The commissioner of natural resources must request the certificate of sale vendee to make a good faith attempt to pay the debt. If the commissioner determines that the vendee is unwilling or unable to pay the debt, the commissioner may pay the debt and seek redress against the vendee.

Subd. 2. [VOLUNTARY AND INVOLUNTARY REVERSIONS.] (a) If a grantee on a certificate of sale or state deed desires the state to exercise its reversionary interest in real property, the grantee must pay all real estate taxes, costs, interest, penalties, and assessments on the property prior to reversion.

(b) If a grantee on a certificate of sale or state deed breaches the contractual terms of the certificate or deed, the commissioner of natural resources must request the grantee to make a good faith attempt to pay all real estate taxes, costs, interest, penalties, and assessments on the property prior to reversion. If the commissioner determines that the grantee is unwilling or unable to pay the debt, the commissioner may pay the debt and seek redress against the grantee.

Sec. 75. Minnesota Statutes 1996, section 94.10, subdivision 2, is amended to read:

Subd. 2. (a) Lands certified as surplus by the head of a department or agency other than the department of natural resources shall be offered for public sale by the commissioner of administration as provided in this paragraph. After complying with subdivision 1 and before any public sale of surplus state-owned land is made, the commissioner of administration shall publish a notice thereof at least once in each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the city or county in which the real property to be sold is situated, which notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale. Each tract or lot shall be sold separately and shall be sold for not less than the appraised value thereof. Parcels remaining unsold after the offering may be sold to anyone agreeing to pay the appraised value thereof. The sale shall continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

(b) Lands certified as surplus by the commissioner of natural resources shall be offered for public sale by the commissioner of natural resources in the manner provided in paragraph (a) for sales by the commissioner of administration.

(c) Except as provided in section 94.11, the cost of any survey or appraisal as provided in subdivision 1 shall be added to and made a part of the appraised value of the lands to be sold, whether to any political subdivision of the state or to a private purchaser as provided in this subdivision.

Sec. 76. [94.55] [TRANSFER OF STATE-OWNED IMPROVEMENTS.]

The commissioner may sell or transfer an improvement located on state-owned lands, the compensation for which shall be determined by the commissioner. The sale or transfer shall be accomplished by a bill of sale, describing the improvement transferred and the terms and conditions of the sale or transfer. Proceeds resulting from the sale or transfer must be deposited in the state treasury and credited to the land acquisition account established in section 94.165.

Sec. 77. Minnesota Statutes 1996, section 97A.015, is amended by adding a subdivision to read:

Subd. 27a. [LICENSE IDENTIFICATION NUMBER.] "License identification number" means a verification number issued under the authority of the commissioner in conjunction with the electronic purchase of a license or stamp and valid until the license is received by the purchaser.

Sec. 78. Minnesota Statutes 1996, section 97A.028, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Agricultural crops" means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, turf farms, and apiaries.

(c) "Parcel" has the meaning given in section 272.03, subdivision 6.

(d) "Specialty crops" means fruit orchards, vegetables, tree farms and nurseries, turf farms, and apiaries.

(e) "Stored forage crops" means hay, silage, grain, or other crops that have been harvested and placed in storage for commercial livestock feeding.

Sec. 79. Minnesota Statutes 1996, section 97A.028, subdivision 3, is amended to read:

Subd. 3. [EMERGENCY DETERRENT MATERIALS ASSISTANCE.] (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner or tenant and the commissioner that establishes a program for addressing the problem of destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese.

(b) A landowner or tenant may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials when the commissioner determines that:

- (1) immediate action is necessary to prevent significant damage from continuing; and
- (2) a cooperative damage management agreement cannot be implemented immediately.

(c) A person may receive emergency deterrent materials assistance under this subdivision more than once, but the cumulative total value of deterrent materials provided to a person, or for use on a parcel, may not exceed \$3,000 for specialty crops, or \$750 for stored forage crops, or \$500 for agricultural crops damaged by flightless Canada geese. If a person is a coowner or cotenant with respect to the specialty crops for which the deterrent materials are provided, the deterrent materials are deemed to be "provided" to the person for the purposes of this paragraph.

(d) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner or tenant shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. If requested by a landowner or tenant, any fencing materials provided must be capable of providing long-term protection of specialty crops. A landowner or tenant who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 80. Minnesota Statutes 1996, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (4) and (5), and (9), and 3, clauses (2) and (3), and (7), and licenses issued under section 97B.301, subdivision 4.

(b) At least \$2 from each deer license shall be used for deer habitat improvement or deer management programs.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system. Fifty cents from each resident deer license is appropriated for emergency deer feeding. Money appropriated for emergency deer feeding is available until expended. When the unencumbered balance in the appropriation for emergency deer feeding at the end of a fiscal year exceeds \$750,000, \$750,000 is canceled to the unappropriated balance of the game and fish fund and the amount appropriated for emergency deer feeding is reduced to 25 cents from each resident deer license.

Sec. 81. Minnesota Statutes 1996, section 97A.405, subdivision 2, is amended to read:

Subd. 2. [PERSONAL POSSESSION.] (a) ~~A person to whom a license is issued must have the license in personal possession while acting under the a license and while or traveling from the an area where the a licensed activity is was performed must have in personal possession either: (1) the proper license, if the license has been issued to and received by the person; or (2) the proper license identification number or stamp validation, if the license has been sold to the person by electronic means but the actual license has not been issued and received.~~

(b) ~~If possession of a license or a license identification number is required, a person must exhibit the proper license when, as requested by a conservation officer or peace officer, either: (1) the proper license if the license has been issued to and received by the person; or (2) the proper~~

license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, if the license has been sold to the person by electronic means but the actual license has not been issued and received.

(c) If the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) A license or stamp issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase.

Sec. 82. Minnesota Statutes 1996, section 97A.415, subdivision 2, is amended to read:

Subd. 2. [TRANSFER PROHIBITED.] A person may not lend, transfer, borrow, or solicit a license or permit, license identification number, application for a license or permit, coupon, tag, or seal, or use a license, permit, license identification number, coupon, tag, or seal not issued to the person unless otherwise expressly authorized.

Sec. 83. Minnesota Statutes 1996, section 97A.475, is amended to read:

97A.475 [LICENSE FEES.]

Subdivision 1. [REQUIREMENTS FOR ISSUANCE.] A license shall be issued when the requirements of the law are met and the license fee specified in this section is paid.

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$10;
- (2) for persons age 65 or over, \$5;
- (3) to take turkey, \$16;
- (4) to take deer with firearms, \$22;
- (5) to take deer by archery, \$22;
- (6) to take moose, for a party of not more than six persons, \$275;
- (7) to take bear, \$33;
- (8) to take elk, for a party of not more than two persons, \$220; and
- (9) to take antlered deer in more than one zone, \$44.

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, \$56;
- (2) to take deer with firearms, \$110;
- (3) to take deer by archery, \$110;
- (4) to take bear, \$165;
- (5) to take turkey, \$56;
- (6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50; and
- (7) to take antlered deer in more than one zone, \$220.

Subd. 4. [SMALL GAME SURCHARGE.] Fees for licenses to take small game must be increased by a surcharge of \$4. An additional commission may not be assessed on the surcharge and this must be stated on the back of the license with the following statement: "This \$4 surcharge is being paid by hunters for the acquisition and development of wildlife lands."

Subd. 5. [HUNTING STAMPS.] Fees for the following stamps are:

- (1) migratory waterfowl stamp, \$5;
- (2) pheasant stamp, \$5; and
- (3) turkey stamp, \$5.

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, for persons under age 65, ~~\$13~~ \$15;
- (2) to take fish by angling, for persons age 65 and over, ~~\$4.50~~ \$5.50;
- (3) to take fish by angling, for a combined license for a married couple, ~~\$17.50~~ \$20.50;
- (4) to take fish by spearing from a dark house, ~~\$13~~ \$15; and
- (5) to take fish by angling for a 24-hour period selected by the licensee, ~~\$7.50~~ \$8.

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, ~~\$27.50~~ \$31;
- (2) to take fish by angling limited to seven consecutive days selected by the licensee, ~~\$19~~ \$21.50;
- (3) to take fish by angling for a 72-hour period selected by the licensee, ~~\$16~~ \$18;
- (4) to take fish by angling for a combined license for a family, ~~\$37.50~~ \$41.50;
- (5) to take fish by angling for a 24-hour period selected by the licensee, ~~\$7.50~~ \$8; and
- (6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days selected by one of the licensees, ~~\$27.50~~ \$32.

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

- (1) for an individual, ~~\$17.50~~ \$20; and
- (2) for a combined license for a married couple to take fish and for one spouse to take small game, ~~\$24~~ \$27.50.

Subd. 10. [TROUT AND SALMON STAMP.] The fee for a trout and salmon stamp is ~~\$5~~ \$8.50.

Subd. 11. [FISH HOUSES AND DARK HOUSES; RESIDENTS.] Fees for the following licenses are:

- (1) for a fish house or dark house that is not rented, ~~\$9~~ \$10; and
- (2) for a fish house or dark house that is rented, ~~\$20~~ \$23.

Subd. 12. [FISH HOUSES; NONRESIDENT.] Fees for fish house licenses for a nonresident are:

(1) annual, ~~\$27.50~~ \$31.50; and

(2) seven consecutive days, ~~\$16.50~~ \$18.50.

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$8~~ \$9.

Subd. 14. [~~ROUGH FISH; MINNESOTA AND MISSISSIPPI RIVERS.~~] ~~The fee for a license to take rough fish for domestic use with a set line in the Minnesota and Mississippi rivers is \$14.50.~~

Subd. 15. [LAKE SUPERIOR FISHING GUIDES.] The fee for a license to operate a charter boat and guide anglers on Lake Superior is:

(1) for a resident, ~~\$27.50~~ \$35;

(2) for a nonresident, ~~\$110~~ \$140; or

(3) if another state charges a Minnesota resident a fee greater than ~~\$100~~ \$140 for a Lake Superior fishing guide license in that state, the nonresident fee for a resident of that state is that greater fee.

Subd. 16. [RESIDENT HUNTING GUIDES.] The fees for the following resident guide licenses are:

(1) to guide bear hunters, ~~\$82.50~~; and

(2) to guide turkey hunters, ~~\$22~~.

Subd. 18. [SHOOTING PRESERVES.] The fee for a shooting preserve license is:

(1) for a private shooting preserve, ~~\$100~~; and

(2) for a commercial shooting preserve, ~~\$500~~.

Subd. 19. [TAXIDERMISTS.] The fee for a taxidermist license, to be issued for a three-year period to residents only, is:

(1) for persons age 18 and older, ~~\$44~~; and

(2) for persons under age 18, ~~\$27.50~~.

Subd. 20. [TRAPPING LICENSE.] The fee for a license to trap fur-bearing animals is:

(1) for persons over age 13 and under age 18, ~~\$5.50~~; and

(2) for persons age 18 and older, ~~\$18~~.

Subd. 21. [FUR BUYING AND SELLING; RESIDENTS.] (a) The fee for a license for a resident to buy and sell raw furs is ~~\$110~~.

(b) The fee for a supplemental license to buy and sell furs is ~~\$55~~.

Subd. 22. [FUR BUYING AND SELLING; NONRESIDENTS.] The fee for a license for a nonresident to buy and sell raw furs is ~~\$500~~.

Subd. 23. [RAW FUR TANNING.] The fee for a license to tan and dress raw furs to be issued to residents and nonresidents is ~~\$16.50~~.

Subd. 24. [GAME AND FUR FARMS.] The fee for a game and fur farm license is ~~\$16.50~~.

Subd. 25. [MUSKRAT FARMS.] The fee for a muskrat farm license is ~~\$11~~.

Subd. 26. [MINNOW DEALERS.] The fees for the following licenses are:

- (1) minnow dealer, ~~\$77~~ \$100;
- (2) ~~minnow dealer's helper~~, ~~\$5.50~~;
- (3) minnow dealer's vehicle, ~~\$14~~ \$15;
- (4) (3) exporting minnow dealer, ~~\$275~~ \$350; and
- (5) (4) exporting minnow dealer's vehicle, ~~\$14~~ \$15.

Subd. 27. [MINNOW RETAILERS.] The fees for the following licenses, to be issued to residents and nonresidents, are:

- (1) minnow retailer, ~~\$14~~ \$15; and
- (2) minnow retailer's vehicle, ~~\$14~~ \$15.

Subd. 28. [NONRESIDENT MINNOW HAULERS.] The fees for the following licenses, to be issued to nonresidents, are:

- (1) exporting minnow hauler, ~~\$525~~ \$675; and
- (2) exporting minnow hauler's vehicle, ~~\$14~~ \$15.

Subd. 29. [PRIVATE FISH HATCHERIES.] The fees for the following licenses to be issued to residents and nonresidents are:

- (1) for a private fish hatchery, with annual sales under \$200, ~~\$27.50~~ \$35;
- (2) for a private fish hatchery, with annual sales of \$200 or more, ~~\$55~~ \$70; and
- (3) to take sucker eggs from public waters for a private fish hatchery, ~~\$165~~ \$210, plus ~~\$3~~ \$4 for each quart in excess of 100 quarts.

Subd. 30. [COMMERCIAL NETTING OF FISH IN INLAND WATERS.] The fee for a license fees to net take commercial fish in inland waters, to be issued to residents and nonresidents, is ~~\$70 plus~~ are:

- (1) commercial license fees:
 - (i) ~~for each hoop net pocket, \$1~~ residents and nonresidents seining and netting in inland waters, \$90;
 - (2) (ii) ~~for each 1,000 feet of seine, \$16.50~~ residents netting in Lake Superior, \$50; and
 - (3) (iii) ~~for each apprentice license, \$25.~~ residents netting in Lake of the Woods, Rainy, Namakan, and Sand Point lakes, \$50;
 - (iv) for residents seining in the Mississippi River from St. Anthony Falls to the St. Croix River junction, \$50;
 - (v) for residents seining, netting, and set lining in Wisconsin boundary waters from Lake St. Croix to the Iowa border, \$50; and
 - (vi) for a resident apprentice license, \$25; and
- (2) commercial gear fees:
 - (i) for each gill net in Lake Superior, Wisconsin boundary waters, and Namakan Lake, \$3.50 per 100 feet of net;
 - (ii) for each seine in inland waters, on the Mississippi River as described in section 97C.801, subdivision 2, and in Wisconsin boundary waters, \$7 per 100 feet;

(iii) for each commercial hoop net in inland waters, \$1.25;

(iv) for each submerged fyke, trap, and hoop net in Lake Superior, St. Louis Estuary, Lake of the Woods, and Rainy, Namakan, and Sand Point lakes, and for each pound net in Lake Superior, \$15;

(v) for each stake and pound net in Lake of the Woods, \$60;

(vi) for each set line in the Wisconsin boundary waters, \$20; and

(vii) for each trawl used in Lake Superior, \$50.

Subd. 31. ~~[COMMERCIAL NETTING OF FISH IN LAKE OF THE WOODS.]~~ The fee for a license to commercially net fish in Lake of the Woods is:

(1) for each pound net or staked trap net, \$49.50;

(2) for each fyke net, \$11, plus \$5 for each two-foot segment, or fraction, of the wings or lead in excess of four feet in height;

(3) for each 100 feet of gill net, \$2.75;

(4) for each submerged trap net, \$16.50; and

(5) for each apprentice license, \$25.

Subd. 32. ~~[COMMERCIAL NETTING OF FISH IN RAINY LAKE.]~~ The fee for a license to commercially net fish in Rainy Lake is:

(1) for each pound net, \$49.50;

(2) for each 100 feet of gill net, \$2.75; and

(3) for each apprentice license, \$25.

Subd. 33. ~~[COMMERCIAL NETTING OF FISH IN NAMAKAN AND SAND POINT LAKES.]~~ The fee for a license to commercially net fish in Namakan Lake and Sand Point Lake is:

(1) for each 100 feet of gill net, \$1.75;

(2) for each pound, fyke, and submerged trap net, \$16.50; and

(3) for each apprentice license, \$25.

Subd. 34. ~~[COMMERCIAL SEINE AND SET LINES TO TAKE FISH IN THE MISSISSIPPI RIVER.]~~ (a) The fee for a license to commercially seine rough fish in the Mississippi river from St. Anthony Falls to the St. Croix river junction is:

(1) for a seine not exceeding 500 feet, \$27.50; or

(2) for a seine over 500 feet, \$44, plus \$2 for each 100 foot segment or fraction over 1,000 feet.

(b) The fee for each apprentice license issued under paragraph (a) is \$25.

Subd. 35. ~~[COMMERCIAL SEINING OF FISH IN WISCONSIN BOUNDARY WATERS.]~~ The fee for a license to commercially seine fish in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the Iowa border is:

(1) for a seine not exceeding 500 feet, \$27.50; or

(2) for a seine over 500 feet, \$44, plus \$2.50 for each 100 feet over 1,000 feet; and

(3) for each apprentice license to be issued to residents, \$25.

Subd. 36. [~~COMMERCIAL NETTING IN WISCONSIN BOUNDARY WATERS.~~] The fee for a license to commercially net in the boundary waters between Wisconsin and Minnesota from Lake St. Croix to the Iowa border is:

- (1) for each gill net not exceeding 500 feet, \$14.50;
- (2) for each gill net over 500 feet, \$27.50;
- (3) for each fyke net and hoop net, \$11;
- (4) for each bait net, \$1.75;
- (5) for each turtle net, \$1.75;
- (6) for each set line identification tag, \$14.50; and
- (7) for each apprentice license to be issued to residents, \$25.

Subd. 37. [~~COMMERCIAL NETTING OF FISH IN LAKE SUPERIOR.~~] The fee for a license to commercially net fish in Lake Superior is:

- (1) for each gill net, \$77 plus \$2 for each 1,000 feet over 1,000 feet;
- (2) for a pound or trap net, \$77 plus \$2 for each additional pound or trap net; and
- (3) for each apprentice license, \$25.

Subd. 38. [FISH BUYERS.] The fees for licenses to buy fish from commercial fishing licensees to be issued residents and nonresidents are:

- (1) for Lake Superior fish bought for sale to retailers, \$55 \$70;
- (2) for Lake Superior fish bought for sale to consumers, \$11 \$15;
- (3) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for sale to retailers, \$110 \$140; and
- (4) for Lake of the Woods, Namakan, Sand Point, and Rainy Lake fish bought for shipment only on international boundary waters, \$11 \$15.

Subd. 39. [FISH PACKER.] The fee for a license to prepare dressed game fish for transportation or shipment is \$14.50 \$20.

Subd. 40. [FISH VENDORS.] The fee for a license to use a motor vehicle to sell fish is \$27.50 \$35.

Subd. 41. [TURTLE SELLERS.] The fee for a license to take, transport, purchase, and possess turtles for sale is \$55 \$70.

Subd. 42. [FROG DEALERS.] The fee for the licenses to deal in frogs that are to be used for purposes other than bait are:

- (1) for a resident to purchase, possess, and transport frogs, \$77 \$100;
- (2) for a nonresident to purchase, possess, and transport frogs, \$220 \$280; and
- (3) for a resident to take, possess, transport, and sell frogs, \$11 \$15.

