

## STATE OF MINNESOTA

## EIGHTY-FIRST SESSION — 1999

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 THIRTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 30, 1999

The House of Representatives convened at 2:30 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Pastor Lowell Lundstrom, Celebration Church, Lakeville, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Biernat, Erickson, Munger, Rest, Tingelstad and Van Dellen were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Dorman moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

## REPORTS OF CHIEF CLERK

S. F. No. 803 and H. F. No. 1109, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Munger moved that S. F. No. 803 be substituted for H. F. No. 1109 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 972 and H. F. No. 1404, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Swenson moved that the rules be so far suspended that S. F. No. 972 be substituted for H. F. No. 1404 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 984 and H. F. No. 982, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Mulder moved that S. F. No. 984 be substituted for H. F. No. 982 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1173 and H. F. No. 1403, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Buesgens moved that S. F. No. 1173 be substituted for H. F. No. 1403 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1188 and H. F. No. 1097, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Kuisle moved that the rules be so far suspended that S. F. No. 1188 be substituted for H. F. No. 1097 and that the House File be indefinitely postponed. The motion prevailed.

**PETITIONS AND COMMUNICATIONS**

The following communications were received:

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

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1999 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1999</i>	<i>Date Filed 1999</i>
649		18	10:10 a.m. March 25	March 25
914		19	10:13 a.m. March 25	March 25
593		20	10:15 a.m. March 25	March 25
50		21	10:17 a.m. March 25	March 25

Sincerely,

MARY KIFFMEYER  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 26, 1999

The Honorable Steve Sviggum  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 544, urging the Office of the United States Trade Representative to forcefully and promptly address and resolve violations of international trade agreements and discriminatory practices by the Province of Ontario and Canadian officials that are injuring Minnesota border lakes tourism businesses.

H. F. No. 56, relating to civil actions; modifying the limitations provision governing health provider actions.

Sincerely,

JESSE VENTURA  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 26, 1999

The Honorable Steve Sviggum  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 137, relating to watercraft; exempting collector watercraft from certain watercraft license display requirements.

Sincerely,

JESSE VENTURA  
Governor

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

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1999 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1999</i>	<i>Date Filed 1999</i>
	544	Resolution No. 1	1:43 p.m. March 26	March 26
	137	22	1:37 p.m. March 26	March 26
	56	23	1:41 p.m. March 26	March 26

Sincerely,

MARY KIFFMEYER  
Secretary of State

### REPORTS OF STANDING COMMITTEES

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

H. F. No. 510, A bill for an act relating to family law; repealing the administrative process for support orders; establishing a child support magistrate system; authorizing child support and visitation review hearings; amending Minnesota Statutes 1998, sections 357.021, subdivision 1a; 484.70, subdivision 1; 518.551, subdivisions 12, 13, and 14; 518.575, subdivision 1; and 518.616, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 484; and 518; repealing Minnesota Statutes 1998, sections 518.5511; and 518.5512.

Reported the same back with the following amendments:

Page 2, line 20, delete "may" and insert "must"

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

The report was adopted.

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

H. F. No. 860, A bill for an act relating to health occupation; modifying composition of the board of dentistry; amending Minnesota Statutes 1998, section 150A.02, subdivision 1.

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

The report was adopted.

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

H. F. No. 870, A bill for an act relating to insurance; providing an alternative benefit plan for small employers; authorizing a small employer alternative benefit plan pilot project; amending Minnesota Statutes 1998, sections 62L.05, subdivision 5, and by adding a subdivision; and 62L.09, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1998, section 62L.02, subdivision 16, is amended to read:

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan corporation licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network operating under chapter 62N; an accountable provider network regulated under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended. Any use of this definition in another chapter by reference does not include a community integrated service network, unless otherwise specified. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one health carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate health carrier."

Page 1, line 13, delete everything after "employer"

Page 1, line 14, delete everything before "a"

Pages 2 and 3, delete section 3 and insert:

"Sec. 4. Minnesota Statutes 1998, section 62Q.095, subdivision 1, is amended to read:

Subdivision 1. [PROVIDER ACCEPTANCE REQUIRED.] Each health plan company, with the exception of any health plan company with 50,000 or fewer enrollees in its commercial health plan products and health plan companies that are exempt under subdivision 6, shall establish an expanded network of allied independent health providers, in addition to a preferred network. A health plan company shall accept as a provider in the expanded network any allied independent health provider who: (1) meets the health plan company's credentialing standards; (2) agrees to the terms of the health plan company's provider contract; and (3) agrees to comply with all managed care protocols of the health plan company. A preferred network shall be considered an expanded network if all allied independent health providers who meet the requirements of clauses (1), (2), and (3) are accepted into the preferred network. A community integrated service network may offer to its enrollees an expanded network of allied independent health providers as described under this section.

Sec. 5. Minnesota Statutes 1998, section 62Q.51, subdivision 4, is amended to read:

Subd. 4. [EXEMPTION.] This section does not apply to a health plan company with fewer than 50,000 enrollees in its commercial health plan products."

Page 3, line 9, delete "certain"

Page 3, delete lines 14 and 15 and insert:

"(2) the health benefit plans must be offered in compliance with Minnesota Statutes, chapter 62L, except as otherwise permitted in this section;"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "modifying a definition; regulating expanded provider networks and point-of-service options of health plan companies;"

Page 1, line 5, after "sections" insert "62L.02, subdivision 16;"

Page 1, line 6, delete everything after the semicolon

Page 1, delete line 7 and insert "62Q.095, subdivision 1; and 62Q.51, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 937, A bill for an act relating to state procurement; authorizing the commissioner of administration to award a preference of as much as six percent in the amount bid for specified goods or services to small businesses; amending Minnesota Statutes 1998, section 16C.16, subdivisions 6 and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16C.16, subdivision 7, is amended to read:

Subd. 7. [ECONOMICALLY DISADVANTAGED AREAS.] The commissioner may award up to a ~~four~~ six percent preference in the amount bid on state procurement to small businesses located in an economically disadvantaged area. A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a rehabilitation facility or work activity program.