Subd. 43. [DUPLICATE LICENSES.] The fees for duplicate licenses are:

- (1) for licenses to take big game, \$5; and
- (2) for other licenses, \$2.

Sec. 84. Minnesota Statutes 1996, section 97B.667, is amended to read:

97B.667 [REMOVAL OF BEAVER DAMS AND LODGES BY ROAD AUTHORITIES.]

When a drainage watercourse is impaired by a beaver dam and the water damages or threatens to damage a public road, the road authority, as defined in section 160.02, subdivision 9, may remove the impairment and any associated beaver lodge within 300 feet of the road, ~~if the commissioner approves.~~

Sec. 85. Minnesota Statutes 1996, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person required to possess a small game license may not hunt pheasants without:

- (1) a pheasant stamp in possession; and
- (2) a pheasant stamp validation on the small game license when issued electronically.

(b) The following persons are exempt from this subdivision:

- (1) residents under age 18 or over age 65; and
- (2) persons hunting on licensed ~~private~~ commercial shooting preserves.

Sec. 86. Minnesota Statutes 1996, section 97B.721, is amended to read:

97B.721 [LICENSE AND STAMP REQUIRED TO TAKE TURKEY; TAGGING AND REGISTRATION REQUIREMENTS.]

(a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person may not take a turkey without a turkey license and:

- (1) a turkey stamp in possession; and
- (2) a turkey stamp validation on the turkey license when issued electronically.

(b) The requirement in paragraph (a) to possess a turkey stamp or a license validation does not apply to persons under age 18.

(c) The commissioner may by rule prescribe requirements for the tagging and registration of turkeys.

Sec. 87. Minnesota Statutes 1996, section 97B.801, is amended to read:

97B.801 [MINNESOTA MIGRATORY WATERFOWL STAMP REQUIRED.]

(a) Except as provided in this section or section 97A.405, subdivision 2, a person required to possess a small game license may not take migratory waterfowl without:

- (1) a Minnesota migratory waterfowl stamp in possession; and
- (2) a migratory waterfowl stamp validation on the small game license when issued electronically.

(b) Residents under age 18 or over age 65 and persons hunting on their own property are not required to possess the a stamp or a license validation under this section.

Sec. 88. Minnesota Statutes 1996, section 97C.305, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2 or section 97A.405, subdivision 2, a person over age 16 and under age 65 required to possess an angling license must have a trout and salmon stamp in possession and a trout stamp validation on the angling license when issued electronically to:

- (1) take fish by angling in:
 - (i) a stream designated by the commissioner as a trout stream;
 - (ii) a lake designated by the commissioner as a trout lake; or
 - (iii) Lake Superior; or
- (2) possess trout or salmon taken in the state by angling.

Sec. 89. Minnesota Statutes 1996, section 97C.501, subdivision 2, is amended to read:

Subd. 2. [MINNOW DEALERS.] (a) A person may not be a minnow dealer without a minnow dealer license except as provided in subdivision 3.

~~(b) A minnow dealer must obtain a minnow dealer's helper license for each person employed to take, buy, sell, or transport minnows by the minnow dealer. The minnow dealer may transfer a helper's license from a former helper to a new helper.~~

~~(e) A minnow dealer must obtain a minnow dealer's vehicle license for each motor vehicle used to transport minnows. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.~~

~~(d) (c) A minnow dealer may not transport minnows out of the state without an exporting minnow dealer license. A minnow dealer must obtain an exporting minnow dealer's vehicle license for each motor vehicle used to transport minnows out of the state. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.~~

Sec. 90. Minnesota Statutes 1996, section 97C.801, is amended to read:

97C.801 [TAKING ROUGH FISH ON MISSISSIPPI AND MINNESOTA RIVERS RIVER.]

~~Subdivision 1. [ROUGH FISH ON MINNESOTA AND MISSISSIPPI RIVERS.] (a) A license is required to take rough fish by set line in the Minnesota river from Mankato to its junction with the Mississippi river, and in the Mississippi river from St. Anthony Falls to the St. Croix junction.~~

~~(b) A person may use only one set line to take rough fish in the Minnesota river from Mankato to its junction with the Mississippi river, and in the Mississippi river from St. Anthony Falls to the St. Croix river junction, and the set line must:~~

- ~~(1) have not more than ten hooks;~~
- ~~(2) be set only in the flowing waters of the river;~~
- ~~(3) staked only at one end; and~~

~~(4) remain at the location designated in the application for license unless approval of the commissioner has been given to change the location.~~

~~(e) Notwithstanding section 97C.391, subdivision 1, rough fish taken under this subdivision may not be bought or sold.~~

Subd. 2. [COMMERCIAL FISH NETTING AND SET LINES ON MISSISSIPPI RIVER.] (a) A license is required to commercially take rough fish with seines and set lines in the Mississippi river from the St. Croix river junction to St. Anthony Falls.

(b) A person may take rough fish in the Mississippi river, from the St. Croix river junction to St. Anthony Falls, only with the following equipment and methods:

(1) operations shall be conducted only in the flowing waters of the river and in tributary backwaters prescribed by the commissioner;

- (2) ~~only one set line may be used that has an identification tag and not more than 100 hooks;~~
- (3) seines may be used only as prescribed by the commissioner;
- (4) (3) seines must be hauled to a landing immediately after being placed;
- (5) (4) two seines may not be joined together in the water;
- (6) (5) a net may not be raised, laid out, or landed, between sunset and sunrise; and
- (7) (6) the location of a net or seine may not be changed from the place specified in the license application without notifying the commissioner of the proposed change.

Sec. 91. Minnesota Statutes 1996, section 103C.501, subdivision 6, is amended to read:

Subd. 6. [RULES.] (a) The state board shall adopt rules prescribing:

- (1) procedures and criteria for allocating funds for cost-sharing contracts;
- (2) standards and guidelines for cost-sharing contracts;
- (3) the scope and content of district comprehensive plans, plan amendments, and annual work plans;
- (4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high priority erosion, sedimentation, and water quality problems;
- (5) the share of the cost of conservation practices to be paid from cost-sharing funds; and
- (6) requirements for districts to document their efforts to identify and contact land occupiers with high priority erosion problems.

(b) The rules may provide that cost-sharing may be used for farmstead windbreaks and shelterbelts for the purposes of energy conservation and snow protection.

Sec. 92. Minnesota Statutes 1996, section 103F.378, subdivision 1, is amended to read:

Subdivision 1. [DUTIES.] The Minnesota river basin joint powers board, established under section 471.59 for the purpose of coordinating efforts to improve water quality in the Minnesota river and achieving the goal of making the Minnesota river suitable for fishing and swimming by the year 2005, has the following duties:

- (1) coordination of comprehensive cleanup goals for the Minnesota river by coordinating the work plans of the 12 major watersheds and the member counties of the joint powers board, state agencies, and the University of Minnesota in cleanup efforts and submission of periodic river cleanup plans for submission to the governor and the legislature;
- (2) advising on the development and use of monitoring and evaluation systems in the Minnesota river and the incorporation of the data obtained from these systems into the planning process;
- (3) conducting public meetings of the board on at least a quarterly basis at locations within the Minnesota river basin;
- (4) conducting an ongoing information and education program concerning the status of the Minnesota river, including an annual conference on the state of the Minnesota river; ~~and~~
- (5) providing periodic reports and budget requests to the governor's office and the chairs of the agriculture and environment and natural resources committees of the senate and the house of representatives regarding progress on meeting river water quality management goals and future funding required for this effort;;
- (6) advising on the development of projects within the 12 major watersheds that are

scientifically sound, have landowner support, and reduce inputs of pollutants into the Minnesota river basin; and

(7) administering the distribution of project implementation funds for the 12 major watersheds by approving projects, identifying matching components for each project, and tracking the results achieved for each project.

Sec. 93. Minnesota Statutes 1996, section 115.03, is amended by adding a subdivision to read:

Subd. 9. [FUTURE COSTS OF WASTEWATER TREATMENT; UPDATE OF 1995 REPORT.] The commissioner shall, by January 15, 1998, and each even-numbered year thereafter, provide the chairs of the house and senate committees with primary jurisdiction over the agency's budget with the following information:

(1) an updated list of all wastewater treatment upgrade and construction projects the agency has identified to meet existing and proposed water quality standards and regulations;

(2) an estimate of the total costs associated with the projects listed in clause (1), and the projects' priority ranking under Minnesota Rules, chapter 7077. The costs of projects necessary to meet existing standards must be identified separately from the costs of projects necessary to meet proposed standards;

(3) the commissioner's best estimate, developed in consultation with the commissioner of trade and economic development and affected permittees, of the increase in sewer service rates to the residents in the municipalities required to construct the projects listed in clause (1) resulting from the cost of these projects; and

(4) a list of existing and proposed state water quality standards which are more stringent than is necessary to comply with federal law, either because the standard has no applicable federal water quality criteria, or because the standard is more stringent than the applicable federal water quality criteria.

Sec. 94. [115.58] [ALTERNATIVE DISCHARGING SEWAGE SYSTEMS; GENERAL PERMITS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

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

(c) "Permit" means a National Pollutant Discharge Elimination System permit or State Disposal System permit granted to any person for the installation, ownership, management, or control of alternative discharging sewage systems whose operations, emissions, activities, discharges, or facilities are the same or substantially similar.

(d) "Water quality cooperative" means an association of persons organized under chapter 308A to install, own, manage, and control individual sewage treatment systems or alternative discharging sewage systems and provide water quality treatment and management services for its members within a defined geographical area.

(e) "Water quality treatment and management services" means the monitoring and control of alternative discharging sewage systems to eliminate or reduce water pollution from point and nonpoint sources; the management, use, reuse, recycling, or reclamation of land, water, or wastewater for water supply; geothermal heating and cooling; fire protection; irrigation; drainage; open space or green belt preservation; storm water management and control; flood management and control or other purposes that are part of a comprehensive plan to reduce, prevent, or eliminate water pollution.

Subd. 2. [AREAWIDE PERMIT.] The agency may issue an areawide permit for alternative discharging sewage systems, where the systems:

(1) meet all applicable federal and state standards for treatment and discharge of sewage effluents by the agency;

(2) are part of a water quality treatment and management plan to prevent, eliminate, or reduce water pollution within a defined geographic area;

(3) are owned or controlled by a water quality cooperative; and

(4) the water quality cooperative has a service agreement with a local unit of government to provide water quality treatment and management services for the area under section 471A.03.

Subd. 3. [LOCAL ORDINANCE EXEMPTION.] Any system which is permitted under subdivision 2 is exempt from the requirements of any local ordinance adopted to conform with section 115.55 if the system complies with the applicable standards for discharges and treatment of sewage effluents.

Sec. 95. Minnesota Statutes 1996, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The director shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 25 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less.

(c) A recycling project or a project to compost or cocompost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 50 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less. The following projects may also receive grant assistance in the amounts specified in this paragraph:

(1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and

(2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section 115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

(d) Notwithstanding paragraph (e), the director may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the director, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within ~~eight~~ 12 years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) Projects without resource recovery are not eligible for assistance.

(f) In addition to any assistance received under paragraph (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(g) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(h) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The director shall adopt rules for the program by July 1, 1985.

(i) Notwithstanding anything in this subdivision to the contrary, a project to construct a new mixed municipal solid waste transfer station that has an enforceable commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph (c), the second clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 96. Minnesota Statutes 1996, section 115A.912, is amended by adding a subdivision to read:

Subd. 4. [WASTE TIRE MATERIALS; PROHIBITION.] Materials derived from waste tires may not be used as lightweight fill in the construction of public roads in the state unless the construction plan is prepared by a professional engineer experienced in the geotechnical field and licensed in the state of Minnesota. The plan shall include, but not be limited to, the location, duration, and length of the project, the depth of fill, the depth of cover, the size of waste tire pieces, the plan for encapsulating the waste tire pieces, and the fire protection plan. All engineering specifications must be consistent with the current lightweight tire fill engineering practices as developed for roadways by the Minnesota department of transportation.

Sec. 97. Minnesota Statutes 1996, section 115A.916, is amended to read:

115A.916 [MOTOR VEHICLE FLUIDS AND FILTERS; PROHIBITIONS.]

(a) A person may not knowingly place motor oil, brake fluid, power steering fluid, transmission fluid, motor oil filters, or motor vehicle antifreeze:

(1) in solid waste or in a solid waste management facility other than a recycling facility or a household hazardous waste collection facility;

(2) in or on the land, unless approved by the agency; or

(3) in or on the waters of the state or in a stormwater or wastewater collection or treatment system.

(b) For the purposes of this section, "antifreeze" does not include small amounts of antifreeze contained in water used to flush the cooling system of a vehicle after the antifreeze has been drained and does not include deicer that has been used on the exterior of a vehicle.

(c) For businesses that purchase or use an annual average of over ~~150~~ 50 gallons of motor vehicle antifreeze per month for on-site installation in motor vehicles, this section does not apply to antifreeze placed in a wastewater collection system that includes a publicly owned treatment works that is permitted by the agency until December 31, ~~1996~~ 1997. For businesses that purchase or use an annual average of ~~150~~ 50 gallons or less of motor vehicle antifreeze per month for on-site installation in motor vehicles, this section does not apply to antifreeze placed in a wastewater collection system that includes a publicly owned treatment works that is permitted by the agency until ~~December 31, 1997~~ July 1, 1998.

(d) Notwithstanding paragraph (a), motor oil filters and portions of motor oil filters may be processed at a permitted mixed municipal solid waste resource recovery facility that directly burns the waste if:

(1) the facility is subject to an industrial waste management plan that addresses management of motor oil filters and the owner or operator of the facility can demonstrate to the satisfaction of the commissioner that the facility is in compliance with that plan;

(2) the facility recovers ferrous metal after incineration for recycling as part of its operation; and

(3) the motor oil filters are collected separately from mixed municipal solid waste and are not combined with it except for the purpose of incinerating the waste.

(e) The commissioner of the pollution control agency, industry organizations representing automotive repair businesses and antifreeze recycling businesses, and environmental organizations shall work together to develop and promote opportunities to recycle waste motor vehicle antifreeze and to review the impact of alternative antifreeze disposal or recycling methods on businesses and the environment.

Sec. 98. Minnesota Statutes 1996, section 115A.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITIONS.] (a) A person may not place mercury or a thermostat, thermometer, electric switch, appliance, gauge, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

(1) in solid waste; or

(2) in a wastewater disposal system.

(b) A person may not knowingly place mercury or a thermostat, thermometer, electric switch, appliance, gauge, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

(1) in a solid waste processing facility; or

(2) in a solid waste disposal facility, as defined in section 115.01, subdivision 4.

(c) A person may not knowingly place a fluorescent or high intensity discharge lamp:

(1) in solid waste; or

(2) in a solid waste facility, except a household hazardous waste collection or recycling facility.

This paragraph does not apply to waste lamps generated by households until August 1, 1994.

Sec. 99. Minnesota Statutes 1996, section 115B.02, is amended by adding a subdivision to read:

Subd. 9a. [INSTITUTIONAL CONTROLS.] "Institutional controls" means legally enforceable restrictions, conditions, or controls on the use of real property, groundwater, or surface water located at or adjacent to a facility where response actions are taken that are reasonably required to assure that the response actions are protective of public health or welfare or the environment. Institutional controls include restrictions, conditions, or controls enforceable by contract, easement, restrictive covenant, statute, ordinance, or rule, including official controls such as zoning, building codes, and official maps. An affidavit required under section 115B.16, subdivision 2, or similar notice of a release recorded with real property records is also an institutional control.

Sec. 100. Minnesota Statutes 1996, section 115B.02, subdivision 16, is amended to read:

Subd. 16. [REMEDY OR REMEDIAL ACTION.] "Remedy" or "remedial action" means those actions consistent with permanent remedy taken instead of or in addition to removal actions in the

event of a release or threatened release of a hazardous substance, or a pollutant or contaminant, into the environment, to prevent, minimize or eliminate the release in order to protect the public health or welfare or the environment.

Remedy or remedial action includes, but is not limited to:

(a) Actions at the location of the release such as storage, confinement, perimeter protection using dikes, trenches, or ditches, clay cover, neutralization, cleanup of released hazardous substances, pollutants or contaminants, or contaminated materials, recycling or reuse, diversion, destruction, segregation of reactive wastes, dredging or excavations, repair or replacement of leaking containers, collection of leachate and runoff, on-site treatment or incineration, provision of alternative water supplies, and any monitoring and maintenance, and institutional controls, reasonably required to assure that these actions protect the public health and welfare and the environment; and

(b) The costs of permanent relocation of residents and businesses and community facilities when the agency determines that, alone or in combination with other measures, relocation is more cost-effective than and environmentally preferable to the transportation, storage, treatment, destruction, or secure disposition off-site of hazardous substances, or pollutants or contaminants, or may otherwise be necessary to protect the public health or welfare.

Remedy or remedial action does not include offsite transport of hazardous substances, pollutants or contaminants, or contaminated materials or their storage, treatment, destruction, or secure disposition offsite unless the agency determines that these actions:

(1) Are more cost-effective than other remedial actions;

(2) Will create new capacity to manage hazardous substances in addition to those located at the affected facility, in compliance with section 116.07 and subtitle C of the Solid Waste Disposal Act, United States Code, title 42, section 6921 et seq.; or

(3) Are necessary to protect the public health or welfare or the environment from a present or potential risk which may be created by further exposure to the continued presence of the hazardous substances, pollutants or contaminants, or contaminated materials.

Sec. 101. Minnesota Statutes 1996, section 115B.17, subdivision 14, is amended to read:

Subd. 14. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) Except as otherwise provided in this paragraph, the person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. A state agency, political subdivision, or other public entity is not required to pay for the agency's cost to review agency records and files. Money received by the agency for assistance under this section must be deposited in the environmental response, compensation, and compliance fund.

(c) When a person investigates a release or threatened release in accordance with an investigation plan approved by the commissioner under this subdivision, the investigation does not associate that person with the release or threatened release for the purpose of section 115B.03, subdivision 3, paragraph (d).

Sec. 102. Minnesota Statutes 1996, section 115B.17, subdivision 15, is amended to read:

Subd. 15. [ACQUISITION OF PROPERTY.] The agency may acquire, by purchase or donation, an interest in real property, including easements, restrictive covenants, and leases, that

the agency determines is necessary for response action. The validity and duration of a restrictive covenant or nonpossessory easement acquired under this subdivision shall be determined in the same manner as the validity and duration of a conservation easement under chapter 84C, unless the duration is otherwise provided in the agreement. The agency may acquire an easement by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. The provisions of chapter 117 govern condemnation proceedings by the agency under this subdivision. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this subdivision.

Sec. 103. Minnesota Statutes 1996, section 115B.17, is amended by adding a subdivision to read:

Subd. 17. [SETTLEMENTS; GENERAL AUTHORITY.] In addition to the general authority vested in the agency to settle any claims under sections 115B.01 to 115B.18, the agency may exercise the settlement authorities provided in subdivisions 17 to 20. If the agency does not obtain complete relief for all of its claims under sections 115B.01 to 115B.18, pursuant to a settlement, the agency may bring claims under those sections against any person who is not a party to the settlement, but the settlement shall reduce the liability of any person who is not a party to the settlement by the amount of the settlement.

Sec. 104. Minnesota Statutes 1996, section 115B.17, is amended by adding a subdivision to read:

Subd. 18. [CONTRIBUTION PROTECTION FOR SETTLORS.] Notwithstanding anything to the contrary in section 115B.08 or any other law, a person who resolves its liability to the agency under sections 115B.01 to 115B.18 in a settlement shall not be liable for any claim for contribution regarding matters addressed in the settlement. Except as otherwise provided in the settlement, a party to a settlement retains any right under section 115B.08 or any other law to bring a claim for contribution against any person who is not a party to the settlement. Any claim for contribution against a person who is not a party to the settlement shall be subordinate to any claim asserted against such person by the agency.

Sec. 105. Minnesota Statutes 1996, section 115B.17, is amended by adding a subdivision to read:

Subd. 19. [REIMBURSEMENT UNDER CERTAIN SETTLEMENTS.] (a) When the agency determines that some but not all persons responsible for a release are willing to implement response actions, the agency may agree, pursuant to a settlement of its claims under sections 115B.01 to 115B.18, to reimburse the settling parties for response costs incurred to take the actions. The agency may agree to reimburse any amount which does not exceed the amount that the agency estimates may be attributable to the liability of responsible persons who are not parties to the settlement. Reimbursement may be provided only for the cost of conducting remedial design and constructing remedial action pursuant to the terms of the settlement. Reimbursement under this subdivision shall be paid only upon the agency's determination that the remedial action approved by the agency has been completed in accordance with the terms of the settlement. The agency may use money appropriated to it for actions authorized under section 115B.20, subdivision 2, clause (2), to pay reimbursement under this subdivision.

(b) The agency may agree to provide reimbursement under a settlement only when all of the following requirements have been met:

(1) the agency has made the determination under paragraph (c) regarding persons who are not participating in the settlement, and has provided written notice to persons identified under paragraph (c), clauses (1) and (2), of their opportunity to participate in the settlement or in a separate settlement under subdivision 20;

(2) the release addressed in the settlement has been assigned a priority pursuant to agency rules adopted under subdivision 13, and the priority is at least as high as a release for which the agency would be allowed to allocate funds for remedial action under the rules;

(3) an investigation of the release addressed in the settlement has been completed in accordance with a plan approved by the agency; and

(4) the agency has approved the remedial action to be implemented under the settlement.

(c) Before entering into a settlement providing for reimbursement under this subdivision, the agency shall determine that there are one or more persons who meet any of the following criteria who are not participating in the settlement:

(1) persons identified by the agency as responsible for the release addressed in the settlement but who are likely to have only minimal involvement in actions leading to the release, or are insolvent or financially unable to pay any significant share of response action costs;

(2) persons identified by the agency as responsible for the release other than persons described in clause (1) and who are unwilling to participate in the settlement or to take response actions with respect to the release;

(3) persons whom the agency has reason to believe are responsible for the release addressed in the settlement but whom the agency has been unable to identify; or

(4) persons identified to the agency by a party to the proposed settlement as persons who are potentially responsible for the release but for whom the agency has insufficient information to determine responsibility.

(d) Except as otherwise provided in this subdivision, a decision of the agency under this subdivision to offer or agree to provide reimbursement in any settlement, or to determine the amount of reimbursement it will provide under a settlement, is a matter of agency discretion in the exercise of its enforcement authority. In exercising discretion in this matter, the agency may consider, among other factors, the degree of cooperation with the agency that has been shown prior to the settlement by the parties seeking reimbursement.

(e) The agency may require as a term of settlement under this subdivision that the parties receiving reimbursement from the agency waive any rights they may have to bring a claim for contribution against persons who are not parties to the settlement.

Sec. 106. Minnesota Statutes 1996, section 115B.17, is amended by adding a subdivision to read:

Subd. 20. [SETTLEMENTS WITH DE MINIMIS PARTIES AND PARTIES WITH LIMITED FINANCIAL RESOURCES.] (a) The agency may agree to separately settle its claims under sections 115B.01 to 115B.18 with any persons:

(1) whose liability for response costs or response actions, in the determination of the agency, is minimal in comparison with the liability of other persons responsible for the release; or

(2) who are responsible for a release but, in the determination of the agency, are insolvent or financially unable to pay any significant share of their liability for the response costs.

(b) A settlement under this subdivision may require the parties to pay a fixed amount in money or in kind toward the implementation of response actions, and may include a premium for the risk of additional future response costs or response action requirements. The agency may require as a term of a settlement under this subdivision that the settling responsible persons waive any rights they may have to bring a claim for contribution against persons who are not parties to the settlement.

(c) All amounts paid to the agency under a settlement entered into pursuant to this subdivision shall be deposited in the account and are appropriated to the agency to pay for response actions and associated administrative and legal costs related to the release addressed in the settlement, including reimbursement for response costs under subdivision 19.

Sec. 107. Minnesota Statutes 1996, section 115B.175, subdivision 2, is amended to read:

Subd. 2. [PARTIAL RESPONSE ACTION PLANS; CRITERIA FOR APPROVAL.] (a) The commissioner may approve a voluntary response action plan submitted under this section that does not require removal or remedy of all releases and threatened releases at an identified area of real property if the commissioner determines that all of the following criteria have been met:

(1) if reuse or development of the property is proposed, the voluntary response action plan provides for all response actions required to carry out the proposed reuse or development in a manner that meets the same standards for protection that apply to response actions taken or requested under section 115B.17, subdivision 1 or 2;

(2) the response actions and the activities associated with any reuse or development proposed for the property will not aggravate or contribute to releases or threatened releases that are not required to be removed or remedied under the voluntary response action plan, and will not interfere with or substantially increase the cost of response actions to address the remaining releases or threatened releases; and

(3) the owner of the property agrees to cooperate with the commissioner or other persons acting at the direction of the commissioner in taking response actions necessary to address remaining releases or threatened releases, and to avoid any action that interferes with the response actions.

(b) Under paragraph (a), clause (3), an owner may be required to agree to any or all of the following terms necessary to carry out response actions to address remaining releases or threatened releases:

(1) to provide access to the property to the commissioner and the commissioner's authorized representatives;

(2) to allow the commissioner, or persons acting at the direction of the commissioner, to undertake reasonable and necessary activities at the property including placement of borings, wells, equipment, and structures on the property, provided that the activities do not unreasonably interfere with the proposed reuse or redevelopment; and

(3) to grant easements or other interests in the property to the agency for any of the purposes provided in clause (1) or (2).

(c) An agreement under paragraph (a), clause (3), must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

Sec. 108. Minnesota Statutes 1996, section 115B.175, subdivision 6a, is amended to read:

Subd. 6a. [VOLUNTARY RESPONSE ACTIONS BY RESPONSIBLE PERSONS.] (a) Notwithstanding subdivision 1, paragraph (a), when a person who is responsible for a release or threatened release under sections 115B.01 to 115B.18 undertakes and completes response actions, the protection from liability provided by this section applies to persons described in paragraph (c) if the response actions are undertaken and completed in accordance with this subdivision.

(b) The response actions must be undertaken and completed in accordance with a voluntary response action plan approved as provided in subdivision 3. Notwithstanding subdivision 2, a voluntary response action plan submitted by a person who is responsible for the release or threatened release must require remedy or removal of all releases and threatened releases at the identified area of real property. The identified area of real property must correspond to the boundaries of a parcel that is either separately platted or is the entire parcel.

(c) Subject to the provisions of subdivision 7, when the commissioner issues a certificate of completion under subdivision 5 for response actions completed at an identified area of real property in accordance with this subdivision, the liability protection under this section applies to:

(1) a person who acquires the identified real property after approval of the voluntary response action plan;

(2) a person providing financing for response actions or development at the identified real property after approval of the response action plan, whether the financing is provided to the person undertaking the response actions or other person who acquires or develops the property; and

(3) a successor or assign of a person to whom the liability protection applies under this paragraph.

(d) When the commissioner issues a certificate of completion for response actions completed by a responsible person, the commissioner and the responsible person may enter into an agreement that resolves the person's future liability to the agency under sections 115B.01 to 115B.18 for the release or threatened release addressed by the response actions.

Sec. 109. Minnesota Statutes 1996, section 115B.412, subdivision 10, is amended to read:

Subd. 10. [REPORT.] By ~~October~~ December 1 of each year, the commissioner shall report to the environment and natural resources committees and to the appropriate finance committees of the senate and the house of representatives on the commissioner's activities under sections 115B.39 to 115B.43 and the commissioner's anticipated activities during future fiscal years.

Sec. 110. Minnesota Statutes 1996, section 115B.48, subdivision 3, is amended to read:

Subd. 3. [DRYCLEANING FACILITY.] "Drycleaning facility" means a facility located in this state that is or has been used for a drycleaning operation, other than:

- (1) a coin-operated drycleaning operation;
- (2) a facility located on a United States military base;
- (3) a uniform service or linen supply facility;
- (4) a prison or other penal institution;
- (5) a facility on the national priorities list established under the Federal Superfund Act; or
- (6) a facility at which a response action has been taken or started under section 115B.17 before July 1, 1995, except as authorized in a settlement agreement approved by the commissioner by July 1, 1997.

Sec. 111. Minnesota Statutes 1996, section 115B.48, subdivision 8, is amended to read:

Subd. 8. [FULL-TIME EQUIVALENCE.] "Full-time equivalence" means 2,000 hours worked by employees, owners, and others, ~~at duties related to the drycleaning operation~~ in a drycleaning facility during a 12-month period beginning July 1 of the preceding year and running through June 30 of the year in which the annual registration fee is due. For those drycleaning facilities that were in business less than the 12-month period, full-time equivalence means the total of all of the hours worked ~~at duties related to the drycleaning operation~~ in the drycleaning facility, divided by 2,000 and multiplied by a fraction, the numerator of which is 50 and the denominator of which is the number of weeks in business during the reporting period.

Sec. 112. Minnesota Statutes 1996, section 115B.49, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION; FEES.] (a) The owner or operator of a drycleaning facility shall register on or before July 1 of each year with the commissioner of revenue in a manner prescribed by the commissioner of revenue and pay a registration fee for the facility. The amount of the fee is:

- (1) \$500, for facilities with a full-time equivalence of fewer than five;
 - (2) \$1,000, for facilities with a full-time equivalence of five to ten; and
 - (3) \$1,500, for facilities with a full-time equivalence of more than ten.
- (b) A person who sells drycleaning solvents for use by drycleaning facilities in the state shall

collect and remit to the commissioner of revenue in a manner prescribed by the commissioner of revenue, on or before the 20th day of the month following the month in which the sales of drycleaning solvents are made, a fee of:

(1) \$3.50 for each gallon of perchloroethylene sold for use by drycleaning facilities in the state; and

(2) 70 cents for each gallon of hydrocarbon-based drycleaning solvent sold for use by drycleaning facilities in the state.

(c) The commissioner shall, after a public hearing but notwithstanding section 16A.1285, subdivision 4, annually adjust the fees in this subdivision as necessary to maintain ~~an unenumerated balance in the account~~ annual income of at least \$1,000,000:

(1) \$600,000 beginning July 1, 1997;

(2) \$700,000 beginning July 1, 1998; and

(3) \$800,000 beginning July 1, 1999.

Any adjustment under this paragraph must be prorated among all the fees in this subdivision. ~~Fees adjusted under this paragraph may not exceed 200 percent of the fees in this subdivision~~ After adjustment under this paragraph, the fees in this subdivision must not be greater than two times their original amount. The commissioner shall notify the commissioner of revenue of an adjustment under this paragraph no later than March 1 of the year in which the adjustment is to become effective. The adjustment is effective for sales of drycleaning solvents made, and annual registration fees due, beginning on July 1 of the same year.

(d) To enforce this subdivision, the commissioner of revenue may examine documents, assess and collect fees, conduct investigations, issue subpoenas, grant extensions to file returns and pay fees, impose penalties and interest on the annual registration fee under paragraph (a) and the monthly fee under paragraph (b), abate penalties and interest, and administer appeals, in the manner provided in chapters 270 and 289A. The penalties and interest imposed on taxes under chapter 297A apply to the fees imposed under this subdivision. Disclosure of data collected by the commissioner of revenue under this subdivision is governed by chapter 270B.

Sec. 113. Minnesota Statutes 1996, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.1285 establishing a system for charging permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the ~~special revenue account~~ environmental fund.

(b) Notwithstanding paragraph (a), and section 16A.1285, subdivision 2, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under subchapter V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of subchapter V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions

of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.1285, subdivision 5, that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and

(2) the agency fee rules may also result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

Sec. 114. Minnesota Statutes 1996, section 116.07, is amended by adding a subdivision to read:

Subd. 7a. [NOTICE OF APPLICATION FOR LIVESTOCK FEEDLOT PERMIT.] A person who applies to the pollution control agency or a county board for a permit to construct or expand a feedlot with a capacity of 500 animal units or more shall, not later than ten business days after the application is submitted, provide notice to each resident and each owner of real property within

5,000 feet of the perimeter of the proposed feedlot. The notice may be delivered by first class mail, in person, or by the publication in a newspaper of general circulation within the affected area and must include information on the type of livestock and the proposed capacity of the feedlot. Notification under this subdivision is satisfied under an equal or greater notification requirement of a county conditional use permit.

Sec. 115. [116.0713] [LIVESTOCK ODOR.]

The pollution control agency must:

(1) monitor and identify potential livestock facility violations of the state ambient air quality standards for hydrogen sulfide, using a protocol for responding to citizen complaints regarding feedlot odor and its hydrogen sulfide component, including the appropriate use of portable monitoring equipment that enables monitoring staff to follow plumes;

(2) when livestock production facilities are found to be in violation of ambient hydrogen sulfide standards, take appropriate actions necessary to ensure compliance, utilizing appropriate technical assistance and enforcement and penalty authorities provided to the agency by statute and rule.

Sec. 116. Minnesota Statutes 1996, section 116.92, is amended by adding a subdivision to read:

Subd. 8a. [BAN; MERCURY MANOMETERS.] After June 30, 1997, mercury manometers for use on dairy farms may not be sold or installed, nor may mercury manometers in use on dairy farms be repaired. After December 31, 2000, all mercury manometers on dairy farms must be removed from use.

Sec. 117. [116.993] [SMALL BUSINESS ENVIRONMENTAL IMPROVEMENT LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A small business environmental improvement revolving loan program is established to provide loans to small businesses for the purpose of capital equipment purchases that will meet or exceed environmental rules and regulations or for investigation and cleanup of contaminated sites. The small business environmental improvement revolving loan program replaces the small business environmental loan program in Minnesota Statutes 1996, section 116.991, and the hazardous waste generator loan program in Minnesota Statutes 1996, section 115B.223.

Subd. 2. [ELIGIBLE BORROWER.] To be eligible for a loan under this section, a borrower must:

(1) be a small business corporation, sole proprietorship, partnership, or association;

(2) be a potential emitter of pollutants to the air, ground, or water;

(3) need capital for equipment purchases that will meet or exceed environmental regulations or need capital for site investigation and cleanup;

(4) have less than 50 full-time employees;

(5) have an after tax profit of less than \$500,000; and

(6) have a net worth of less than \$1,000,000.

Subd. 3. [LOAN APPLICATION AND AWARD PROCEDURE.] The commissioner of the pollution control agency may give priority to applicants that include, but are not limited to, those subject to Clean Air Act standards adopted under United States Code, title 42, section 7412, those undergoing site investigation and remediation, those involved with facility wide environmental compliance and pollution prevention projects, and those determined by the commissioner to be small business outreach priorities. The commissioner shall decide whether to award a loan to an eligible borrower based on:

(1) the applicant's financial need;

(2) the applicant's ability to secure and repay the loan; and

(3) the expected environmental benefit.

Subd. 4. [SCREENING COMMITTEE.] The commissioner shall appoint a screening committee to evaluate applications and determine loan awards. The committee shall have diverse expertise in air quality, water quality, solid and hazardous waste management, site response and cleanup, pollution prevention, and financial analysis.

Subd. 5. [LIMITATION ON LOAN OBLIGATION.] Numbers of applications accepted, evaluated, and awarded are based upon the available money in the small business environmental improvement loan account.

Subd. 6. [LOAN CONDITIONS.] A loan made under this section must include:

(1) an interest rate that is four percent or one-half the prime rate, whichever is greater;

(2) a term of payment of not more than seven years; and

(3) an amount not less than \$1,000 or exceeding \$50,000.

Sec. 118. [116.994] [SMALL BUSINESS ENVIRONMENTAL IMPROVEMENT LOAN ACCOUNT.]

The small business environmental improvement loan account is established in the environmental fund. Repayments of loans made under section 116.993 must be credited to this account. This account replaces the small business environmental loan account in Minnesota Statutes 1996, section 116.992, and the hazardous waste generator loan account in Minnesota Statutes 1996, section 115B.224. The account balances and pending repayments from the small business environmental loan account and the hazardous waste generator account will be credited to this new account. Money in the account is appropriated to the commissioner for loans under this section.

Sec. 119. Minnesota Statutes 1996, section 116C.834, subdivision 2, is amended to read:

Subd. 2. [COLLECTION AND DEPOSIT.] Fees assessed under subdivision 1 shall be collected by the commissioner of revenue. All money received pursuant to this subdivision shall be deposited in the ~~special revenue~~ environmental fund.

Sec. 120. Minnesota Statutes 1996, section 116O.09, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) In addition to the duties and powers assigned to the institutes in section 116O.08, the agricultural utilization research institute shall:

(1) identify the various market segments characterized by Minnesota's agricultural industry, address each segment's individual needs, and identify development opportunities in each segment;

(2) develop and implement a utilization program for each segment that addresses its development needs and identifies techniques to meet those needs;

(3) coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers, and individuals; and

(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various agricultural industries; and

(5) provide financial assistance including, but not limited to: (i) direct loans, guarantees, interest subsidy payments, and equity investments; and (ii) participation in loan participations. The board of directors shall establish the terms and conditions of the financial assistance.

(b) The agricultural utilization research institute board of directors, ~~with the concurrence of the~~

~~advisory board~~, shall have the sole approval authority for establishing agricultural utilization research priorities, requests for proposals to meet those priorities, awarding of grants, hiring and direction of personnel, and other expenditures of funds consistent with the adopted and approved mission and goals of the agricultural utilization research institute. The actions and expenditures of the agricultural utilization research institute are subject to audit and regular annual report to the legislature in general and specifically the house of representatives agriculture committee, the senate agriculture and rural development committee, the house of representatives ~~appropriations~~ environment and natural resources finance committee, and the senate ~~finance~~ ~~committee~~ environment and agriculture budget division.

Sec. 121. Minnesota Statutes 1996, section 116O.09, subdivision 5, is amended to read:

Subd. 5. [ADVISORY BOARD.] A 26-member advisory board is ~~may be~~ established to identify priorities for the agricultural utilization research institute. Members of the advisory board are appointed by the board. The advisory board consists of: the chair of the Minnesota house of representatives agricultural committee; the chair of the Minnesota senate agricultural committee; a representative from each of the ten largest agricultural-related businesses in the state as determined by the corporation; a member from each of the appropriate trade organizations representing producers of beef cattle, dairy, corn, soybeans, pork, wheat, turkey, barley, wild rice, edible beans, eggs, and potatoes; a member of the Farmers' Union; and a member of the Farm Bureau. Terms and removal of members must be set by the board and members of the advisory board serve without compensation but shall receive their necessary and actual expenses.