The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as enterprise zones under section 469.167 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

The department of revenue shall gather data necessary to make the determinations required by clause (1), and shall annually certify counties that qualify under clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

Sec. 2. [REPEALER.]

Minnesota Rules, part 1230.1860, item A, is repealed."

Delete the title and insert:

"A bill for an act relating to state procurement; authorizing the commissioner of administration to award a preference of as much as six percent in the amount bid for specified goods or services to small businesses; amending Minnesota Statutes 1998, section 16C.16, subdivision 7; repealing Minnesota Rules, part 1230.1860, item A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 1022, A bill for an act relating to insurance; transferring regulatory authority over health maintenance organizations and similar entities to the commissioner of commerce; making conforming changes; requiring a report; amending Minnesota Statutes 1998, sections 60B.02; 60B.03, subdivisions 2 and 4; 60B.15; 60B.20; 60G.01, subdivisions 2 and 4; 62A.61; 62D.01, subdivision 2; 62D.02, subdivision 3; 62D.03, subdivisions 1, 3, and 4; 62D.04, subdivisions 1, 2, 4, and by adding a subdivision; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08, subdivisions 1, 2, 3, 4, and 5; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11, subdivisions 1b, 2, 3, and by adding a subdivision; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 3a and 7; 62D.14, subdivisions 1, 3, 4, 5, and 6; 62D.15, subdivisions 1 and 4; 62D.16, subdivisions 1 and 2; 62D.17, subdivisions 1, 3, 4, and 5; 62D.18, subdivisions 1 and 7; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivisions 4 and 10; 62D.24; 62D.30, subdivisions 1 and 3; 62L.02, subdivision 8; 62L.05, subdivision 12; 62L.08, subdivisions 10 and 11; 62M.11; 62M.16; 62N.02, subdivision 4; 62N.26; 62N.31, subdivision 1; 62Q.01, subdivision 2; 62Q.07; 62Q.075, subdivision 4; 62Q.105, subdivisions 6 and 7; 62Q.11; 62Q.22, subdivisions 2, 6, and 7; 62Q.32; 62Q.51, subdivision 3; 62Q.525, subdivision 3; 62R.04, subdivision 5; 62R.25; 62T.01, subdivision 4; and 72A.139, subdivision 2; repealing Minnesota Statutes 1998, sections 62D.18; 62L.11, subdivision 2; and 62Q.45, subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 22, insert:

"Sec. 3. Minnesota Statutes 1998, section 62D.02, is amended by adding a subdivision to read:

Subd. 17. [QUALITY OF CARE.] "Quality of care" means the degree to which health services for individuals and populations are consistent with current professional knowledge and accepted standards for:

- (1) availability and access to provider network and care management systems;
- (2) provider credentialing and monitoring procedures and needs of the community and individuals served;
- (3) process for appropriate, effective, patient-centered care delivery consistent with accepted practice parameters; and
- (4) patient satisfaction and increased likelihood of desired clinical and functional outcomes."

Page 3, line 3, after "commissioner" insert "or commissioner" and reinstate the stricken language

Page 8, line 36, after "the" insert "commissioner shall request that the"

Page 9, line 1, delete "shall determine" and insert "certify"



Page 9, line 15, delete "report this" and insert "provide the certification, or notification that certification is not forthcoming."

Page 9, line 16, delete "determination"

Page 9, line 26, after the period, insert "The commissioner shall not issue a certificate without the certification by the commissioner of health required by subdivision 1a."

Page 21, line 20, after the headnote insert "(a)"

Page 21, after line 24, insert:

"(b) All investigation, examination, rulemaking action, penalty assessment, and enforcement authority under this chapter is available to the commissioner of health on matters related to the quality of care."

Page 26, line 4, after the period, insert "[SUSPENSION OR REVOCATION.] (a)"

Page 26, line 8, strike "(a)" and insert "(1)"

Page 26, line 15, strike "(b)" and insert "(2)"

Page 26, line 18, strike "(c)" and insert "(3)"

Page 26, line 22, strike "(d)" and insert "(4)"

Page 26, line 26, strike "(e)" and insert "(5)"

Page 26, line 30, strike "(f)" and insert "(6)"

Page 26, line 33, strike "(g)" and insert "(7)"

Page 27, line 1, strike "(h)" and insert "(8)"

Page 27, line 3, strike "(i)" and insert "(9)"

Page 27, after line 7, insert:

"(b) The commissioner of health may by order suspend or revoke the certificate of authority of a health maintenance organization when the commissioner of health finds failure to comply with section 62D.04, subdivision 1a, or any other area of responsibility assigned by statute or rule to the commissioner of health. The commissioner of health shall notify the commissioner of any action taken under this paragraph."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 9, after "subdivision 3" insert ", and by adding a subdivision"

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

The report was adopted.

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

H. F. No. 1055, A bill for an act relating to crime prevention; specifying that a conviction for neglect or endangerment of a child is not a bar for a conviction of another offense committed as part of the same conduct and authorizing consecutive sentences in these situations; making it a crime to sell certain substances knowing that the substance is intended to be used to produce a controlled substance; imposing criminal penalties for placing a booby trap in locations where controlled substances are manufactured; requiring law enforcement agencies to report the discovery of illegal methamphetamine laboratories to the bureau of criminal apprehension; providing for increased penalties for the theft of certain substances used in the manufacture of methamphetamine; appropriating money for the hiring of additional bureau of criminal apprehension agents and scientists to combat methamphetamine and for the cleanup of methamphetamine laboratories; imposing criminal penalties; amending Minnesota Statutes 1998, sections 609.035, subdivisions 1, 3, 4, and by adding a subdivision; 609.378, by adding a subdivision; and 609.52, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 152; 609; and 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 609.035, subdivision 1, is amended to read:

Subdivision 1. [PUNISHED FOR ONE OFFENSE.] Except as provided in subdivisions 2, 3, ~~and 4,~~ and 5, and in sections 609.251, 609.585, 609.21, subdivisions 3 and 4, 609.2691, 609.486, 609.494, and 609.856, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 2. Minnesota Statutes 1998, section 609.035, subdivision 3, is amended to read:

Subd. 3. [EXCEPTION; FIREARMS OFFENSES.] Notwithstanding ~~section 609.04~~ subdivision 1, a prosecution for or conviction of a violation of section 609.165 or 624.713, subdivision 1, clause (b), is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 3. Minnesota Statutes 1998, section 609.035, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION; ARSON OFFENSES.] Notwithstanding ~~section 609.04~~ subdivision 1, a prosecution for or conviction of a violation of sections 609.561 to 609.563 or 609.5641 is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct when the defendant is shown to have violated sections 609.561 to 609.563 or 609.5641 for the purpose of concealing any other crime.

For purposes of the sentencing guidelines, a violation of sections 609.561 to 609.563 or 609.5641 is a crime against the person.

Sec. 4. Minnesota Statutes 1998, section 609.035, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION; NEGLIGENCE OR ENDANGERMENT OF A CHILD.] Notwithstanding subdivision 1, a prosecution for or conviction of a violation of section 609.378 is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 5. Minnesota Statutes 1998, section 609.378, is amended by adding a subdivision to read:

Subd. 3. [CONSECUTIVE SENTENCES AUTHORIZED.] Notwithstanding any provision of the sentencing guidelines, the court may provide that a sentence imposed for a violation of this section shall run consecutively to any sentence imposed for another crime committed as part of the same conduct. A consecutive sentence imposed under this subdivision is not a departure from the sentencing guidelines.

Sec. 6. Minnesota Statutes 1998, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$500, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(vi) the property stolen is anhydrous ammonia; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(5) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

## Sec. 7. [609.6655] [TRAPS PROHIBITED.]

Subdivision 1. [DEFINITION.] As used in this section, "trap" means a concealed or camouflaged device designed to cause bodily harm or death when triggered by an action of an unsuspecting person making contact with the device. "Trap" includes firearms, ammunition, or explosive devices attached to trip wires or other triggering mechanisms, sharpened stakes, nails, spikes, electrical devices, lines or wires with hooks attached, and devices for the production of toxic fumes or gases.

Subd. 2. [CRIME DEFINED.] A person who assembles, maintains, places, or causes to be placed a trap in a location where a controlled substance is being manufactured, distributed, or dispensed, with the intent to kill or injure a person who approaches the location, is guilty of a felony and may be sentenced as provided in subdivision 3.

Subd. 3. [PENALTY.] (a) If the violation does not constitute first degree murder and results in the death of a human being other than the perpetrator or the perpetrator's accomplice, the person may be sentenced to imprisonment for not more than 40 years or to payment of a fine of not more than \$50,000, or both.

(b) If the violation results in great bodily harm to a human being other than the perpetrator or the perpetrator's accomplice, the person may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$30,000, or both.

(c) If the violation results in substantial bodily harm to a human being other than the perpetrator or the perpetrator's accomplice, the person may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(d) In all other cases, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

## Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1999, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime prevention; specifying that a conviction for neglect or endangerment of a child is not a bar for a conviction of another offense committed as part of the same conduct and authorizing consecutive sentences in these situations; imposing criminal penalties for placing a trap in locations where controlled substances are manufactured; providing for increased penalties for the theft of anhydrous ammonia; imposing criminal penalties; amending Minnesota Statutes 1998, sections 609.035, subdivisions 1, 3, 4, and by adding a subdivision; 609.378, by adding a subdivision; and 609.52, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1068, A bill for an act relating to juveniles; establishing requirements relating to out-of-home placements of juveniles; establishing work groups; requiring rules; amending Minnesota Statutes 1998, sections 245A.09, subdivision 2; 260.151, subdivision 3; 260.181, by adding a subdivision; and 260.185, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 260.

Reported the same back with the following amendments:

Pages 1 to 4, delete sections 1 to 3

Pages 4 to 8, delete sections 5 to 12

Renumber the remaining section

Delete the title and insert:

"A bill for an act relating to juveniles; requiring the juvenile court judge to state intended outcomes in disposition orders; amending Minnesota Statutes 1998, section 260.181, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1145, A bill for an act relating to community development; providing funding for educating employers about HIV/AIDS in the workplace; coordinating housing programs for individuals with HIV/AIDS; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, delete "\$60,000" and insert "\$30,000"

Page 1, line 9, delete "\$60,000" and insert "\$30,000"

Page 1, line 16, delete "2000" and insert "2001"

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

The report was adopted.

Dauids from the Committee on Commerce to which was referred:

H. F. No. 1175, A bill for an act relating to financial institutions; regulating fees, charges, and time periods; authorizing certain part-time banking locations; making corrections and conforming changes; amending Minnesota Statutes 1998, sections 46.041, subdivisions 1 and 3; 46.048, subdivisions 1 and 2b; 46.131, subdivision 10; 47.0156; 47.101, subdivision 3; 47.27, subdivision 3; 47.52; 47.54, subdivisions 2 and 3; 47.60, subdivision 3; 48.15, subdivision 3; 48A.15, subdivision 1; 49.36, subdivision 1; 52.01; 53.03, subdivisions 1, 6, and 7; 55.04, subdivision 2; 56.02; 59A.03, subdivision 2; 168.67; 303.25, subdivision 5; 332.15, subdivisions 2 and 3; 332.17; and 332.30.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 46.041, subdivision 1, is amended to read:

Subdivision 1. [FILING; FEE; PUBLIC INSPECTION.] The incorporators of a bank proposed to be organized under the laws of this state shall execute and acknowledge a written application in the form prescribed by the commissioner of commerce. The application must be signed by two or more of the incorporators and request a

certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. The applicant shall file the application with the department with a ~~\$1,000~~ \$8,000 filing fee ~~and a \$500 investigation fee~~. The commissioner may waive the fee for a bank to be located in a low- or moderate-income area as defined in Code of Federal Regulations, title 12, part 25(1), (n)(1) and (n)(2) and where no other depository institution operates an office. If the proposed bank is being organized in connection with a reorganization or merger of an existing bank, the filing fee is \$2,000. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The application file must be public, with the exception of financial data on individuals which is private under the Minnesota Government Data Practices Act and data defined as trade secret information under section 13.37, subdivision 1, paragraph (b), which must be given nonpublic classification upon written request by the applicant.