The advisory board shall annually provide a list of priorities and suggested research and marketing studies that should be performed by the agricultural utilization research institute.

Sec. 122. Minnesota Statutes 1996, section 116O.09, subdivision 9, is amended to read:

Subd. 9. [MEETINGS.] The board of directors shall meet at least twice each year and may hold additional meetings upon giving notice in accordance with the bylaws of the institute. Board meetings are subject to section 471.705, ~~except subdivision 1b as it pertains to financial information, business plans, income and expense projections, customer lists, market and feasibility studies, and trade secret information as defined by section 13.37, subdivision 1, paragraph (b).~~

Sec. 123. Minnesota Statutes 1996, section 216B.2423, is amended by adding a subdivision to read:

Subd. 3. [STANDARD CONTRACTS FOR WIND ENERGY CONVERSION SYSTEMS.] The public utilities commission shall require a public utility subject to subdivision 1 to develop and file in a form acceptable to the commission by October 1, 1997, a standard form contract for the purchase of electricity from wind conversion systems with installed capacity of two megawatts and less. For purposes of applying the two megawatts limit, the installed capacity sold to the public utility from a single seller or affiliated group of sellers shall be cumulated. The standard contract shall include all the terms and conditions for purchasing wind-generated power by the utility, except for price and any other specific terms necessary to ensure system reliability and safety, which shall be separately negotiable.

Sec. 124. Minnesota Statutes 1996, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section:

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system that:

~~(1) is located within one county and owned by a natural person who owns the land where the facility is sited, or is a farm-generated wind energy production facility qualifying under section 41B.046, subdivision 1;~~

- (2) produces two megawatts or less of electricity as measured by nameplate rating; and
- (3) begins generating electricity after June 30, 1997, and before July 1, 1999; or

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) located within one county and owned by a natural person who owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a nonprofit organization; or

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation.

Sec. 125. [219.99] [RAILROAD PRAIRIE RIGHTS-OF-WAY; BEST MANAGEMENT PRACTICES.]

The commissioner of natural resources shall conduct a field review of railroad rights-of-way to identify native prairie. The priority will be to identify and conduct a field review of any surveys which have been conducted previously, whether by public or private persons, of native prairies within railroad rights-of-way in this state. In cooperation with railroad companies, the commissioner shall identify management practices used to control vegetation along railroad rights-of-way. The commissioner shall then assess the impact of those management practices on the prairie lands within the railroad rights-of-way. Based on that assessment, the commissioner and railroad companies shall jointly develop voluntary best management practices for prairie lands within railroad rights-of-way.

Sec. 126. Minnesota Statutes 1996, section 223.17, subdivision 3, is amended to read:

Subd. 3. [GRAIN BUYERS AND STORAGE FUND; FEES.] The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22. These fees may be adjusted pursuant to the provisions of section 16A.1285.

The fee for any license issued or renewed prior to June 30, 1984, is \$100. The fee for any license issued or renewed after June 30, 1984 1997, shall be set according to the following schedule:

(a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$1,500,000 \$100,000;

(b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$1,500,000 \$100,000, but not more than \$3,000,000 \$750,000; and

(c) \$300 plus \$50 \$100 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000. \$750,000 but not more than \$1,500,000;

(d) \$400 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$500 plus \$100 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.22.

Sec. 127. Minnesota Statutes 1996, section 300.11, is amended by adding a subdivision to read:

Subd. 5. [WATER QUALITY UTILITIES.] Notwithstanding any contrary provision in subdivision 1, the term "public utility" also means a person, corporation, cooperative, or other legal entity, their lessees, trustees, and receivers who are operating, maintaining, or controlling equipment or facilities to provide water quality treatment and management services, as defined by section 115.58, subdivision 1, paragraph (e). "Public utility" does not include a municipality that owns or operates equipment or facilities for treating wastewater, furnishing potable water or water for geothermal heating and cooling, managing storm water runoff or drainage, or reducing or eliminating water pollution.

Sec. 128. Minnesota Statutes 1996, section 308A.101, is amended by adding a subdivision to read:

Subd. 3. [WATER QUALITY COOPERATIVE PURPOSE.] A water quality cooperative may only be formed by a cooperative engaged in furnishing potable water or water quality treatment and management services, as defined in section 115.58, subdivision 1, paragraph (e), for the purpose of financing or refinancing the construction, improvement, expansion, acquisition, operation, and maintenance of treatment works, sewage systems, storm sewer facilities, water pipelines, and related facilities of its members.

Sec. 129. Minnesota Statutes 1996, section 308A.201, is amended by adding a subdivision to read:

Subd. 15. [WATER QUALITY COOPERATIVE CONDEMNATION POWER.] A water quality cooperative organized in this state may exercise the power of eminent domain in the manner provided by state law for the exercise of the power by corporations engaged in the provision of electric, light, heat, power, or telephone service.

Sec. 130. Minnesota Statutes 1996, section 325E.10, subdivision 2, is amended to read:

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

Sec. 131. Minnesota Statutes 1996, section 325E.10, is amended by adding a subdivision to read:

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

Sec. 132. Minnesota Statutes 1996, section 325E.10, is amended by adding a subdivision to read:

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

Sec. 133. Minnesota Statutes 1996, section 325E.11, is amended to read:

325E.11 [COLLECTION FACILITIES; NOTICE.]

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

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

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

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

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

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

Sec. 134. Minnesota Statutes 1996, section 325E.112, subdivision 2, is amended to read:

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

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

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

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

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

Sec. 135. Minnesota Statutes 1996, section 394.25, subdivision 2, is amended to read:

Subd. 2. [DISTRICTS SET BY ZONING ORDINANCES.] Zoning ordinances establishing

districts within which the use of land or the use of water or the surface of water pursuant to section 86B.205 for agriculture, forestry, recreation, residence, industry, trade, soil conservation, water supply conservation, surface water drainage and removal, conservation of shorelands, as defined in sections 103F.201 to 103F.221, and additional uses of land and of the surface of water pursuant to section 86B.205, may be by official controls encouraged, regulated, or prohibited and for such purpose the board may divide the county into districts of such number, shape, and area as may be deemed best suited to carry out the comprehensive plan. Official controls may also be applied to wetlands preservation, open space, parks, sewage disposal, protection of groundwater, protection of floodplains as defined in section 103F.111, protection of wild, scenic, or recreational rivers as defined in sections 103F.311 and 103F.315, protection of slope, soils, unconsolidated materials or bedrock from potentially damaging development, preservation of forests, woodlands and essential wildlife habitat, reclamation of nonmetallic mining lands; protection and encouragement of access to direct sunlight for solar energy systems as defined in section 216C.06, subdivision 8; and the preservation of agricultural lands. Official controls may include provisions for purchase of development rights by the board in the form of conservation easements under chapter 84C in areas where preservation is considered by the board to be desirable, and the transfer of development rights from those areas to areas the board considers more desirable for development.

Sec. 136. Minnesota Statutes 1996, section 394.25, is amended by adding a subdivision to read:

Subd. 3b. [FEEDLOT ZONING ORDINANCES.] (a) A county proposing to adopt a new feedlot ordinance or amend an existing feedlot ordinance must notify the pollution control agency and commissioner of agriculture at the beginning of the process.

(b) Prior to final approval of a feedlot ordinance, a county board may submit a copy of the proposed ordinance to the pollution control agency and to the commissioner of agriculture and request review, comment, and preparation of a report on the environmental and agricultural effects from specific provisions in the ordinance.

(c) The report may include:

- (1) any recommendations for improvements in the ordinance; and
- (2) the legal, social, economic, or scientific justification for each recommendation under clause (1).

(d) A local ordinance that contains a setback for new feedlots from existing residences must also provide for a new residence setback from existing feedlots located in areas zoned agricultural at the same distances and conditions specified in the setback for new feedlots, unless the new residence is built to replace an existing residence. A county may grant a variance from this requirement under section 394.27, subdivision 7.

Sec. 137. [394.305] [NOTICE OF RESIDENTIAL DEVELOPMENT ON CERTAIN AGRICULTURAL LAND.]

A person who applies for a permit to construct four or more residential units on a site located on land zoned for agricultural use or on agricultural land in a county that does not have a comprehensive land use or zoning plan shall, not later than ten business days after the application is submitted, provide notice to each owner of agricultural real property within 5,000 feet of the perimeter of the residential development. The notice may be delivered by first class mail, in person, or by publication in a newspaper of general circulation within the affected area and must include information on the number of residential units.

Sec. 138. Minnesota Statutes 1996, section 462.357, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY FOR ZONING.] For the purpose of promoting the public health, safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public

activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in sections 103F.201 to 103F.221, access to direct sunlight for solar energy systems as defined in section 216C.06, flood control or other purposes, and may establish standards and procedures regulating such uses. To accomplish these purposes, official controls may include provision for purchase of development rights by the governing body in the form of conservation easements under chapter 84C in areas where the governing body considers preservation desirable and the transfer of development rights from those areas to areas the governing body considers more appropriate for development. No regulation may prohibit earth sheltered construction as defined in section 216C.06, subdivision 2, relocated residential buildings, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape, and area. The regulations shall be uniform for each class or kind of buildings, structures, or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 139. Laws 1995, chapter 220, section 19, subdivision 4, as amended by Laws 1996, chapter 407, section 50, is amended to read:

Subd. 4. Parks and Trails

(a) METROPOLITAN REGIONAL
PARK SYSTEM

3,950,000

This appropriation is from the trust fund for payment by the commissioner of natural resources to the metropolitan council for subgrants to rehabilitate, develop, acquire, and retrofit the metropolitan regional park system consistent with the metropolitan council regional recreation open space capital improvement program and subgrants for regional trails, consistent with an updated regional trail plan. \$1,666,000 of this appropriation is from the trust fund acceleration.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(b) STATE PARK AND RECREATION AREA
ACQUISITION, DEVELOPMENT, BETTERMENT,
AND REHABILITATION

3,150,000

This appropriation is from the trust fund to the

commissioner of natural resources as follows: (1) for state park and recreation area acquisition \$1,070,000, of which up to \$670,000 may be used for state trail acquisition of a critical nature; (2) for state park and recreation area development \$680,000; and (3) for betterment and rehabilitation of state parks and recreation areas \$1,400,000. The use of the Minnesota conservation corps is encouraged in the rehabilitation and development.

\$1,384,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTEA money in eligible categories and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(c) STATE TRAIL REHABILITATION
AND ACQUISITION

250,000

This appropriation is from the trust fund to the commissioner of natural resources for state trail plan priorities. \$94,000 of this appropriation is from the trust fund acceleration. The commissioner must submit grant requests for supplemental funding for federal ISTEA money and report the results to the legislative commission on Minnesota resources.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(d) WATER ACCESS

600,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate public water access acquisition and development statewide. Access includes boating access, fishing piers, and shoreline access. Up to \$100,000 of this appropriation may be used for a cooperative project to acquire and develop land, local park facilities, an access trail, and a boat access at the LaRue pit otherwise consistent with the water access program.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) LOCAL GRANTS

1,800,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants, as follows: (1)

\$500,000 to local units of government for local park and recreation areas; (2) \$500,000 to local units of government for natural and scenic areas pursuant to Minnesota Statutes, section 85.019; (3) \$400,000 to local units of government for trail linkages between communities, trails, and parks; and (4) \$400,000 for a conservation partners program, a statewide pilot to encourage private organizations and local governments to cost share enhancement of fish, wildlife, and native plant habitats; and research and surveys of fish and wildlife, and related education activities. Conservation partners grants may be up to \$10,000 each and must be equally matched. In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources and the commission has either made a recommendation or allowed 60 days to pass without making a recommendation. The above appropriations are available half for the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, and half for outside of the metropolitan area. For the purpose of this paragraph, match includes nonstate contributions either cash or in-kind.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(f) MINNEAPOLIS PARK AND
TRAIL CONNECTIONS

141,000

This appropriation is from the future resources fund to the commissioner of transportation for half of the nonfederal match of ISTEA projects for the Minneapolis park and recreation board to develop park and trail connections including: Minnehaha park to Mendota bridge, Stone Arch bridge to bridge number 9 on West River Parkway, Boom island to St. Anthony Parkway, and West River Parkway to Shingle Creek Parkway. The Minneapolis park and recreation board must apply for and receive approval of the federal money in order to receive this appropriation.

This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(g) LOCAL SHARE FOR ISTEA
FEDERAL PROJECTS

300,000

This appropriation is from oil overcharge money

to the commissioner of administration for half of the nonfederal match of ISTEA projects for: (1) Chisago county, \$150,000 for a trail between North Branch and Forest Lake township; and (2) the St. Louis and Lake counties regional rail authority, \$150,000 for the development of approximately 40 miles of a multipurpose recreational trail system. Chisago county and the St. Louis and Lake counties regional rail authority must apply for and receive approval of the federal money in order to receive these appropriations.

The project under clause (1) must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date. The project under clause (2) must be completed and final products delivered by December 31, 1999, and the appropriation is available until that date.

(h) PINE POINT PARK REST STATION 100,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Washington county to construct a rest station on the Gateway segment of the Willard Munger state trail in compliance with the Americans with Disabilities Act. This appropriation must be matched by at least \$30,000 of nonstate money.

(i) INTERACTIVE MULTIMEDIA COMPUTER INFORMATION SYSTEM 45,000

This appropriation is from the future resources fund to the commissioner of trade and economic development, office of tourism, for an agreement with Explore Lake County, Inc. to develop a pilot multimedia interactive computer information system at the R. J. Houle visitor information center.

(j) UPPER SIOUX AGENCY STATE PARK 200,000

This appropriation to the commissioner of natural resources is from the future resources fund for bathroom and shower facilities at Upper Sioux Agency State Park.

(k) GRAIN BELT MISSISSIPPI RIVERFRONT DEVELOPMENT 500,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board, which shall cooperate with the Minneapolis community development agency to

create riverfront recreational park and marina facilities through acquisition and development of Mississippi riverfront property. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(l) WILDCAT REGIONAL PARK 40,000

This appropriation is from the future resources fund to the commissioner of natural resources for an agreement with Houston county to construct an off-channel boat ramp on the Mississippi River, and wingwalls to protect the ramp and existing swimming beach, and facilities for users of the ramp.

Sec. 140. Laws 1995, chapter 220, section 19, subdivision 11, is amended to read:
Subd. 11. Energy

(a) ~~INTER-CITY ELECTRIC VEHICLE
TRANSPORTATION DEMONSTRATION~~ 150,000

~~This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Minnesota Power and Light Company to develop and evaluate an electric vehicle infrastructure with charging stations for use between Duluth and St. Paul, including installation of a charging station at the state of Minnesota central motor pool location. This appropriation must be matched by at least \$30,000 of nonstate money.~~

(b) SUSTAINABLE DEVELOPMENT OF WIND ENERGY ON FAMILY FARMS 200,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the sustainable resources center to provide technical assistance and technology transfer for the development of wind energy harvesting.

(e) (b) ONE-MEGAWATT HYBRID ELECTRICAL GENERATION SIMULATION PROJECT 50,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with Dan Mar & Associates in cooperation with the agriculture utilization research institute for a simulation project using biofuel electrical generation to firm up wind power to provide electrical energy on demand.

(d) (c) AVIAN POPULATION ANALYSIS FOR WIND POWER GENERATION REGIONS 75,000

This appropriation is from the oil overcharge money to the commissioner of administration for

an agreement with American Wind Energy Association to identify and assess significant avian activity areas within identified wind farm corridors in Minnesota. This appropriation must be matched by at least \$75,000 of nonstate money. This project must be completed and final products delivered by December 31, 1997, and the appropriation is available until that date.

(e) (d) ENERGY IMPROVEMENTS IN PUBLIC ICE ARENAS

470,000

This appropriation is from the oil overcharge money to the commissioner of administration for an agreement with the Center for Energy and Environment to assess, install, and evaluate energy and indoor air quality improvements in at least 25 publicly owned ice arenas located throughout Minnesota. Projects receiving funding from this appropriation must be in compliance with the indoor ice facilities prime ice time and gender preference requirements in Minnesota Statutes, section 15.98. This appropriation is for up to 50 percent of the cost of retrofit activities.

Sec. 141. Laws 1996, chapter 351, section 2, is amended to read:

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

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

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

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

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

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

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

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

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

- (3) a strategy for educating the parties responsible for implementing the plan;
- (4) a strategy for educating the public on how to recycle used motor oil and used motor oil filters;
- (5) a description of government's role, if any; and
- (6) recommendations for legislation, if necessary.

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

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

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

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

(1) at least 90 percent of residents within the seven-county metropolitan area and residents of a city or town with a population greater than 1,500 have access to a free nongovernment collection site for used motor oil and used motor oil filters within five miles of their residences; and

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

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

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

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

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

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

Sec. 142. Laws 1996, chapter 463, section 7, subdivision 24, is amended to read:

Subd. 24. McQuade Public Access

500,000

For acquisition and development of a public access on Lake Superior in the city of Duluth, the town of Duluth, and the town of Lakewood. ~~This appropriation must be matched by a total of \$350,000 from the iron range resources and rehabilitation board and \$200,000 of this appropriation is available without match and the remaining \$300,000 is available to the extent matched by nonstate sources and is contingent on sufficient land owned by the cities and the town, the value of which may not be applied as part of the required match, being made available to complete the project.~~

Sec. 143. [AGRICULTURAL IMPROVEMENTS; WIND ENERGY CONVERSION FACILITY PILOT PROGRAM.]

Subdivision 1. [LOANS AUTHORIZED.] The Minnesota rural finance authority shall establish a pilot program to participate in loans to an eligible borrower through the agricultural improvement loan program under Minnesota Statutes, section 41B.043, for wind energy conversion facilities. Except as specifically provided in subdivision 2, all loans made under this section must comply with Minnesota Statutes, chapter 41B.

Subd. 2. [LOAN PARTICIPATION; REPAYMENT; LIFETIME LIMIT EXCLUSION.] Participation by the authority under this section is limited to a total of \$3,000,000. The authority is limited on a particular loan to 45 percent of the principal amount or \$500,000, whichever is less. A loan must have a term of no more than 20 years. Loans under this section must not be included in the lifetime limitation calculated under Minnesota Statutes, section 41B.03, subdivision 1. A loan origination fee of up to one-half percent may be charged by the authority.

Subd. 3. [REPORT.] By January 15, 1999, the rural finance authority must report to the senate committee on agriculture and rural development, the senate environment and agriculture budget division, the house committee on agriculture, and the house committee on environmental finance on the status of loans made under this pilot program. The report must include recommendations on whether to make permanent changes to the agricultural improvement loan program that allow for increased participation by the state in wind energy conversion facility loans.

Sec. 144. [DEER WINTER SURVIVAL WORK GROUP.]

The section of wildlife of the department of natural resources, representatives of the Minnesota Deer Hunters Association, and representatives of other groups or individuals interested in deer hunting and deer management in this state shall meet as a work group to develop recommendations on deer feeding and other deer management options to provide for management of deer and deer winter survival in this state.

The work group shall develop a plan for deer management in winter that provides recommendations on deer management and feeding needs. The work group shall examine and make reports on the following:

- (1) when and where deer feeding may be appropriate;
- (2) appropriate funding mechanisms, criteria, and delivery systems when feeding is determined to be appropriate;
- (3) other winter-related deer management needs and practices, such as food plots, wintering area identification and protection, deer yard improvement, browse regeneration, openings, and other deer foraging areas; and
- (4) needs for improving understanding of deer wintering requirements and management practices. The work group shall recommend any statutory changes or funding necessary to accomplish those needs.

The work group shall operate on a consensus basis and shall report its recommendations back to the house and senate environment and natural resources committees, the house environment and natural resources finance committee, and the senate environment and agriculture budget division by January 15, 1998.

Sec. 145. [ELECTRONIC LICENSING; RETRAINING OF AFFECTED STATE EMPLOYEES.]

(a) If any employees of the department of natural resources are affected by the implementation of Minnesota Statutes, section 84.027, subdivision 15, the commissioner shall meet and negotiate with the exclusive representatives of the affected employees. Bargaining under this section must have as its purpose the achievement of the highest possible degree of public service delivery to the citizens of Minnesota and the provision of appropriate incentives to any affected state employees. Incentives may include, but are not limited to, early retirement incentives, negotiated options in place of layoffs, job training and retraining opportunities, and enhanced severance.

(b) The commissioner and the representatives of any employees affected by the implementation of Minnesota Statutes, section 84.027, subdivision 15, shall determine the employee training and retraining required for any employees affected by Minnesota Statutes, section 84.027, subdivision 15. Employees whose job duties are affected by Minnesota Statutes, section 84.027, subdivision 15, must be given the opportunity to take part in training or retraining for new job duties. Employees affected by Minnesota Statutes, section 84.027, subdivision 15, must be trained or retrained for agency positions before new hiring takes place.

Sec. 146. [SALE OF STATE FOREST LAND.]

(a) Notwithstanding Minnesota Statutes, section 89.01, subdivision 5, the commissioner of natural resources may sell school trust and acquired state land in the Richard J. Dorer Memorial Hardwood State Forest described in this section in the manner for sale of trust fund and acquired lands under Minnesota Statutes, chapter 92 or 94.

(b) The land that may be sold is described as follows:

(1) Township 110 North, Range 12 West, Section 28, the Southeast Quarter of the Southwest Quarter containing 40 acres more or less and the Southwest Quarter of the Southeast Quarter containing 40 acres more or less, in Wabasha County;

(2) Township 107 North, Range 8 West, Section 16, the Northeast Quarter of the Southeast Quarter containing 40 acres more or less, the Southwest Quarter of the Southeast Quarter containing 40 acres more or less, in Winona County;

(3) Township 106 North, Range 5 West, Section 30, the Southeast Quarter of the Southeast Quarter containing 40 acres more or less, in Winona County;

(4) Township 106 North, Range 6 West, Section 36, the Northeast Quarter of the Southeast Quarter containing 40 acres more or less, in Winona County; and

(5) Township 104 North, Range 6 West, Section 6, the Southwest Quarter of the Northwest Quarter containing 38.28 acres more or less, in Houston County.

Sec. 147. [SALE OF TRUST FUND LAND IN HUBBARD COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the state trust fund land bordering on public waters described in paragraph (c) in accordance with the procedures in Minnesota Statutes, chapter 92.

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

(c) The land that may be sold is located in Hubbard County and is described as: that part of the Southeast Quarter of the Southeast Quarter of Section 8, Township 144 North, Range 32 West, Hubbard County, Minnesota, lying easterly of the Necktie River and northerly of the centerline of county state-aid highway No. 16, containing up to 5 acres, more or less.

(d) The sale will result in the elimination of a trespass situation with the adjacent landowner who built a house on the property in 1989.

Sec. 148. [SALE OF STATE LAND IN OTTER TAIL COUNTY.]

(a) Notwithstanding the public sale requirements of Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale, for a consideration not less than its appraised value, the land described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 94.

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

(c) The land that may be sold is located in Otter Tail County and is described as: all that part of the Southwest Quarter of the Southeast Quarter of Section 22, Township 137, Range 42, Otter Tail County, Minnesota described as follows: beginning at the South Quarter corner of said Section 22; thence on an assumed bearing of North 0 degrees 31 minutes 36 seconds East along the west line of said Southwest Quarter of the Southeast Quarter, a distance of 442.58 feet; thence South 19 degrees 29 minutes 47 seconds East a distance of 108.74 feet; thence southeasterly on a tangential curve, concave to the northeast, having a radius of 498.22 feet and a central angle of 69 degrees 43 minutes 29 seconds, for an arc distance of 606.30 feet to the easterly line of a tract of land described in Book 392 of Deeds, page 509, Office of the Otter Tail County Recorder; thence South 10 degrees 03 minutes 49 seconds West along said easterly line, a distance of 14.18 feet to the southeast corner of said tract of land described in Book 392 of Deeds, page 509; thence North 89 degrees 20 minutes 11 seconds West along the south line of said Section 22, a distance of 500.80 feet to the point of beginning, containing 1.44 acres more or less, subject to easements and reservations of public record, if any. The grantor, for itself, its successors and assigns, reserves an easement for use and maintenance of the existing ditch over and across the above described parcel, being a strip of land 33 feet in width lying 16.5 feet on each side of the centerline of the existing ditch running in a southwesterly direction from the township road to the west line of said Southwest Quarter of the Southeast Quarter.

(d) The commissioner has determined that the land is no longer useful for any natural resource purpose, or any other public purpose, and intends to sell this unneeded land to the adjoining landowner to resolve an inadvertent trespass.

Sec. 149. [SALE OF STATE LAND IN CROW WING COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell acquired state land bordering public waters described in this section in accordance with Minnesota Statutes, section 85.015, subdivision 1, paragraph (b), and chapter 94.

(b) The land that may be sold is located in Crow Wing County and is described as follows:

- (1) Lot 3, Block 5, Plat of Paul Bunyan Trail, Nisswa Addition; and
- (2) Lot 5, Block 5, Plat of Paul Bunyan Trail, Nisswa Addition.

Sec. 150. [SALE OF SURPLUS LAND FOR RECREATIONAL PURPOSES IN PINE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the land described in paragraph (b) to the city of Willow River in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10. The conveyance must provide that the land revert to the state of Minnesota should the land cease to be retained and developed as Stanton Lake Park for public use.

(b) The land that may be sold is located in Pine county and described as:

All that part of the following described tract: that part of the Northeast Quarter of the Southwest Quarter of Section 2, Township 44 North, Range 20 West, of the Fourth Principal Meridian, situated in Pine County, described as follows: beginning at a point on the east and west one quarter line of Section 2 at the intersection with the easterly right-of-way line of U.S. Highway No. 61; thence in a southerly direction along said easterly right-of-way line of U.S. Highway No. 61 a distance of 695 feet; thence in a northeasterly direction at an angle of 60 degrees with the U.S. Highway No. 61 right-of-way line for a distance of 410 feet to a point on the lake bank; thence in a northeasterly direction at an angle of 153 degrees 35 minutes with the preceding line to the intersection with the east and west one quarter line of Section 2, thence in a westerly direction along said east and west one quarter line of Section 2 to point of beginning, containing 5.81 acres, more or less.

(c) This property was purchased for development of the Stanton Lake dam. The state, its agents, and servants shall retain ownership of the dam and retain perpetual access to the dam via the existing road for the purposes of inspection, maintenance, repair, or reconstruction. The state shall not be held liable to make any immediate repairs on the dam. Such work shall be based on availability of dam maintenance funds. The land in this section is not needed for resource management and has been declared surplus. It best serves the public interest if this property is sold and proceeds used for acquisition of other land.

Sec. 151. [HORSESHOE BAY LEASES.]

Subdivision 1. [DEFINITIONS.] (a) "Lessee" means a lessee of lands leased under Minnesota Statutes, section 92.46, that are located in Section 16, Township 62 North, Range 4 East, Cook County, of record with the commissioner of natural resources as of May 14, 1993.

(b) "New lease" means a lease issued after the effective date of this act under the terms and conditions specified in Minnesota Statutes, section 92.46, subdivisions 1, 1a, and 3, except that the lease may be for a life term and is not assignable or transferable and may not be amended to include additional lessees.

Subd. 2. [OPTIONS FOR LESSEES.] (a) If requested in writing by a lessee before January 1, 1998, the commissioner shall, at the lessee's option:

(1) pay to the lessee the appraised value of the lessee's improvements on the land and terminate the existing lease as of the date of payment for improvements; or

(2) issue a new lease for the life of the lessee that provides that when the lease term expires, the

commissioner shall pay to the lessee or a beneficiary that must be designated in writing by the lessee the appraised value of the lessee's improvements on the land. A lessee who elects this option may elect to terminate the lease at any time during the term of the lease in exchange for payment by the commissioner for the appraised value of the lessee's improvements on the land.

(b) If the commissioner has not received written notice of a lessee's election by January 1, 1998, the commissioner may proceed under paragraph (a), clause (1).

(c) After the effective date of this section, no lessee under paragraph (a), clause (2), shall construct or remodel, other than necessary for maintenance and upkeep, a cabin or other structure during the lease.

(d) The commissioner may use money appropriated from the land acquisition account under Minnesota Statutes, section 94.165, for payments under paragraph (a).

(e) Notwithstanding Minnesota Statutes, section 92.46, subdivision 1a, the commissioner may elect whether to amend the leases in paragraph (a) to expand lot size to conform with current shoreline standards.

Sec. 152. [PRIVATE SALE OF STATE LAND IN CLEARWATER COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45; 97A.135, subdivision 2a; and 282.01, subdivision 2; and the public sale provisions of Minnesota Statutes, chapter 94, the commissioner of natural resources may sell the land described in paragraph (c) to the adjoining landowner for \$1,000.

(b) The conveyance must be in a form approved by the attorney general and must provide that:

(1) the land may not be sold for commercial use or be developed into more than a two-family residence; and

(2) placement or construction of additional buildings or structures on the land, including corrals and animal shelters or pens, is prohibited.

(c) The land that may be sold is located in Clearwater county and is described as follows:

That part of Government Lot 6, Section 18, Township 143 North, Range 37 West, Clearwater County, Minnesota, described as follows:

Beginning at the northeast corner of Lot 1 Block 1 of HIGHLAND VIEW, on file and of record in the office of the County Recorder, being a 3/4 x 24 inch rebar with plastic cap stamped MN DNR PROPERTY MONUMENT, (DNR MON), from which the north line of said Lot 1 bears, assumed bearing, North 88 degrees 57 minutes 39 seconds West; thence North 80 degrees 50 minutes 33 seconds West 275.16 feet to a DNR MON; thence North 85 degrees 25 minutes 17 seconds West 93.89 feet to a DNR MON; thence South 50 degrees 06 minutes 54 seconds West 68.17 feet to the north line of said Lot 1 and a DNR MON; thence South 88 degrees 57 minutes 39 seconds East along the north line of said Lot 1 a distance of 417.62 feet to the point of beginning, containing 0.23 acres.

(d) The sale authorized by this section would resolve an inadvertent trespass consisting of the encroachment of a private dwelling on state land.

(e) The sale authorized by this section is subject to the following additional conditions:

(1) the costs of construction and maintenance of a boundary fence are the sole responsibility of the purchaser; and

(2) the adjoining landowner shall reimburse the department of natural resources for the cost of surveying the land and for time spent by department staff relating to this land trespass matter.

Sec. 153. [LOAN FORGIVENESS.]

The outstanding balance of the loan to the city of Fridley for reconstruction of the Locke Lake dam, that was appropriated in Laws 1991, chapter 254, article 1, section 5, subdivision 3, is canceled and forgiven.

Sec. 154. [PROTECTION OF OLD GROWTH FOREST AREA.]

The commissioner of natural resources shall negotiate with the city of Duluth, the Duluth Airport Authority, and other federal, state, and local parties to identify and delineate the land subject to the 1939 conveyance on Minnesota Point and develop a management plan that will provide a level of protection sufficient to ensure the continued ecological integrity of the area and to prohibit further cutting of the old growth forest area.

Sec. 155. [REPORT BY OFFICE OF ENVIRONMENTAL ASSISTANCE.]

By January 20, 1998, the office of environmental assistance shall report to the senate and house of representatives environment and natural resources committees on its comprehensive review of the Waste Management Act and make recommendations for any changes in the law. The report shall address options to improve waste reduction and recycling programs and the integrated waste management system, including whether additional product labeling should be required for products sold in Minnesota which require special disposal practices. The report must include a recommendation concerning whether consumer education efforts can improve disposal practices and waste reduction efforts. The report must discuss the extent to which current authority under Minnesota Statutes, sections 115A.952 and 115A.956, can accomplish the objectives of Minnesota Statutes 1996, section 115A.9523.

Sec. 156. [JOINT DITCH NO. 1, CHISAGO AND WASHINGTON COUNTIES.]

Notwithstanding Minnesota Statutes, section 103E.811, the counties of Chisago and Washington may, after making a determination that joint ditch no. 1 is not of public benefit and utility, order its abandonment.

Sec. 157. [LANDFILL CLEANUP PROGRAM ELIGIBILITY STUDY.]

By January 15, 1998, the commissioner of the pollution control agency shall report to the senate environment and agriculture budget division and the house environment and natural resources finance committee regarding the estimated impact of including permitted mixed municipal solid waste landfills in this state that are open for the period between April 9, 1994, and January 15, 1998, in the landfill cleanup program after the landfills close.

The report must include:

(1) information on past settlements by public entities that may be included with an expansion of the program;

(2) an estimate of the environmental response costs at the permitted landfills that would become eligible to participate;

(3) a discussion of the amount necessary to pay for reimbursement for persons who have paid for cleanup at these added sites; and

(4) an analysis and recommendation of funding sources to pay for the additional costs due to expansion of the program.

Sec. 158. [YEAR 2000 READY.]

Any computer software or hardware that is purchased with money appropriated in this bill must be year 2000 ready.

Sec. 159. [REPORT TO LEGISLATURE; HYDROGEN SULFIDE VIOLATIONS.]

The commissioner of the pollution control agency shall report on the agency's efforts to resolve the hydrogen sulfide violations of ambient air quality standards related to feedlots by February 1,

1998, to the agriculture and environment and natural resources committees of the house and the agriculture and rural development and environment and natural resources committees of the senate. The report must specify actions taken in terms of response to complaints from citizens, emissions monitoring, compliance actions taken, including penalties, and equipment purchased.

Sec. 160. [REPEALER.]

(a) Minnesota Statutes 1996, sections 25.34; 115A.908, subdivision 3; 115A.9523; 115B.223; 115B.224; 116.991; 116.992; and 296.02, subdivision 7a, are repealed.

(b) Laws 1995, chapter 77, section 3, is repealed effective the day after final enactment.

(c) Laws 1995, chapter 220, section 21, is repealed.

Sec. 161. [EFFECTIVE DATE.]

Sections 72, 130 to 134, 141, and 146 to 152 are effective the day following final enactment.

Sections 24, 83, 89, and 90 are effective March 1, 1998."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 1996, sections 17.03, by adding a subdivision; 17.101; 17.116, subdivisions 2 and 3; 17.4988; 17.76; 18.79, by adding a subdivision; 18C.421, subdivision 1; 18C.425, subdivisions 1, 2, 3, and 6; 18C.531, subdivision 2; 18C.551; 25.31; 25.32; 25.33, subdivisions 1, 5, 6, 9, 20, and by adding subdivisions; 25.35; 25.36; 25.37; 25.38; 25.39; 25.41, subdivision 6; 28A.08, subdivision 3; 32.103; 32.394, subdivision 11; 32.415; 41A.09, subdivision 3a; 84.027, by adding a subdivision; 84.0273; 84.0887, subdivision 2; 84.82, subdivision 3; 84.86, subdivision 1; 85.015, by adding subdivisions; 85.055, by adding a subdivision; 85A.04, subdivision 4; 86A.23; 88.79, by adding a subdivision; 92.06, subdivisions 1 and 4; 92.16, subdivision 1; 94.10, subdivision 2; 97A.015, by adding a subdivision; 97A.028, subdivisions 1 and 3; 97A.075, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 2; 97A.475; 97B.667; 97B.715, subdivision 1; 97B.721; 97B.801; 97C.305, subdivision 1; 97C.501, subdivision 2; 97C.801; 103C.501, subdivision 6; 103F.378, subdivision 1; 115.03, by adding a subdivision; 115A.54, subdivision 2a; 115A.912, by adding a subdivision; 115A.916; 115A.932, subdivision 1; 115B.02, subdivision 16, and by adding a subdivision; 115B.17, subdivisions 14, 15, and by adding subdivisions; 115B.175, subdivisions 2 and 6a; 115B.412, subdivision 10; 115B.48, subdivisions 3 and 8; 115B.49, subdivision 4; 116.07, subdivision 4d, and by adding a subdivision; 116.92, by adding a subdivision; 116C.834, subdivision 2; 116O.09, subdivisions 2, 5, and 9; 216B.2423, by adding a subdivision; 216C.41, subdivision 1; 223.17, subdivision 3; 300.11, by adding a subdivision; 308A.101, by adding a subdivision; 308A.201, by adding a subdivision; 325E.10, subdivision 2, and by adding subdivisions; 325E.11; 325E.112, subdivision 2; 394.25, subdivision 2, and by adding a subdivision; and 462.357, subdivision 1; Laws 1995, chapter 220, section 19, subdivisions 4, as amended; and 11; proposing coding for new law in Minnesota Statutes, chapters 17; 25; 84; 92; 94; 115; 116; 219; and 394; repealing Minnesota Statutes 1996, sections 25.34; 115A.908, subdivision 3; 115A.9523; 115B.223; 115B.224; 116.991; 116.992; and 296.02, subdivision 7a; Laws 1995, chapters 77, section 3; and 220, section 21."

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

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

Senate Conferees: (Signed) Steven Morse, Bob Lessard, Ellen R. Anderson, Gary W. Laidig, Steve Dille

Mr. Morse moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2150 be now adopted, and that the bill be repassed as amended by the Conference

Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2150 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Kleis, Limmer, Ourada and Ms. Robertson voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 501 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 501, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 501 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 45.011, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] As used in chapters 45 to 83, 155A, 309, 332, 345, and 359, and sections 326.83 to ~~326.98~~ 326.991, and 386.61 to 386.78, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. [45.0111] [TEMPORARY LICENSES.]

Subdivision 1. [AUTHORITY.] The commissioner may grant a temporary license to an applicant who can demonstrate successful completion of all requirements for a permanent license. The temporary license will remain in effect until the earliest of:

- (1) receipt by the applicant of the permanent license;
- (2) the expiration of 45 days from the date on which the temporary license was granted; or
- (3) denial by the commissioner of the permanent license.

Subd. 2. [NONAPPLICATION.] A temporary license as described in this section may not be issued to an applicant for licensure as a:

- (1) currency exchange regulated under chapter 53A;
- (2) collection agency regulated under sections 332.31 to 332.45;
- (3) credit service organization regulated under sections 332.52 to 332.60; or
- (4) broker dealer, investment advisor, or agent regulated under chapter 80A.