Sec. 2. Minnesota Statutes 1998, section 46.041, subdivision 3, is amended to read:

Subd. 3. [COMMENTS, REQUESTS FOR HEARING.] Within ~~21~~ 15 days after the notice of application has been published, any person may submit to the commissioner either or both written comments on an application and a written request for a hearing on the application. The request must state the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Sec. 3. Minnesota Statutes 1998, section 46.048, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Whenever a change in the outstanding voting stock of a banking institution will result in control or in a change in the control of the banking institution, the person acquiring control of the banking institution, including an out-of-state bank holding company, shall file notice of the proposed acquisition of control with the commissioner of commerce at least 60 days before the actual effective date of the change, except that the commissioner may extend the 60-day period an additional 30 days if in the commissioner's judgment any material information submitted is substantially inaccurate or the acquiring party has not furnished all the information required. The notice must be accompanied by a filing fee of \$3,000 payable to the commissioner of commerce, unless the person filing the notice has been associated with the banking institution as an officer or director for at least three years, in which case the filing fee is \$1,000. No filing fee is required of a person required to file a notice because of a stock redemption or other transaction by others that caused the change in control. As used in this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of capital stock that would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock is not considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control or to effect a change in the control, the doubt shall be resolved in favor of reporting the facts to the commissioner. The commissioner shall use the criteria established by the Financial Institution Regulatory and Interest Rate Control Act of 1978, United States Code, title 12, section 1817(j), and the regulations adopted under it, when reviewing the acquisition and determining if the acquisition should or should not be disapproved. Within three days after making the decision to disapprove a proposed acquisition, the commissioner shall notify the acquiring party in writing of the disapproval. The notice must provide a statement of the basis for the disapproval.

Sec. 4. Minnesota Statutes 1998, section 46.048, subdivision 2b, is amended to read:

Subd. 2b. [NOTICE.] Upon the filing of a notice:

(1) an acquiring party shall publish once in a newspaper of general circulation notice of the proposed acquisition in a form acceptable to the commissioner; and

(2) the commissioner shall accept public comment on a notice for a period of not less than ~~30~~ 21 days from the date of the publication required by clause (1).

Sec. 5. Minnesota Statutes 1998, section 46.131, subdivision 10, is amended to read:

Subd. 10. Each financial institution described in subdivision 2 shall pay a fee of ~~\$25~~ \$50 to the commissioner of commerce upon application to the commissioner for approval of a change in its certificate, charter, articles of incorporation, bylaws, powers or license. Money collected by the commissioner under this subdivision shall be deposited in the general fund.

Sec. 6. Minnesota Statutes 1998, section 47.0156, is amended to read:

47.0156 [CLOSING EFFECTING A PERMANENT CESSATION OF BUSINESS.]

The permanent closing of a financial institution as defined in section 47.015 or 47.0151 for purposes, or with a result, other than authorized in sections 47.015 to 47.0155 is unlawful unless at least ~~90~~ 60 days' written notice is given to the commissioner.

Sec. 7. Minnesota Statutes 1998, section 47.101, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS TO DEPARTMENT OF COMMERCE.] An application by a banking institution to relocate its main office other than those provided for in subdivision 2 shall be accompanied by a filing fee of \$3,000 payable to the commissioner of commerce and approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

Sec. 8. Minnesota Statutes 1998, section 47.20, subdivision 6b, is amended to read:

Subd. 6b. [DELINQUENCY OR LATE PAYMENT FEES.] ~~Charges or fees for late payments on conventional loans shall be governed by chapter 51A for all lenders. A lender making a conventional loan may assess and collect fees for late payments according to the provision of section 47.59.~~

Sec. 9. Minnesota Statutes 1998, section 47.203, is amended to read:

47.203 [FEDERAL PREEMPTION OVERRIDE.]

The provisions of Public Law Number 96-221, title V, part A, section 501(a)(1) (United States Code, title 12, section 1735f-7a), do not apply with respect to a loan, mortgage, credit sale or advance made in this state after June 2, 1981, nor with respect to a loan, mortgage, credit sale or advance secured by real property located in this state and made after June 2, 1981.

Sec. 10. Minnesota Statutes 1998, section 47.204, subdivision 1, is amended to read:

Subdivision 1. [NO USURY LIMITS.] Notwithstanding any law to the contrary, no limitation on the rate or amount of interest, discount points, finance charges, or other charges shall apply to a loan, mortgage, credit sale, or advance which would have been exempt from the laws of this state pursuant to Public Law Number 96-221, title V, part A, section 501 (United States Code, title 12, section 1735f-7a), as amended as of June 2, 1981, but for section 47.203 and which is made in this state after June 2, 1981.

## Sec. 11. [47.207] [PRIVATE MORTGAGE INSURANCE.]

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

(a) "Current fair market value" means the value of the mortgagor's property determined by an appraisal conducted within 90 days of a mortgagor's written request for cancellation of private mortgage insurance. The appraisal shall be conducted by a real estate appraiser, licensed or certified by a state or federal agency, who is reasonably acceptable to the servicer. The appraisal may be conducted at either the request of the lender, mortgagor, or servicer. The mortgagor is responsible for the cost of the appraisal.

(b) "Lender" means a person who makes or holds a residential mortgage loan.

(c) "Private mortgage insurance" means insurance paid for by the mortgagor, including any mortgage guaranty insurance, against the nonpayment of, or default on, a residential mortgage loan, other than mortgage insurance made available under the federal National Housing Act, United States Code, title 38, or title V of the federal Housing Act of 1949. "Private mortgage insurance" does not mean lender-paid mortgage insurance.

(d) "Residential mortgage loan" means a loan secured by either: (1) a mortgage on residential real property; or (2) by certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real property.

(e) "Servicer" means a person who, through any medium or mode of communication, engages in the collection or remittance for, or the right or obligation to collect or remit for, a lender, mortgagee, note owner, noteholder, or for a person's own account, of payments, interest, principal, and escrow items such as insurance and taxes for property subject to a residential mortgage loan.

Subd. 2. [RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE.] With respect to an existing or future residential mortgage loan, a mortgagor shall have the right to elect, in writing, to cancel private mortgage insurance in connection with a residential mortgage loan if all of the following terms and conditions have been met:

(1) the current unpaid principal balance of the mortgage is 80 percent or less of the current fair market value of the property;

(2) the mortgagor has not:

(i) been 60 days or longer past due on a mortgage payment during the 12-month period beginning 24 months before the date on which the servicer receives the mortgagor's written request for cancellation; or

(ii) been 30 days or longer past due on a mortgage payment during the 12 months preceding the date on which the servicer receives the mortgagor's written request for cancellation;

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

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

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

Subd. 3. [NOTICE OF RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE.] (a) With respect to each existing or future residential mortgage loan, a servicer must provide an annual written notice to the mortgagor currently paying premiums for private mortgage insurance. The notice must be in 12-point type or greater and appear substantially as follows:

NOTICE OF RIGHT TO CANCEL PRIVATE MORTGAGE INSURANCE



If you currently pay private mortgage insurance premiums, you may have the right under federal law or Minnesota law to cancel the insurance and stop paying premiums. This would **reduce your total monthly payment.**

You may have the right to cancel private mortgage insurance if the principal balance of your loan is 80 percent or less of the current market value of your home. Under Minnesota law, the value of your property can be determined by a professional appraisal. You need to pay for this appraisal, but in most cases you will be able to recover this cost in less than a year if your mortgage insurance is canceled.

If you wish to learn whether you are eligible to cancel this insurance, please contact us at (enter address and phone number of servicer).

(b) The notice required by this subdivision must be on its own page, but a disclosure notice concerning private mortgage insurance required by federal law may be included on the same page as the disclosure notice required by this subdivision. The page containing the notice required by this subdivision may be included with other disclosures or notices required by federal law that are sent to the mortgagor.

(c) If the mortgage has been pooled with other mortgages in order to constitute, in whole or in part, collateral for bonds issued by the state of Minnesota or any political subdivision of the state of Minnesota or of any agency of any political subdivision of the state of Minnesota and notice of right to cancel private mortgage insurance is required under federal law, no notice under this subdivision is required.

Subd. 4. [SERVICER RESPONSE TO CANCELLATION REQUEST.] (a) Within 30 days of receipt of a mortgagor's written request to cancel private mortgage insurance, a servicer shall:

(1) provide a written notice to the insurer to cancel the private mortgage insurance and written notice to the mortgagor that a request for cancellation has been sent to the insurer if the servicer determines that the private mortgage insurance should be canceled;

(2) provide a written response to the mortgagor identifying all additional information needed from the mortgagor if the servicer reasonably needs more information from the mortgagor to determine whether the mortgagor is eligible for cancellation of private mortgage insurance; or

(3) provide a written notice to the mortgagor of the reasons for the servicer's refusal to cancel the private mortgage insurance if the servicer determines that the mortgagor does not meet the requirements for cancellation of private mortgage insurance.

(b) If a lender, or any other person involved in the mortgage transaction, receives a written request for cancellation of private mortgage insurance, the lender or other person shall promptly forward the mortgagor's request for cancellation to the servicer, if the servicer is known to the lender or other person. If the servicer is not known to the lender or other person, the lender or other person shall advise the mortgagor to contact the company to which the mortgagor sends the monthly payment.

Subd. 5. [LENDER CHARGES; RETURN OF UNEARNED PREMIUM.] (a) A lender requiring or offering private mortgage insurance shall make available to the borrower or other person paying the insurance premium the same premium payment plans as are available to the lender in paying the private mortgage insurance premium.

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

(c) A lender or servicer shall not charge the mortgagor a fee or other consideration for cancellation of the private mortgage insurance or for any of the acts required by this section, except that the lender or servicer shall have the right to recover the cost of an appraisal if the mortgagor elects to have the lender or servicer perform or arrange for the appraisal.

Subd. 6. [INTERPRETATION.] Nothing in this section shall be deemed to be inconsistent with the federal Homeowner's Protection Act of 1998, codified at United States Code, title 12, sections 4901 to 4910, within the meaning of "inconsistent" as used in section 9 of that act, codified at United States Code, title 12, section 4908.

Sec. 12. Minnesota Statutes 1998, section 47.27, subdivision 3, is amended to read:

Subd. 3. "Savings association" shall have the meaning set forth in section ~~51.01~~ 51A.02, subdivision ~~2~~ 7.