Sec. 3. [45.0112] [STREET ADDRESSES REQUIRED.]

Licensees or applicants for licenses issued by the commissioner shall provide to the commissioner a residence telephone number, a street address where the licensee actually resides, and a street address where the licensee's business is physically located. A post office box address is not sufficient to satisfy this requirement. The individual shall notify the department of any change in street address or residence telephone number within ten days.

Sec. 4. Minnesota Statutes 1996, section 45.028, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 155A, 309, and 332, and section 326.83, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 155A, 309, and 332, and section 326.83, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 155A, 309, and 332, and section 326.83, or any rule or order under those chapters.

(b) Subdivision 2 applies in all other cases under chapters 45 to 83, 155A, 309, and 332, and section 326.83, or any rule or order under those chapters, in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.

(c) Subdivision 2 applies in all cases in which service of process is allowed to be made on the commissioner of commerce.

Sec. 5. [45.0292] [LICENSE RECIPROCITY.]

The commissioner may waive all or part of the requirements of precense education, examination, and continuing education for individuals of other jurisdictions if:

(1) a written reciprocal licensing agreement is in effect between the commissioner and the licensing officials of that jurisdiction;

(2) the individual is licensed in that jurisdiction; and

(3) the licensing requirements of that jurisdiction are substantially similar to the corresponding licensing requirements of the commerce department.

Sec. 6. [45.0293] [REGULATION OF GROUP LIFE INSURANCE.]

The commissioner may waive all or part of the requirements of section 61A.09, subdivision 3, if:

(1) all the premiums under the group policy are paid by the group policyholder;

(2) the loans insured are first real estate residential mortgage loans owned or guaranteed by the group policyholder; and

(3) the group policy is in the best interests of insured debtors.

Sec. 7. [60K.20] [SOCIAL SECURITY NUMBERS OF LICENSED AGENTS; COMMISSIONER'S AUTHORITY TO PROVIDE TO NAIC.]

The commissioner may provide the social security numbers of licensed insurance agents to the National Association of Insurance Commissioners.

Sec. 8. Minnesota Statutes 1996, section 67A.231, is amended to read:

67A.231 [DEPOSIT OF FUNDS; INVESTMENT; LIMITATIONS.]

The directors of any township mutual insurance company may authorize the treasurer to invest any of its funds and accumulations in:

(a) Bonds, notes, mortgages, or other obligations guaranteed by the full faith and credit of the United States of America and those for which the credit of the United States is pledged to pay principal, interest or dividends, including United States agency and instrumentality bonds, debentures, or obligations;

(b) Bonds, notes, evidence of indebtedness, or other public authority obligations guaranteed by this state;

(c) Bonds, notes, evidence of the indebtedness or other obligations guaranteed by the full faith and credit of any county, municipality, school district, or other duly authorized political subdivision of this state;

(d) Bonds or other interest bearing obligations, payable from revenues, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest four quality categories used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency; or obligations of a United States agency or instrumentality that have been rated in one of the two highest categories established by the Securities Valuation Office of the National Association of Insurance Commissioners. A company may not invest more than 20 percent of its admitted assets in the obligations of any one corporation. This is not applicable to bonds or other interest bearing obligations in default as to principal;

(e) Investments in the obligations stated in paragraphs (a), (b), (c), and (d), may be made either directly or in the form of securities of, or other interests in, an investment company registered under the Federal Investment Company Act of 1940. Investment company shares authorized pursuant to this subdivision shall not exceed 20 percent of the company's surplus. These obligations must be carried at the lower of cost or market on the annual statement filed with the commissioner and adjusted to market on an annual basis;

(f) Loans upon improved and unencumbered real property in this state worth at least twice the amount loaned thereon, not including buildings, unless insured by property insurance policies payable to and held by the security holder;

(g) Real estate, including land, buildings and fixtures, located in this state and used primarily as home office space for the insurance company;

(h) Demand or time deposits or savings accounts in federally insured depositories located in this state to the extent that the deposit or investment is insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation, or the National Credit Union Administration. An additional deposit not to exceed 50 percent of the township mutual insurance company's policyholder surplus may be located in these depositories if covered by private deposit insurance written by an insurer licensed by the department of commerce;

(i) Guarantee fund certificates of a mutual insurer which reinsures the business of the township mutual insurance company. The commissioner may by rule limit the amount of guarantee fund certificates which the township mutual insurance company may purchase and this limit may be a function of the size of the township mutual insurance company; and

(j) Up to \$1,500 in stock of an insurer which issues directors and officers liability insurance to township mutual insurance company directors and officers.

Sec. 9. Minnesota Statutes 1996, section 80A.02, subdivision 1, is amended to read:

Subdivision 1. [ADVISORY ACTIVITIES AND PRINCIPAL TRANSACTIONS.] (a) It is unlawful for any person who receives, directly or indirectly, any consideration from another primarily for advising the other as to the value of securities or their purchase or sale:

(a) (1) to employ any device, scheme, or artifice to defraud the other; or

~~(b) (2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other; or.~~

~~(e) (b) It is unlawful for an investment adviser to knowingly sell any security to or purchase any security from a client while acting as principal for the person's own account or knowingly effect any sale or purchase of any security for the account of a client while acting as broker for one other than the client, unless the person discloses to the client in writing before the execution of the transaction the capacity in which the person is acting and obtains the consent of the client to the transaction.~~

Sec. 10. Minnesota Statutes 1996, section 80A.04, subdivision 3, is amended to read:

Subd. 3. It is unlawful for any person to transact business in this state as an investment adviser unless that person is so licensed or licensed as a broker-dealer under this chapter or unless: (1) that person's only clients in this state are investment companies as defined in the Investment Company Act of 1940, other investment advisers, broker-dealers, banks, trust companies, savings associations, federal covered advisers insurance companies, employee benefit plans, corporations with a class of equity securities registered under section 12(b) or 12(g) of the Securities Exchange Act of 1934, small business investment companies, and government agencies or instrumentalities, whether acting for themselves or as trustees with investment control, or other institutional investors as are designated by rule or order of the commissioner. buyers; or (2) that person has no place of business in this state and during the preceding 12-month period has had fewer than six clients who are residents of this state.

Sec. 11. Minnesota Statutes 1996, section 80A.04, subdivision 4, is amended to read:

Subd. 4. Every license ~~shall expire~~ or notice filing expires on December 31 of each year unless an application for renewal has been received by the commissioner by November 15.

Sec. 12. Minnesota Statutes 1996, section 80A.04, is amended by adding a subdivision to read:

Subd. 5. Except with respect to advisers whose only clients are those described in subdivision 3, clause (2), it is unlawful for a federal covered adviser to conduct advisory business in this state unless the person complies with section 80A.05, subdivision 1a.

Sec. 13. Minnesota Statutes 1996, section 80A.05, is amended by adding a subdivision to read:

Subd. 1a. [FEDERAL COVERED ADVISERS.] Except with respect to federal covered advisers whose only clients are those described in section 80A.04, subdivision 3, clause (2), a federal covered adviser shall file with the commissioner, before acting as a federal covered adviser in this state, all documents required by the commissioner that have been filed with the Securities and Exchange Commission. Notwithstanding any other provision of this section, until October 10, 1999, the commissioner may require the registration of any federal covered investment adviser who has failed to promptly pay the fees required by section 80A.28 after being notified in writing by the commissioner of the nonpayment or underpayment of such fees. A person shall be considered to have promptly paid such fees if the fees are remitted to the commissioner within 15 days following the receipt of written notification from the commissioner.

Sec. 14. Minnesota Statutes 1996, section 80A.05, subdivision 4, is amended to read:

Subd. 4. The commissioner may by rule require a minimum capital for broker-dealers, subject to the limitations of section 15 of the Securities Act of 1934, and establish minimum financial requirements for investment advisers and establish limitations on aggregate indebtedness of broker-dealers in relation to net capital, subject to the limitations of section 222 of the Investment Advisers Act of 1940 which may include different requirements for those investment advisers who maintain custody of clients' funds or securities or who have discretionary authority over the funds or securities and those investment advisers who do not.

Sec. 15. Minnesota Statutes 1996, section 80A.05, subdivision 5, is amended to read:

Subd. 5. The commissioner may by rule require licensed broker-dealers, agents and investment advisers who have custody of or discretionary authority over client funds or securities, to post surety bonds in amounts up to \$25,000, as the commissioner may prescribe subject to the limitations of section 15 of the Securities Exchange Act of 1934 for broker-dealers and section 222 of the Investment Advisers Act of 1940 for investment advisers and may by rule or order determine their conditions. Any appropriate deposit of cash or securities shall be accepted in lieu of any bond so required. No bond may be required of any broker-dealer whose net capital, which may be defined by rule, exceeds \$25,000 the amounts required by the commissioner. Every bond shall provide for suit thereon by any person who has a cause of action under section 80A.23 and, if the commissioner by rule or order requires, by any person who has a cause of action not arising under sections 80A.01 to 80A.31. Every bond shall provide that no suit may be maintained to enforce any liability on the bond unless brought within three years after the sale or other act upon which it is based.

Sec. 16. Minnesota Statutes 1996, section 80A.06, subdivision 1, is amended to read:

Subdivision 1. Every licensed broker-dealer and investment adviser shall make and keep all accounts, correspondence, memoranda, papers, books and other records which the commissioner by rule prescribes by rule or order, except as provided by section 15 of the Securities Act of 1934 in the case of a broker-dealer and section 222 of the Investment Advisers Act of 1940 in the case of an investment adviser. All records required shall be preserved for three years unless the commissioner by rule prescribes otherwise for particular types of records. All required records shall be kept within the state or shall, at the request of the commissioner, be made available at any time for examination by the commissioner either in the principal office of the licensee or by production of exact copies thereof in this state.

Sec. 17. Minnesota Statutes 1996, section 80A.06, subdivision 2, is amended to read:

Subd. 2. Every licensed broker-dealer and investment adviser shall file such reports as the commissioner by rule or order prescribes except as provided in section 15 of the Securities Exchange Act of 1934 in the case of a broker-dealer and section 222 of the Investment Advisers Act of 1940 in the case of an investment adviser.

Sec. 18. Minnesota Statutes 1996, section 80A.06, subdivision 3, is amended to read:

Subd. 3. If the information contained in any document filed with the commissioner is or becomes inaccurate or incomplete in any material respect, the licensee or federal covered adviser shall within 30 days file a correcting amendment unless notification of the correction has been given under section 80A.04, subdivision 2.

Sec. 19. Minnesota Statutes 1996, section 80A.08, is amended to read:

80A.08 [REGISTRATION REQUIREMENT.]

It is unlawful for any person to offer or sell any security in this state unless (a) it is registered under sections 80A.01 to 80A.31 or (b) the security or transaction is exempted under section 80A.15 or (c) it is a federal covered security.

Sec. 20. Minnesota Statutes 1996, section 80A.12, is amended by adding a subdivision to read:

Subd. 12. [COORDINATED REGISTRATION.] The commissioner may enter into cooperative and reciprocal agreements with members of a national securities regulatory organization composed of securities administrators of this and other states to participate in a coordinated review of securities offerings in lieu of conducting the commissioner's own review.

Sec. 21. [80A.122] [FEDERAL COVERED SECURITIES.]

Subdivision 1. [18(b)(2) FILINGS.] The commissioner may, by rule or otherwise, require the filing of any or all of the following documents with respect to a federal covered security under section 18(b)(2) of the Securities Act of 1933:

(1) prior to the initial offer of a federal covered security in this state, all documents that are part of a current federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, together with a fee and a consent to service of process;

(2) after the initial offer of a federal covered security in this state, all documents that are part of an amendment to a current federal registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933, which must be filed concurrently with the commissioner;

(3) notices that increase the aggregate amount of securities offered or sold in this state, together with the fee.

Subd. 2. [18(b)(4)(D) FILINGS.] With respect to a security that is a federal covered security under section 18(b)(4)(D) of the Securities Act of 1933, the commissioner, by rule or otherwise, may require the issuer to file a notice on form D of the Securities and Exchange Commission, together with a fee and a consent to service of process no later than 15 days after the first sale of the covered security in this state.

Subd. 3. [18(b)(3) or (4) FILINGS.] The commissioner, by rule or otherwise, may require the filing of any document filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to a federal covered security under section 18(b)(3) or (4) of the Securities Act of 1933 together with the fee.

Subd. 4. [REGISTRATION.] Notwithstanding any other provision of this section, until October 10, 1999, the commissioner may require registration of a federal covered security for which the fees required by section 80A.28 have not been promptly paid after the issuer of such securities has been notified in writing by the commissioner of the nonpayment or underpayment of such fees. An issuer shall be considered to have promptly paid such fees if the fees are remitted to the commissioner within 15 days following the receipt of written notification from the commissioner.

Subd. 5. [STOP ORDERS.] The commissioner may issue a stop order suspending the offer and sale of a federal covered security, except a federal covered security under section 18(b)(1) of the Securities Act of 1933, if the commissioner finds that: (1) the order is in the public interest; and (2) there is a failure to comply with any condition established under this section.

Subd. 6. [COMMISSIONER'S WAIVER.] The commissioner may, by rule or otherwise, waive any or all of the provisions of this section.

Sec. 22. Minnesota Statutes 1996, section 80A.14, subdivision 3, is amended to read:

Subd. 3. [AGENT.] "Agent" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities. "Agent" does not include:

(a) an individual who represents an issuer in:

(1) effecting transactions in a security exempted by section 80A.15, subdivision 1;

(2) effecting transactions exempted by section 80A.15, subdivision 2;

(3) effecting transactions with existing employees, partners or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state;

(4) effecting other transactions, if the individual is an officer or director of the issuer, no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state, and, upon application, the individual is specifically authorized by name in an order issued by the commissioner; or

(5) effecting transactions in securities registered by notification under section 80A.09 if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state; or

(6) effecting transactions in a federal covered security as described in sections 18(b)(3) and 18(b)(4) of the Securities Act of 1933; or

(b) an individual who represents a broker-dealer in effecting transactions in the state limited to those transactions described in section 15(h)(2) of the Securities Exchange Act of 1934.

A partner, officer or director of a broker-dealer or issuer, or a person occupying a similar status or performing similar functions, is an agent only if that person otherwise comes within this definition.

Sec. 23. Minnesota Statutes 1996, section 80A.14, subdivision 4, is amended to read:

Subd. 4. [BROKER-DEALER.] "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for that person's own account. "Broker-dealer" does not include:

(1) an agent;

(2) an issuer;

(3) a trust company; or

(4) a bank, savings institution, savings association, credit union:

(i) acting for the account of others, provided that such activities are conducted in compliance with such rules as may be adopted by the commissioner;

(ii) acting for its own account; or

(iii) acting in a fiduciary capacity pursuant to the powers and privileges described by sections 48.36 to 48.49 or United States Code, title 12, section 92(a);

(5) a person who has no place of business in this state if that person effects transactions in this state exclusively with or through (i) the issuers of the securities involved in the transactions, (ii) other broker-dealers, or (iii) banks, savings institutions, trust companies, insurance companies,

investment companies as defined in the Investment Company Act of 1940, ~~pension or profit sharing trusts~~, or other financial institutions or institutional buyers, or to broker-dealers, whether the purchaser is acting for itself or in some fiduciary capacity; or

(6) other persons not within the intent of this subsection whom the commissioner by rule or order designates.

Sec. 24. Minnesota Statutes 1996, section 80A.14, is amended by adding a subdivision to read:

Subd. 5a. [FEDERAL COVERED ADVISER.] "Federal covered adviser" means a person who is: (1) registered under section 203 of the Investment Act of 1940; or (2) is excluded from the definition of "investment adviser" under section 202(a)(11).

Sec. 25. Minnesota Statutes 1996, section 80A.14, is amended by adding a subdivision to read:

Subd. 5b. [FEDERAL COVERED SECURITY.] "Federal covered security" means a security that is a covered security under section 18(b) of the Securities Act of 1933 or regulations adopted under that act.

Sec. 26. Minnesota Statutes 1996, section 80A.14, is amended by adding a subdivision to read:

Subd. 8a. [INSTITUTIONAL BUYER.] For the purposes of sections 80A.04, subdivision 3; 80A.14, subdivision 4, clause (5); and 80A.15, subdivision 2, paragraph (g), "institutional buyer" includes, but is not limited to, a corporation with a class of equity securities registered under section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended, a "qualified institutional buyer" within the meaning of rule 144A, and an "accredited investor" within the meaning of rule 501(a) of regulation D.

Sec. 27. Minnesota Statutes 1996, section 80A.15, subdivision 1, is amended to read:

Subdivision 1. The following securities are exempted from sections 80A.08 and 80A.16:

(a) Any security, including a revenue obligation, issued or guaranteed by the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one or more of the foregoing; but this exemption does not apply to a security issued by any of the foregoing that is payable solely from payments to be received in respect of property or money used under a lease, sale, or loan arrangement by or for a nongovernmental industrial or commercial enterprise. Pursuant to section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984, Public Law Number 98-440, this exemption does not apply to a security that is offered or sold pursuant to section 106(a)(1) or (2) of that act.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any province, any agency or corporate or other instrumentality of one or more of the foregoing, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption shall not include any revenue obligation payable solely from payments to be made in respect of property or money used under a lease, sale or loan arrangement by or for a nongovernmental industrial or commercial enterprise.

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution or trust company organized under the laws of any state and subject to regulation in respect of the issuance or guarantee of its securities by a governmental authority of that state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings association, or any savings association or similar association organized under the laws of any state and authorized to do business in this state.

(e) Any security issued or guaranteed by any federal credit union or any credit union, or similar association organized and supervised under the laws of this state.

(f) Any security listed or approved for listing upon notice of issuance on the New York Stock

Exchange, the American Stock Exchange, the Midwest Stock Exchange, the Pacific Stock Exchange, or the Chicago Board Options Exchange; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing. This exemption does not apply to second tier listings on any of the exchanges in this paragraph.

(g) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of the paper which is likewise limited, or any guarantee of the paper or of any renewal which are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television or direct mailing.

(h) Any interest in any employee's savings, stock purchase, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(i) Any security issued or guaranteed by any railroad, other common carrier or public utility which is subject to regulation in respect to the issuance or guarantee of its securities by a governmental authority of the United States.