Sec. 13. Minnesota Statutes 1998, section 47.54, subdivision 2, is amended to read:

Subd. 2. [APPROVAL ORDER.] If no objection is received by the commissioner within ~~21~~ 15 days after the publication and mailing of the notices, the commissioner shall issue an order approving the application without a hearing if it is found that (a) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b) the establishment of the proposed detached facility will improve the quality or increase the availability of banking services in the community to be served, and (c) the establishment of the proposed detached facility will not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served. Otherwise, the commissioner shall deny the application. Any proceedings for judicial review of an order of the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 14. Minnesota Statutes 1998, section 47.54, subdivision 3, is amended to read:

Subd. 3. [OBJECTIONS; HEARING.] If any bank within three miles of the proposed location of the detached facility objects in writing within ~~21~~ 15 days, the commissioner shall consider the objection. If the objection also requests a hearing, the objector must include the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Sec. 15. Minnesota Statutes 1998, section 47.59, subdivision 12, is amended to read:

Subd. 12. [CONSUMER PROTECTIONS.] (a) Financial institutions shall comply with the requirements of the federal Truth in Lending Act, United States Code, title 15, sections 1601 to 1693, as the same may be amended from time to time, in connection with a consumer loan or credit sale for a consumer purpose where the federal Truth in Lending Act is applicable. A financial institution shall give the following disclosure to the borrower in writing at the time an open-end credit account is established if the financial institution imposes a loan fee, points, or similar

charge that relates to the opening of the account which is not included in the annual percentage rate given pursuant to the federal Truth in Lending Act: "YOU HAVE BEEN ASSESSED FINANCE CHARGES, OR POINTS, WHICH ARE NOT INCLUDED IN THE ANNUAL PERCENTAGE RATE. THESE CHARGES MAY BE REFUNDED, IN WHOLE OR IN PART, IF YOU DO NOT USE YOUR LINE OF CREDIT OR IF YOU REPAY YOUR LINE OF CREDIT EARLY. THESE CHARGES INCREASE THE COST OF YOUR CREDIT."

(b) Financial institutions shall comply with the following consumer protection provisions in connection with a consumer loan or credit sale for a consumer purpose: sections 325G.02 to 325G.05; 325G.06 to 325G.11; 325G.15 to 325G.22; and 325G.29 to 325G.36, and Code of Federal Regulations, title 12, part 535, where those statutes or regulations are applicable.

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

Sec. 16. Minnesota Statutes 1998, section 47.60, subdivision 3, is amended to read:

Subd. 3. [FILING.] Before a person other than a financial institution as defined by section 47.59 engages in the business of making consumer small loans, the person shall file with the commissioner as a consumer small loan lender. The filing must be on a form prescribed by the commissioner together with a fee of ~~\$150~~ \$250 for each place of business and contain the following information in addition to the information required by the commissioner:

(1) evidence that the filer has available for the operation of the business at the location specified, liquid assets of at least \$50,000; and

(2) a biographical statement on the principal person responsible for the operation and management of the business to be certified.

Revocation of the filing and the right to engage in the business of a consumer small loan lender is the same as in the case of a regulated lender license in section 56.09.

Sec. 17. Minnesota Statutes 1998, section 48.15, subdivision 2a, is amended to read:

Subd. 2a. [AUTHORIZED ACTIVITIES.] The commissioner may authorize a state bank to undertake any activities, exercise any powers, or make any investments that are authorized ~~activities, powers, or investments by~~ chapter 50, as of August 1, 1995, for any state savings bank ~~doing business in this state~~, or that become authorized ~~activities, powers, or investments by~~ chapter 50, for state savings banks after August 1, 1995. The commissioner may not authorize state banks to engage in any banking activity prohibited by the laws of this state.

Sec. 18. Minnesota Statutes 1998, section 48.15, subdivision 3, is amended to read:

Subd. 3. [LIMITS ON AUTHORITY TO ACT AS PAYING AGENT FOR PUBLIC ISSUERS.] No such bank shall act as paying agent of any municipality or other public issuer of obligations, other than an issuer within whose corporate limits the principal office of the bank is situated, unless the bank is authorized to execute the powers conferred in section ~~48.38~~ 48A.07.

Sec. 19. Minnesota Statutes 1998, section 48.24, subdivision 7, is amended to read:

Subd. 7. Obligations of any ~~person, copartnership, limited liability company, association, or corporation~~ individual or organization, however organized, in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering feeder livestock which is free from all other encumbrances, when

the market value of the livestock securing the obligation at the time of the making of the loan is not less than 115 percentum of the face amount of the notes covered by such documents, shall be subject under this subdivision to a limitation of 20 percent of capital and surplus in addition to 20 percent of capital and surplus as included in provisions of subdivision 1. Feeder livestock loans as referred to in this subdivision is defined to include only obligations secured by liens or giving title to cattle, sheep, goats, hogs or poultry being fattened for market, but excluding dairy cattle, milk goats, poultry used for production of eggs, or barnyard or work animals.

Sec. 20. Minnesota Statutes 1998, section 48.24, is amended by adding a subdivision to read:

Subd. 10. [GRAIN FORWARD SALE CONTRACTS; LENDING LIMITS.] Obligations of any individual or organization, however organized, where the note is secured by a perfected first lien on stored grain and a perfected assignment of the proceeds of a forward contract for sale of the grain (1) with a recognized commodity buyer or broker, reasonably satisfactory to the bank, (2) where the delivery of grain under the contract will occur within 270 days, (3) where the grain is insured for full value against loss by fire or other casualty, and (4) where the value of the forward contract exceeds 115 percent of the face amount of the secured note, is subject under this subdivision to a limitation of ten percent of capital and surplus in addition to the 20 percent of capital and surplus as included in subdivision 1.

Sec. 21. Minnesota Statutes 1998, section 48A.15, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A trust company organized under the laws of this state or a state bank and trust may, after completing the notification procedure required by this subdivision, establish and maintain a trust service office at any office in this state or of any other state or national bank. A state bank may, after completing the notification procedure required by this subdivision, permit a trust company organized under the laws of this state or a state bank and trust or a national bank in this state that is authorized to exercise trust powers to establish and maintain a trust service office at any of its banking offices.

The trust company or state bank and trust and a state bank at which a trust service office is to be established according to this section shall jointly file, on forms provided by the commissioner, a notification of intent to establish a trust service office. The notification must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited in the general fund of the state. No trust service office shall be established according to this section if disallowed by order of the commissioner within ~~45~~ 30 days of the filing of a complete and acceptable notification of intent to establish a trust service office. An order of the commissioner to disallow the establishment of a trust service office under this section is subject to judicial review under sections 14.63 to 14.69.

Sec. 22. Minnesota Statutes 1998, section 49.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] This consolidation or merger agreement and certified copy of the proceedings of the meetings of the respective boards of directors, at which the making of the agreement was authorized, must be submitted to the commissioner of commerce for approval with a fee of ~~\$250~~ \$2,000 payable to the commissioner of commerce. The agreement shall not be effective until so approved by the commissioner. The commissioner shall take action after the documents are submitted, and is entitled to further information from any party to the transaction as may be requested by the commissioner, or as may be obtained upon a hearing directed by the commissioner.

Sec. 23. Minnesota Statutes 1998, section 52.01, is amended to read:

#### 52.01 [ORGANIZATION.]

Any seven residents of the state may apply to the commissioner of commerce for permission to organize a credit union.

A credit union is a cooperative society, incorporated for the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes.

A credit union is organized in the following manner:

(1) The applicants execute, in duplicate, a certificate of organization by the terms of which they agree to be bound, which shall state:

- (a) the name and location of the proposed credit union;
- (b) the names and addresses of the subscribers to the certificate and the number of shares subscribed by each;

(2) The applicants submit the following in the form prescribed by the commissioner of commerce:

- (a) a statement of the common bond of the proposed credit union;
- (b) the number of potential members;
- (c) the geographic dispersion of the potential members;
- (d) evidence of interest, including willingness of potential members to assume responsibility for leadership and service;
- (e) a two-year forecast of probable levels of assets, shares and deposits, and income and expense;
- (f) the availability of other credit union services to the potential members;
- (g) other information the commissioner requires;

(3) They next prepare and adopt bylaws for the general governance of the credit union consistent with the provisions of this chapter, and execute them in duplicate;

(4) The certificate and the bylaws, both executed in duplicate, are forwarded to the commissioner of commerce with a ~~\$100 application fee~~ \$1,000 application fee, which may be waived by the commissioner for a credit union to be located in a low- or moderate-income area as defined in Code of Federal Regulations, title 12, part 25(1), (n)(1) and (n)(2) and where no other depository institution operates an office;

(5) The commissioner of commerce shall, within 60 days of the receipt of the certificate, the information required by paragraph (2), and the bylaws determine whether they comply with the provisions of this chapter, and whether or not the organization of the credit union in question would benefit its members, be economically feasible, and be consistent with the purposes of this chapter;

(6) Thereupon the commissioner of commerce shall notify the applicants of the decision. If it is favorable, the commissioner shall upon receipt of a commitment for insurance of accounts as required by section 52.24, subdivision 2, issue a certificate of approval, attached to the duplicate certificate of organization, and return them with the duplicate bylaws to the applicants. If it is unfavorable, the applicants may, within 60 days after the decision, appeal for a review in a court of competent jurisdiction;

(7) The applicants shall thereupon file the duplicate of the certificate of organization, with the certificate of approval attached thereto, with the secretary of state, who shall make a record of the certificate and return it, with a certificate of record attached thereto, to the commissioner of commerce for permanent records; and

(8) Thereupon the applicants shall be a credit union incorporated in accordance with the provisions of this chapter.

In order to simplify the organization of credit unions, the commissioner of commerce shall prepare approved forms of certificate of organization and bylaws, consistent with this chapter, which may be used by credit union incorporators for their guidance, and on written application of seven residents of the state, shall supply them without charge with a blank certificate of organization and a copy of the form of suggested bylaws.

Sec. 24. Minnesota Statutes 1998, section 52.05, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Any ~~25~~ 15 persons representing a group may apply to the commissioner, advising the commissioner of the common bond of the group and its number of potential members, for a determination whether it is feasible for the group to form a credit union. Upon a determination that it is not feasible to organize because the number of potential members is too small, the applicants will be certified by the commissioner as eligible to petition for membership in an existing credit union capable of serving the group. If the credit union so petitioned resolves to accept the group into membership, it shall follow the bylaw amendment and approval procedure set forth in section 52.02.

The commissioner shall adopt rules to implement this subdivision. These rules must provide that:

(1) for the purpose of this subdivision, groups with a potential membership of less than 1,500 will be considered too small to be feasible as a separate credit union, unless there are compelling reasons to the contrary, relevant to the objectives of this subdivision;

(2) groups with a potential membership in excess of 1,500 will be considered in light of all circumstances relevant to the objectives of this subdivision; and

(3) all group applications, except for applications from groups made up of members of existing credit unions or groups made up of people who have a common employer which qualifies them for membership in an existing credit union, will be considered separately from any consideration of the membership provisions of existing credit unions; except that, groups made up of members of an existing credit union may be certified under this subdivision with the agreement of the credit union.

Sec. 25. Minnesota Statutes 1998, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after compliance with the requirements set forth in sections 53.01 and 53.02, file a written application with the department of commerce for a certificate of authorization. A corporation that will not sell or issue thrift certificates for investment as permitted by this chapter need not comply with subdivision 2b. The application must be in the form prescribed by the department of commerce. The application must be made in the name of the corporation, executed and acknowledged by an officer designated by the board of directors of the corporation, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay ~~a \$1,000 filing fee and a \$500 investigation fee~~ \$1,500 filing fee if the corporation will not sell or issue thrift certificates for investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates for investment. The fees must be turned over by the commissioner to the state treasurer and credited to the general fund. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time. An application for powers under subdivision 2b must also require that a notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a qualified newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a qualified newspaper likely to give notice in the municipality in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within ~~21~~ 15 days of the notice having been fully published, the commissioner shall proceed in the same manner as required under section 46.041, subdivisions 3 and 4, relating to state banks.