(j) Any interest in a common trust fund or similar fund maintained by a state bank or trust company organized and operating under the laws of Minnesota, or a national bank wherever located, for the collective investment and reinvestment of funds contributed thereto by the bank or trust company in its capacity as trustee, executor, administrator, or guardian; and any interest in a collective investment fund or similar fund maintained by the bank or trust company, or in a separate account maintained by an insurance company, for the collective investment and reinvestment of funds contributed thereto by the bank, trust company or insurance company in its capacity as trustee or agent, which interest is issued in connection with an employee's savings, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(k) Any security which meets all of the following conditions:

(1) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of the agent in its prospectus;

(2) A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934, and has been so registered for the three years immediately preceding the offering date;

(3) Neither the issuer nor a significant subsidiary has had a material default during the last seven years, or for the period of the issuer's existence if less than seven years, in the payment of (i) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (ii) rentals under leases with terms of three years or more;

(4) The issuer has had consolidated net income, before extraordinary items and the cumulative effect of accounting changes, of at least \$1,000,000 in four of its last five fiscal years including its last fiscal year; and if the offering is of interest bearing securities, has had for its last fiscal year, net income, before deduction for income taxes and depreciation, of at least 1-1/2 times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. For the purposes of this clause "last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than 15 months from the commencement of the offering;

(5) If the offering is of stock or shares other than preferred stock or shares, the securities have voting rights and the rights include (i) the right to have at least as many votes per share, and (ii) the right to vote on at least as many general corporate decisions, as each of the issuer's outstanding classes of stock or shares, except as otherwise required by law; and

(6) If the offering is of stock or shares, other than preferred stock or shares, the securities are owned beneficially or of record, on any date within six months prior to the commencement of the

offering, by at least 1,200 persons, and on that date there are at least 750,000 such shares outstanding with an aggregate market value, based on the average bid price for that day, of at least \$3,750,000. In connection with the determination of the number of persons who are beneficial owners of the stock or shares of an issuer, the issuer or broker-dealer may rely in good faith for the purposes of this clause upon written information furnished by the record owners.

(l) Any certificate of indebtedness sold or issued for investment, other than a certificate of indebtedness pledged as a security for a loan made contemporaneously therewith, and any savings account or savings deposit issued, by an industrial loan and thrift company.

(m) Any security designated or approved for designation upon notice of issuance on the NASDAQ/National Market System; any other security of the same issuer that is of senior or substantially equal rank; any security called for by subscription rights or warrants so designated or approved; or any warrant or right to purchase or subscribe to any of the securities referred to in this paragraph; provided that the National Market System provides the commissioner with notice of any material change in its designation requirements. The commissioner may revoke this exemption if the commissioner determines that the designation requirements are not enforced or are amended in a manner that lessens protection to investors.

Sec. 28. Minnesota Statutes 1996, section 80A.15, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 29. Minnesota Statutes 1996, section 80A.16, is amended to read:

80A.16 [FILING OF SALES AND ADVERTISING LITERATURE.]

The commissioner may by rule or order require the filing of any prospectus, pamphlet, circular, form letter, advertisement, or other sales literature or advertising communication addressed or intended for distribution to prospective investors, including clients or prospective clients of an investment adviser or broker-dealer unless: (1) the security or transaction is exempted by section 80A.15; or (2) the security is a federal covered security.

Sec. 30. Minnesota Statutes 1996, section 80A.28, subdivision 1, is amended to read:

Subdivision 1. (a) There shall be a filing fee of \$100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the registered securities are to be offered in this state, and the maximum combined fees shall not exceed \$300.

~~(b) If the registration statement relates to redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there shall be a filing fee of \$100 for every application for registration. There shall be an additional fee of 1/20 of one percent of the maximum aggregate offering price at which the registered securities are to be offered in this state. There shall be no maximum fee for securities registered pursuant to this clause.~~

~~(c) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.13, subdivision 1, all but the \$100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.~~

~~(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing. There is an additional fee of 1/20 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state. There is no maximum fee for securities filings made according to this section.~~

Sec. 31. Minnesota Statutes 1996, section 80A.28, subdivision 2, is amended to read:

Subd. 2. Every applicant for an initial or renewal license shall pay a filing fee of \$200 in the case of a broker-dealer, \$50 in the case of an agent, and \$100 in the case of an investment adviser. When an application is denied or withdrawn, the filing fee shall be retained. A licensed agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of \$25. The fee for a filing made according to section 80A.05, subdivision 1a, is \$100.

Sec. 32. Minnesota Statutes 1996, section 80C.01, subdivision 4, is amended to read:

Subd. 4. "Franchise" means (a) a contract or agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons:

(1) by which a franchisee is granted the right to engage in the business of offering or distributing goods or services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics;

(2) in which the franchisor and franchisee have a community of interest in the marketing of goods or services at wholesale, retail, by lease, agreement, or otherwise; and

(3) for which the franchisee pays, directly or indirectly, a franchise fee; or

(b) a contract, lease, or other agreement, either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons, whereby the franchisee is granted the right to market motor vehicle fuel using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics for which the franchisee pays a franchise fee; or

(c) the sale or lease of any products, equipment, chattels, supplies, or services to the purchaser, other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person, for the purpose of enabling the purchaser to start a business and in which the seller:

(1) represents that the seller, lessor, or an affiliate thereof will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or similar devices, or currency operated amusement machines or devices, on premises neither owned or leased by the purchaser or seller; or

(2) represents that the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser using, in whole or in part, the supplies, services, or chattels sold to the purchaser; or

(3) guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller; or

(d) an oral or written contract or agreement, either expressed or implied, for a definite or indefinite period, between two or more persons, under which a manufacturer, selling security systems through dealers or distributors in this state, requires regular payments from the distributor or dealer as royalties or residuals for products purchased and paid for by the dealer or distributor.

(e) "Franchise" does not include any business which is operated under a lease or license on the premises of the lessor or licensor as long as such business is incidental to the business conducted by the lessor or licensor on such premises, including, without limitation, leased departments, licensed departments, and concessions.

(f) "Franchise" does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in paragraph (b).

(g) "Franchise" does not include a contract, lease or other agreement between a new motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the franchisee is granted the right to market automobiles, motorcycles, trucks, truck tractors, or self-propelled motor homes or campers if the foregoing are designed primarily for the transportation of persons or property on public highways.

(h) "Franchise" does not include a contract, lease, or other agreement or arrangement between two or more air carriers, or between one or more air carriers and one or more foreign air carriers. The terms "air carrier" and "foreign air carrier" shall have the meanings assigned to them by the Federal Aviation Act, United States Code Appendix, title 49, sections 1301(3) and 1301(22), respectively.

Sec. 33. Minnesota Statutes 1996, section 82.19, is amended by adding a subdivision to read:

Subd. 9. [EXCLUSIVE AGENCY AGREEMENTS.] (a) Except as provided in paragraph (b),

a licensee shall not negotiate the sale, exchange, lease, or listing of any real property directly with the owner or lessor knowing that the owner or lessor has executed a written exclusive listing contract or exclusive contract for nonagency services in connection with the property with another real estate broker, buyer, or lessee, nor shall a licensee negotiate the purchase, lease, or exchange of real property knowing that the buyer or lessee has executed a written exclusive buyer representation contract or exclusive contract for nonagency services for the purchase, lease, or exchange of the real property with another real estate broker.

(b) A licensee may discuss the terms upon which a listing or buyer representation contract or a contract for nonagency services may be entered into after expiration of any existing exclusive contract when the inquiry or discussion is initiated by the owner, lessor, buyer, or lessee. The licensee must inquire of the owner, lessor, buyer, or lessee whether such an exclusive contract exists.

Sec. 34. Minnesota Statutes 1996, section 82.20, subdivision 15, is amended to read:

Subd. 15. [EXEMPTION.] The following persons, when acting as closing agents, are exempt from the requirements of sections 82.19 and 82.24 unless otherwise required in this section or chapter:

(1) a direct employee of a title insurance company authorized to do business in this state, or a direct employee of a title company, or a person who has an agency agreement with a title insurance company or a title company in which the agent agrees to perform closing services on the title insurance company's or title company's behalf and the title insurance company or title company assumes responsibility for the actions of the agent as if the agent were a direct employee of the title insurance company or title company;

(2) a licensed attorney or a direct employee of a licensed attorney;

(3) a licensed real estate broker or salesperson;

(4) a direct employee of a licensed real estate broker if the broker maintains all funds received in connection with the closing services in the broker's trust account;

(5) any bank, trust company, savings association, credit union, industrial loan and thrift company, regulated lender under chapter 56, public utility, or land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of businesses within the scope of its corporate powers as provided by law; and

~~(6) a title insurance company authorized to do business in this state or a title company which is the appointed agent of a title insurance company authorized to do business in this state; and~~

(7) a title company that has a contractual agency relationship with a title insurance company authorized to do business in this state, where the title insurance company assumes responsibility for the actions of the title company and its employees or agents as if they were the employees or agents of the title insurance company.

Sec. 35. Minnesota Statutes 1996, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After their first renewal date, all real estate salespersons and all real estate brokers shall be required to successfully complete 30 hours of real estate continuing education, either as a student or a lecturer, in courses of study approved by the commissioner, during each 24-month license period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Salespersons and brokers whose initial license period extends more than 12 months are required to complete 15 hours of real estate continuing education during the initial license period. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule must complete 15 hours of real estate continuing education as a requirement for renewal on July 1, 1996. Licensees may not claim credit for continuing education not actually completed as of the date their report of continuing education compliance is filed.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision. The commissioner may not approve a course which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce. The commissioner has discretion to establish a pilot program to explore delivery of accredited courses using new delivery technology, including interactive technology. This pilot program expires on August 1, 2000.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive:

(1) at least two hours of training during each license period in courses in laws or regulations on agency representation and disclosure; and

(2) at least two hours of training during each license period in courses in state and federal fair housing laws, regulations, and rules, or other antidiscrimination laws.

Clause (1) does not apply to real estate salespersons and real estate brokers engaged solely in the commercial real estate business who file with the commissioner a verification of this status along with the continuing education report required under paragraph (a).

(e) The commissioner is authorized to establish a procedure for renewal of course accreditation.

Sec. 36. Minnesota Statutes 1996, section 82.24, subdivision 5, is amended to read:

Subd. 5. [~~TRUST ACCOUNT RECORDS ACCOUNTS.~~] (a) Each broker or closing agent shall maintain and retain records of all trust funds and trust accounts. The commissioner may prescribe information to be included in the records by appropriate rules.

(b) A check received from a potential buyer shall be deposited into the listing broker's trust account not later than the third business day after delivery of the check to the broker, except that the check may be held by the listing broker until acceptance or rejection of the offer if:

(1) the check by its terms is not negotiable by the broker or if the potential buyer has given written instructions that the check shall not be deposited nor cashed until acceptance or shall be immediately returned if the offer is rejected; and

(2) the potential seller is informed that the check is being so held before or at the time the offer is presented to that person for acceptance.

If the offer is accepted, the check shall be deposited in a neutral escrow depository or the trust fund account of the listing broker not later than the third business day following acceptance of the offer unless the broker has received written authorization from all parties to the transaction to continue to hold the check. If the offer is rejected, the check shall be returned to the potential buyer not later than the next business day after rejection.

Sec. 37. Minnesota Statutes 1996, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. [~~REGISTERED REAL PROPERTY APPRAISER OR LICENSED REAL PROPERTY APPRAISER.~~] As a prerequisite for licensing as a registered real property appraiser or licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least ~~75~~ 90 classroom hours of courses. The courses must consist of ~~60~~ 75 hours of general real estate appraisal principles and 15 hours related to standards of professional appraisal practice and the provisions of this chapter.

Sec. 38. Minnesota Statutes 1996, section 82B.13, subdivision 4, is amended to read:

Subd. 4. [~~CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER.~~] As a prerequisite

for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least ~~165~~ 120 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.

Sec. 39. Minnesota Statutes 1996, section 82B.13, subdivision 5, is amended to read:

Subd. 5. [CERTIFIED GENERAL REAL PROPERTY APPRAISER.] As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least ~~165~~ 180 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of nonresidential properties.

Sec. 40. Minnesota Statutes 1996, section 82B.14, is amended to read:

82B.14 [EXPERIENCE REQUIREMENT.]

~~(a) A license under section 82B.11, subdivision 3, 4, or 5, may not be issued to a person who does not have the equivalent of two years of experience in real property appraisal supported by adequate written reports or file memoranda. As a prerequisite for licensing as a registered real property appraiser or licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal.~~

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda ~~for each year~~ for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

Sec. 41. Minnesota Statutes 1996, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. [LICENSE RENEWALS.] A licensed real estate appraiser shall present evidence satisfactory to the commissioner of having met the continuing education requirements of this chapter before the commissioner renews a license.

The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. As part of the continuing education requirements of this section, the commissioner shall require that all real estate appraisers receive at least four hours of training each license period in courses in laws or regulations on standards of professional practice. If the applicant's immediately preceding term of licensing consisted of 12 or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. If the immediately preceding term of licensing consisted of fewer than 12 months, no continuing education need be reported.

Sec. 42. Minnesota Statutes 1996, section 317A.141, is amended by adding a subdivision to read:

Subd. 4. [EFFECT OF AMENDMENTS ON CHARITABLE TRUST ASSETS.] Assets held by a corporation, including income or fees from services, are restricted to the uses and purposes for which the property was received and held.

Sec. 43. Minnesota Statutes 1996, section 317A.671, is amended to read:

317A.671 [CERTAIN ASSETS NOT TO BE DIVERTED.]

Except as provided in section 501B.31, when a corporation dissolves, merges, substantially changes the use or purposes for which it will use its assets, or consolidates, transfers its assets, or grants a mortgage or other security interest in its assets, assets of the corporation or a constituent corporation, and assets subsequently received by a single corporation after a merger or consolidation, may not be diverted from the uses and purposes for which the assets have been received and held, or from the uses and purposes expressed or intended by the original donor.

Sec. 44. [325E.58] [SIGN CONTRACTOR; BOND.]

(a) A sign contractor may post a compliance bond with the commissioner, conditioned that the sign contractor shall faithfully perform duties and comply with laws, ordinances, rules, and contracts entered into for the installation of signs. The bond must be renewed annually and maintained for so long as determined by the commissioner. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the annual amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by United States mail.

(b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a local unit of government that requires sign installers to post a compliance bond. The bond is in lieu of any compliance bond required by a local unit of government.

(c) For purposes of this section, "sign" means a device, structure, fixture, or placard using graphics, symbols, or written copy that is erected on the premises of an establishment including the name of the establishment or identifying the merchandise, services, activities, or entertainment available on the premises.

Sec. 45. Minnesota Statutes 1996, section 326.83, subdivision 11, is amended to read:

Subd. 11. [OWNER.] Except in section 326.91, subdivision 1, "owner" means a person who has any legal or equitable interest in real property. For purposes of sections 326.83 to 326.991, "owner" does not include a residential building contractor or residential remodeler who constructs or improves its own property for purposes of speculation. A residential building contractor or residential remodeler will be presumed to be building or improving for purposes of speculation if it constructs or improves more than one property within any ~~12-month~~ 24-month period.

Sec. 46. Minnesota Statutes 1996, section 326.83, subdivision 19, is amended to read:

Subd. 19. [SPECIAL SKILL.] "Special skill" means one of the following eight categories:

(a) [EXCAVATION.] Excavation includes work in any of the following areas:

- (1) excavation;
- (2) trenching;
- (3) grading; and
- (4) site grading.

(b) [MASONRY AND CONCRETE.] Masonry and concrete includes work in any of the following areas:

- (1) drain systems;

- (2) poured walls;
 - (3) slabs and poured-in-place footings;
 - (4) masonry walls;
 - (5) masonry fireplaces;
 - (6) masonry veneer; and
 - (7) water resistance and waterproofing.
- (c) [CARPENTRY.] Carpentry includes work in any of the following areas:
- (1) rough framing;
 - (2) finish carpentry;
 - (3) siding;
 - (4) doors, windows, and skylights;
 - ~~(5) exterior covering;~~
 - ~~(6) (4) porches and decks, excluding footings;~~
 - ~~(7) (5) wood foundations; and~~
 - ~~(8) insulation and vapor barrier;~~
 - ~~(9) (6) drywall installation, excluding taping and finishing;~~
 - ~~(10) cabinet and counter top installation;~~
 - ~~(11) wood floors;~~
 - ~~(12) installation of roofing materials, excluding roofing; and~~
 - ~~(13) soffit, fascia, and trim.~~
- (d) [INTERIOR FINISHING.] Interior finishing includes work in any of the following areas:
- (1) floor covering;
 - (2) wood floors;
 - (3) cabinet and counter top installation;
 - (4) insulation and vapor barriers;
 - (5) interior or exterior painting;
 - (6) ceramic, marble, and quarry tile;
 - (7) ornamental guardrail and installation of prefabricated stairs; and
 - (8) wallpapering.
- (e) [EXTERIOR FINISHING.] Exterior finishing includes work in any of the following areas:
- (1) siding;
 - ~~(2) doors, skylights, and windows;~~
 - ~~(3) soffit, fascia, and trim;~~

- (4) (3) exterior plaster and stucco;
- (5) (4) painting; and
- (6) (5) rain carrying systems, including gutters and down spouts.

(f) [DRYWALL AND PLASTER.] Drywall and plaster includes work in any of the following areas:

- (1) installation;
- (2) taping;
- (3) finishing;
- (4) interior plaster;
- (5) painting; and
- (6) wallpapering.

(g) [ROOFING.] Roofing includes work in any of the following areas:

- (1) roof coverings;
- (2) roof sheathing;
- (3) roof weatherproofing and insulation; and
- (4) repair of roof support system, but not construction of new roof support system.

(h) [GENERAL INSTALLATION SPECIALTIES.] Installation includes work in any of the following areas:

- (1) garage doors and openers;
- (2) pools, spas, and hot tubs;
- (3) fireplaces and wood stoves;
- (4) asphalt paving and seal coating;
- (5) exterior plaster and stucco; and
- (6) ornamental guardrail and prefabricated stairs.

Sec. 47. Minnesota Statutes 1996, section 326.84, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] The license requirement does not apply to:

- (1) an employee of a licensee performing work for the licensee;
- (2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;
- (3) an owner or owners of residential real estate who build or improve residential real estate and who do the work themselves or jointly with the owner's own bona fide employees. This exemption does not apply to a person who engages in a pattern of building or improving real estate for purposes of resale. Such a pattern is presumed to exist if the person constructs or improves more than one property within any ~~12-month~~ 24-month period;
- (4) an architect or engineer engaging in professional practice as defined in this chapter;
- (5) a person whose total gross annual receipts from projects regulated under this section do not exceed \$15,000;

- (6) a mechanical contractor;
- (7) a plumber, electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity which is the subject of licensure;
- (8) specialty contractors who provide only one special skill as defined in section 326.83;
- (9) a school district, or a technical college governed under chapter 136F;
- (10) manufactured housing installers; and
- (11) Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensing from the commissioner.

A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to exceed \$15,000 in gross annual receipts derived from contracting activities during the calendar year for which the exemption is requested.

To renew the exemption in clause (5), the applicant must file an affidavit stating that the applicant did not exceed \$15,000 in gross annual receipts during the past calendar year, and the applicant does not expect to exceed \$15,000 in gross annual receipts during the calendar year for which the exemption is requested.

If a person, operating under the exemption in clause (5), exceeds \$15,000 in gross receipts during any calendar year, the person must immediately surrender the exemption certificate and apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below \$15,000. The person may then apply for this exemption for the next calendar year.

Sec. 48. Minnesota Statutes 1996, section 326.85, is amended by adding a subdivision to read:

Subd. 4. [NONEXPIRATION.] The council is not subject to the expiration provisions of section 15.059, subdivision 5.

Sec. 49. Minnesota Statutes 1996, section 326.921, is amended to read:

326.921 [BUILDING PERMIT CONDITIONED ON LICENSURE.]

A political subdivision shall not issue a building permit to an unlicensed person who is required to be licensed under sections 326.83 to 326.991. A political subdivision that issues zoning or land use permits in lieu of a building permit shall not issue those permits to an unlicensed person who is required to be licensed under sections 326.83 to 326.911. The political subdivision shall report the person applying for a building the permit to the commissioner who may bring an action against the person.

Sec. 50. Minnesota Statutes 1996, section 332.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Except as otherwise provided in this chapter, no person shall conduct within this state a collection agency or engage within this state in the business of collecting claims for others as defined in sections 332.31 to 332.45, without having first applied for and obtained a collection agency license. A person acting under the authority of a collection agency, as a collector, must first obtain a Minnesota collector license. A licensed collector may use one additional assumed name only if the assumed name is registered with and approved by the commissioner.

Sec. 51. Minnesota Statutes 1996, section 332.33, is amended by adding a subdivision to read:

Subd. 7. [NOTICE.] A licensed collection agency or individual collector must give the commissioner written notice of a change in personal name, company name, address, or ownership not later than 15 days after the change occurs.

Sec. 52. Minnesota Statutes 1996, section 332.34, is amended to read:

332.34 [BOND.]

The commissioner of commerce shall require each collection agency licensee to annually file and maintain in force a corporate surety bond, in a form to be prescribed by, and acceptable to, the commissioner, and in the a sum of at least \$20,000. ~~An applicant for a new or renewal license may request that the amount of the bond be reduced to an amount not less than \$5,000. This request may be granted upon a showing that the total dollar amount received from debtors by the collection agency in the preceding fiscal year did not exceed \$30,000.~~ A collection agency may deposit cash in and with a depository acceptable to the commissioner in an amount and in the manner prescribed and approved by the commissioner in lieu of a bond.

Sec. 53. Minnesota Statutes 1996, section 333.01, is amended to read:

333.01 [COMMERCIAL ASSUMED NAMES; CERTIFICATE.]

Subdivision 1. [CERTIFICATE.] No person shall hereafter carry on or conduct or transact a commercial business in this state under any designation, name, or style, which does not set forth the true name of every person interested in such business unless such person shall file in the office of the secretary of state, a certificate setting forth the name and business address under which the business is conducted or transacted, or is to be conducted or transacted, and the true name of each person conducting or transacting the same, with the address of such person. The name of the business must not include any of the following phrases or their abbreviations: corporation, incorporated, limited, chartered, professional cooperative, association, limited partnership, limited liability company, professional limited liability company, limited liability partnership, or professional limited liability partnership, except to the extent that an entity filing a certificate would be authorized to use the phrase or abbreviation. The certificate shall be executed by one of the persons conducting, or intending to conduct, the business. The certificate shall be published after it has been filed with the secretary of state in a qualified newspaper in the county in which the person has a principal or registered office for two successive issues.

Subd. 2. [INTENTIONAL MISREPRESENTATION PROHIBITED.] No person shall use an assumed or fictitious name in the conduct of its business to intentionally misrepresent its geographic origin or location.

Sec. 54. [333.065] [PENALTY FOR VIOLATION.]

A person who violates any provision of sections 333.01 to 333.06 is subject to the penalties and remedies provided in section 8.31.

The relief provided in this section is in addition to the remedies or penalties otherwise available.

Sec. 55. Minnesota Statutes 1996, section 359.061, is amended to read:

359.061 [RECORD OF COMMISSION; CERTIFICATE.]

The commission of every notary shall be recorded in the office of the court administrator of the district court of the notary's county of residence, in a record kept for that purpose. The commission of a nonresident notary must be recorded in the office of the court administrator of the district court of the Minnesota county that borders the county in which the nonresident notary resides. The court administrator, when requested, shall certify to official acts in the manner and for the fees prescribed by statute or court rule.

Sec. 56. Minnesota Statutes 1996, section 359.071, is amended to read:

359.071 [CHANGE OF NAME OR ADDRESS.]

A notary shall notify the commissioner of any name or address change within 30 days of the change.

Sec. 57. Minnesota Statutes 1996, section 501B.35, subdivision 3, is amended to read:

Subd. 3. [CHARITABLE TRUST.] "Charitable trust" means a fiduciary relationship with respect to property that arises as a result of a manifestation of an intention to create it, and that subjects the person by whom the property is held to equitable duties to deal with the property for a charitable purpose. As used in this definition, property includes all income derived from fees for services.

Sec. 58. Minnesota Statutes 1996, section 507.401, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE OF RELEASE.] An officer or duly appointed agent of a title insurance company may, on behalf of a mortgagor or a person who acquired from the mortgagor title to all or a part of the property described in a mortgage, execute a certificate of release that complies with the requirements of this section and record the certificate of release in the real property records of each county in which the mortgage is recorded if: (i) a satisfaction or release of the mortgage has not been executed and recorded ~~within 60 days~~ after the date payment in full of the loan secured by the mortgage was sent in accordance with a payoff statement furnished by the mortgagee or the mortgage servicer, and (ii) ~~the title insurance company, its officer, or agent has sent to the last known address of the mortgagee or the mortgage servicer, at least 30 days prior to executing the certificate of release, written notice of its intention to execute and record a certificate of release in accordance with this section after the expiration of the 60-day period.~~

Sec. 59. Minnesota Statutes 1996, section 507.401, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] A certificate of release executed under this section must contain substantially all of the following:

(1) the name of the mortgagor, the name of the original mortgagee, and, if applicable, the mortgage servicer, the date of the mortgage, the date of recording, and volume and page or document number in the real property records where the mortgage is recorded, together with similar information for the last recorded assignment of the mortgage;

(2) a statement that the mortgage was in the original principal amount of \$500,000 or less;

(3) a statement that the person executing the certificate of release is an officer or a duly appointed agent of a title insurance company authorized and licensed to transact the business of insuring titles to interests in real property in this state under chapter 68A;

(4) a statement that the certificate of release is made on behalf of the mortgagor or a person who acquired title from the mortgagor to all or a part of the property described in the mortgage;

(5) a statement that the mortgagee or mortgage servicer provided a payoff statement which was used to make payment in full of the unpaid balance of the loan secured by the mortgage; and

(6) a statement that payment in full of the unpaid balance of the loan secured by the mortgage was made in accordance with the written or verbal payoff statement, ~~and received by the mortgagee or mortgage servicer, as evidenced by one or more of the following in the records of the title insurance company or its agent:~~

~~(i) a bank check, certified check, escrow account check from the title company or title insurance agent, or attorney trust account check that has been negotiated by the mortgagee or mortgage servicer; or~~

~~(ii) other documentary evidence of payment to the mortgagee or mortgage servicer;~~

~~(7) a statement that more than 60 days have elapsed since the date payment in full was sent;~~

~~(8) a statement that after the expiration of the 60-day period referred to in subdivision 2, the title insurance company, its officer, or agent sent to the last known address of the mortgagee or mortgage servicer, at least 30 days prior to executing the certificate of release, notice in writing of its intention to execute and record a certificate of release in accordance with this section, with an unexecuted copy of the proposed certificate of release attached to the written notice; and~~

~~(9) a statement that the title insurance company, its officer, or agent has not received notification in writing of any reason why the certificate of release should not be executed and recorded after the expiration of the 30-day notice period referred to in subdivision 2.~~

Sec. 60. [REPEALER.]

Minnesota Statutes 1996, section 60K.07, subdivision 1, is repealed.

Sec. 61. [EFFECTIVE DATE.]

Section 32, paragraph (h), is effective the day following final enactment and shall apply to all agreements or arrangements regardless of the date they were entered into or renewed.

Sections 4, 6, 7, 42, 43, 46, 48, and 57 are effective the day following final enactment.

Sections 53 and 54 are effective the day following final enactment and apply to causes of action arising from incidents occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; providing powers and duties to the commissioner; regulating investments by certain licensees; regulating securities; modifying the real estate licensing exemption for closing agents; regulating real property appraisers; regulating residential building contractors and remodelers; requiring a compliance bond for sign contractors; modifying licensing requirements for collection agencies; regulating charitable trusts; regulating notaries public; regulating certificates of release by title insurance companies; making technical changes; amending Minnesota Statutes 1996, sections 45.011, subdivision 1; 45.028, subdivision 1; 67A.231; 80A.02, 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; 317A.141, by adding a subdivision; 317A.671; 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; 333.01; 359.061; 359.071; 501B.35, subdivision 3; and 507.401, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 45; 60K; 80A; 325E; and 333; repealing Minnesota Statutes 1996, section 60K.07, subdivision 1."

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

Senate Conferees: (Signed) Sam G. Solon, Dave Johnson, William V. Belanger, Jr.

House Conferees: (Signed) Matt Entenza, Jim Tunheim, Tim Commers

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on S.F. No. 501 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 501 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Berglin	Dille	Frederickson	Janezich
Beckman	Betzold	Fischbach	Hanson	Johnson, D.E.
Belanger	Cohen	Flynn	Higgins	Johnson, D.H.
Berg	Day	Foley	Hottinger	Johnson, D.J.

Johnson, J.B.	Langseth	Morse	Piper	Scheevel
Junge	Larson	Murphy	Pogemiller	Scheid
Kelley, S.P.	Lesewski	Novak	Price	Solon
Kiscaden	Lessard	Oliver	Robertson	Stevens
Kleis	Limmer	Olson	Robling	Ten Eyck
Knutson	Lourey	Ourada	Runbeck	Vickerman
Krentz	Marty	Pappas	Sams	Wiener
Laidig	Moe, R.D.	Pariseau	Samuelson	Wiger

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 164 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 164

A bill for an act relating to agriculture; conforming certain food rules with federal regulations; eliminating a requirement concerning llamas; regulating raising of bison; amending Minnesota Statutes 1996, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1996, section 17.456, subdivision 4.

May 16, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 164, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 164 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 31.101, is amended to read:

31.101 [RULES; HEARINGS; UNIFORMITY WITH FEDERAL LAW.]

Subdivision 1. The authority to promulgate and amend rules for the efficient administration and enforcement of the Minnesota food law is vested in the commissioner and is in addition to authority granted in sections 31.10, 31.11, and 31.12. Such rules when applicable shall conform, insofar as practicable and consistent with state law, with those promulgated under the federal law.

Subd. 2. Hearings authorized or required by law shall be conducted by the commissioner or such officer, agent, or employee as the commissioner may designate for the purpose.

Subd. 3. Federal pesticide chemical regulations and amendments thereto in effect on April 1, 1994 1997, adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 4. Federal food additive regulations and amendments thereto in effect on April 1, 1994 1997, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 5. Federal color additive regulations and amendments thereto in effect on April 1, 1994 1997, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 6. Federal special dietary use regulations and amendments thereto in effect on April 1, 1994 1997, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Subd. 7. Federal regulations and amendments thereto in effect on April 1, 1994 1997, adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that the commissioner shall not adopt amendments to such rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations promulgated thereunder.

Subd. 8. Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect April 1, 1994 1997, and not otherwise adopted herein, also are adopted as food rules of this state. Such rules may be amended by the commissioner in accordance with the administrative procedure act.

Subd. 9. [FISHERY PRODUCTS RULES.] Federal regulations in effect on April 1, 1994 1997, as provided by Code of Federal Regulations, title 50, parts 260 to ~~266~~ 267, are incorporated as part of the fishery products rules in this state for state inspections performed under a cooperative agreement with the United States Department of Commerce, National Marine Fisheries Service. The rules may be amended by the commissioner under chapter 14.

Subd. 10. [MEAT AND POULTRY RULES.] Federal regulations in effect on April 1, 1997, as provided by Code of Federal Regulations, title 9, parts 301 to 362 and 381 to 391, with the exception of Subpart C-Exemptions, sections 381.10 to 381.15, are incorporated as part of the meat and poultry rules in this state. The rules may be amended by the commissioner under chapter 14.

Subd. 11. [STANDARDS FOR FRESH FRUITS, VEGETABLES, AND OTHER PRODUCTS.] Federal regulations in effect on April 1, 1997, as provided by Code of Federal Regulations, title 7, parts 51 and 52, are incorporated as part of the rules in this state. The rules may be amended by the commissioner under chapter 14.

Sec. 2. Minnesota Statutes 1996, section 31.102, subdivision 1, is amended to read:

Subdivision 1. Federal definitions and standards of identity, quality and fill of container and amendments thereto, in effect on April 1, 1994 1997, adopted under authority of the federal act, are the definitions and standards of identity, quality and fill of container in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 3. Minnesota Statutes 1996, section 31.103, subdivision 1, is amended to read:

Subdivision 1. All labels of consumer commodities shall conform with the requirements for the declaration of net quantity of contents of section 4 of the Fair Packaging and Labeling Act (United States Code, title 15, section 1451 et seq.) and federal regulations in effect on April 1, 1994 1997, promulgated pursuant thereto, except to the extent that the commissioner shall exercise authority to amend such rules in accordance with the administrative procedure act. Consumer commodities exempted from the requirements of section 4 of the Fair Packaging and Labeling Act shall also be exempt from this subdivision.

Sec. 4. Minnesota Statutes 1996, section 31.104, is amended to read:

31.104 [FOOD LABELING EXEMPTION RULES.]

The commissioner shall promulgate rules exempting from any labeling requirement food which is, in accordance with the practice of the trade, to be processed, labeled or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such food is not adulterated or misbranded upon removal from such processing, labeling or repacking establishment.

Federal regulations in effect on April 1, 1994 1997, adopted under authority of the federal act relating to such exemptions are effective in this state unless the commissioner shall exercise authority to amend such regulations. The commissioner also may promulgate amendments to existing rules concerning exemptions in accordance with the administrative procedure act.

Sec. 5. [REPEALER.]

Minnesota Statutes 1996, section 17.456, subdivision 4, is repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; conforming certain food rules with federal regulations; eliminating a requirement concerning llamas; amending Minnesota Statutes 1996, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104; repealing Minnesota Statutes 1996, section 17.456, subdivision 4."

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

Senate Conferees: (Signed) Charles W. Wiger, Dallas C. Sams, Steve Dille

House Conferees: (Signed) Al Juhnke, Stephen G. Wenzel, Bob Gunther

Mr. Wiger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 164 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 164 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 184 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 184

A bill for an act relating to the environment; modifying requirements relating to toxics in products; amending Minnesota Statutes 1996, section 115A.9651.

May 17, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 184, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

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

Senate Conferees: (Signed) Dan Stevens, Leonard R. Price, Ellen R. Anderson

House Conferees: (Signed) Jean Wagenius, Tom Rukavina, Harry Mares

Mr. Stevens moved that the foregoing recommendations and Conference Committee Report on S.F. No. 184 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 184 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

RECESS

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

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

APPOINTMENTS

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

S.F. No. 1834: Mrs. Lourey, Messrs. Dille and Sams.

H.F. No. 632: Messrs. Morse, Cohen, Ms. Wiener, Messrs. Beckman and Frederickson.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Junge moved that S.F. No. 344, No. 3 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Ms. Junge moved that S.F. No. 292, No. 6 on General Orders, be stricken and returned to its author. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mrs. Scheid introduced--

S.F. No. 1977: A bill for an act relating to education; establishing adults with disabilities as a priority for surplus funds; amending Minnesota Statutes 1996, section 124.14, subdivision 7.

Referred to the Committee on Children, Families and Learning.

Messrs. Price, Solon and Ms. Junge introduced--

S.F. No. 1978: A bill for an act relating to health insurance; requiring coverage for the diagnosis and treatment of infertility; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Kelley, S.P. introduced--

S.F. No. 1979: A bill for an act relating to family law; modifying provisions governing grandparent visitation rights; eliminating certain visitation rights of parents of custodial parents; requiring mediation; providing for payment of certain expenses; defining best interests of the child; amending Minnesota Statutes 1996, section 257.022, subdivisions 2, 2a, and by adding subdivisions.

Referred to the Committee on Judiciary.

Messrs. Novak; Kelley, S.P.; Johnson, D.E.; Mses. Lesewski and Anderson introduced--

S.F. No. 1980: A bill for an act relating to electric utilities; encouraging and supporting programs for renewable energy sources, universal electric service, affordable electric service, and energy conservation and efficiency, and for other purposes; establishing Minnesota electric system public benefits fund; authorizing wires charges; providing for rules, standards, and procedures; authorizing civil penalties; proposing coding for new law as Minnesota Statutes, chapter 216E.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Novak, Janezich, Vickerman, Johnson, D.H. and Ms. Runbeck introduced--

S.F. No. 1981: A bill for an act relating to utilities; restructuring electric utility industry; establishing legislative oversight committee; proposing coding for new law as Minnesota Statutes, chapter 216E.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Foley, Morse, Hottinger, Mses. Johnson, J.B. and Higgins introduced--

S.F. No. 1982: A bill for an act relating to health; changing the membership of regional coordinating boards; establishing the Minnesota universal health board; creating the Minnesota universal health program; establishing the Minnesota health care trust fund; establishing statewide and regional health care budgets; abolishing the Minnesota health care commission; appropriating money; amending Minnesota Statutes 1996, section 62J.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 62J; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1996, sections 62J.05; 62J.09, subdivisions 2 and 8; and 62J.212.

Referred to the Committee on Health and Family Security.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 412 from 2:15 to 3:00 p.m.:

Messrs. Terwilliger, Spear and Metzen. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 234 from 12:00 noon to 2:00 p.m.:

Mr. Morse, Ms. Kiscaden and Mr. Betzold. The motion prevailed.

MEMBERS EXCUSED

Messrs. Morse, Pogemiller and Ms. Kiscaden were excused from the Session of today from 10:00 to 11:00 a.m. Mr. Wiger was excused from the Session of today from 10:00 to 10:20 a.m. Mr. Murphy was excused from the Session of today from 2:45 to 3:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 19, 1997. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Saturday, May 17, 1997

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 3621 to 3622

MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
95	.....3622	632	..... 3647	
184	.....3644	735	.....3624	
234	.....3644	2150	.....3656	
294	.....3643			
309	.....3646			
420	.....3625			
555	.....3646			
627	.....3642			
739	.....3645			
830	.....3645			
848	.....3640			
877	.....3641			
1114	.....3640			
1513	.....3643			
1646	.....3622			
1833	.....3639			
1834	.....3623			

CONCURRENCE AND REPASSAGE

S.F. Nos.	Page	H.F. Nos.	Page
95	.....3623		
294	.....3644		
420	.....3626		
627	.....3642		
848	.....3640		
877	.....3641		
1114	.....3641		
1513	.....3643		

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
834	.....3627				
1369	.....3626	3629			

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
164	.....3802		
184	.....3804		
292	.....3806		
344	.....3806		
501	.....3777		
739	.....3647		
960	.....3630		
1955	.....3630		
Sen. Res. No . 59	.....3629		
Sen. Res. No . 60	.....3630		
Sen. Res. No . 61	.....3647		

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
1834	.....3806	632	..... 3806

CONFERENCE COMMITTEE REPORTS AND THIRD READINGS

S.F. Nos.	Page	H.F. Nos.	Page
164	.....3802	735	..... 3624
184	.....3805	2150	..... 3656
501	.....3777		
739	.....3647		
960	.....3630		

CONFIRMATION

Pages Nos. 3649 - 3654

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F. Nos. 1977 to 1982 Pages 3806 to 3807