Sec. 26. Minnesota Statutes 1998, section 53.03, subdivision 6, is amended to read:

Subd. 6. [AMENDED CERTIFICATES, THRIFT CERTIFICATES FOR INVESTMENT, APPLICATION, FEE, NOTICE.] Upon approval by the commissioner of commerce of a commitment for insurance or guarantee of certificates to be held for investment as required in section 53.10, subdivision 3, an industrial loan and thrift company may apply to the department of commerce for an amended certificate of authorization and consent to sell and issue thrift certificates for investment.

The application, in triplicate, must be in the form prescribed by the department of commerce and filed in its office. At the time of filing the application, the applicant shall pay a filing fee of ~~\$500~~ \$8,000 and if an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties. A notice of the filing of the application must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the place of business under the application is located, or if there is none, in a newspaper published at the county seat of the county in which the place of business is located. Not more than one place of business maintained under a certificate of authorization may be the subject of an application.

Sec. 27. Minnesota Statutes 1998, section 53.03, subdivision 7, is amended to read:

Subd. 7. [OBJECTION TO APPLICATION.] Upon receiving written objection to the application from any person within ~~20~~ 15 days of the notice having been fully published, the department of commerce shall order a contested case hearing to be conducted on the application.

Sec. 28. Minnesota Statutes 1998, section 55.04, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR LICENSE.] Application for license shall be in writing, under oath, and in the form prescribed by the commissioner of commerce, and contain the name and address, both of the residence and place of business, of the applicant, and if the applicant is a partnership or unincorporated association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with street and number, if any, where the business is to be conducted; and further information the commissioner of commerce requires. The applicant at the time of making application shall pay to the commissioner the sum of \$250 as a fee for investigating the application, and the additional sum of \$150 as an annual license fee for a period terminating on the last day of the current calendar year. ~~If the application is filed after June 30 in any year the additional sum shall be only \$75.~~

Sec. 29. Minnesota Statutes 1998, section 56.02, is amended to read:

56.02 [APPLICATION FEE.]

Application for license shall be in writing, under oath, and in the form prescribed by the commissioner, and contain the name and the address, both of the residence and place of business, of the applicant and, if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof; also the county and municipality, with street and number, if any, where the business is to be conducted, and such further information as the commissioner may require. The applicant at the time of making application, shall pay to the commissioner the sum of ~~\$250~~ \$500 as a fee for investigating the application, and the additional sum of ~~\$150~~ \$250 as an annual license fee for a period terminating on the last day of the current calendar year; ~~provided, that if the application is filed after June 30 in any year the additional sum shall be only \$75.~~ In addition to the annual license fee, every licensee hereunder shall pay to the commissioner the actual costs of each examination, as provided for in section 56.10. All moneys collected by the commissioner under this chapter shall be turned over to the state treasurer and credited by the treasurer to the general fund of the state.

Every applicant shall also prove, in form satisfactory to the commissioner, that the applicant has available for the operation of the business at the location specified in the application, liquid assets of at least \$50,000.

Sec. 30. Minnesota Statutes 1998, section 56.131, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(6)~~ (f) A licensee may contract for and collect a delinquency charge as provided for in section 47.59, subdivision 6, paragraph (a), clause (4).

~~(7)~~ (g) A licensee may grant extensions, deferments, or conversions to interest-bearing as provided in section 47.59, subdivision 5.



Sec. 31. Minnesota Statutes 1998, section 58.06, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CONTENTS.] The application must contain the name and complete business address or addresses of the license applicant. If the license applicant is a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, the application must contain the names and complete business addresses of each partner, member, director, and principal officer. The application must also include a description of the activities of the license applicant, in the detail and for the periods the commissioner may require. The application must also include all of the following:

(a) an affirmation under oath that the applicant:

(1) will maintain competent staff and adequate staffing levels, through direct employees or otherwise, to meet the requirements of this chapter;

(2) will advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change;

(3) will advise the commissioner in writing immediately of any bankruptcy petitions filed against or by the applicant or licensee;

(4) is financially solvent ~~and in compliance with net worth requirements;~~

(5) complies with federal and state tax laws;

(6) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law; and

(7) is, or that a person in control of the license applicant is, at least 18 years of age;

(b) information as to the mortgage lending, servicing, or brokering experience of the applicant and persons in control of the applicant;

(c) information as to criminal convictions, excluding traffic violations, of persons in control of the license applicant;

(d) whether a court of competent jurisdiction has found that the applicant or persons in control of the applicant have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit in performing an act for which a license is required under this chapter;

(e) whether the applicant or persons in control of the applicant have been the subject of: an order of suspension or revocation, cease and desist order, or injunctive order, or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency or by the Secretary of Housing and Urban Development within the ten-year period immediately preceding submission of the application; and

(f) other information required by the commissioner.

Sec. 32. Minnesota Statutes 1998, section 58.08, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT OF RESIDENTIAL MORTGAGE ORIGINATORS.] A residential mortgage originator licensee engaging in servicing a residential mortgage loan shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than \$50,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter relating to servicing, and for losses or damages incurred by borrowers as the result of a licensee's servicing-related noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract.

The bond or irrevocable letter of credit must be submitted with the originator's license application, and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution.

Sec. 33. Minnesota Statutes 1998, section 59A.03, subdivision 2, is amended to read:

Subd. 2. The applicant at the time of making application, shall pay to the commissioner the sum of \$250 as a fee for investigating the application, and the additional sum of ~~\$100~~ \$200 as an annual licensee fee for a period terminating on May 31 of each year. In addition to the annual license fee, every licensee shall pay to the commissioner the actual costs of each examination as may be required to be conducted under the terms of sections 59A.01 to 59A.15.

Sec. 34. [60K.055] [ELIGIBILITY TO ORIGINATE MORTGAGE LOANS.]

(a) Notwithstanding chapter 58, a person licensed as a property/casualty or life/health insurance agent may originate residential mortgages for a residential mortgage originator that is in compliance with chapter 58, if the agent obtains an endorsement as provided in this section.

(b) An insurance agent acting under the authority of this endorsement is subject to all of the notification, recordkeeping, disclosure, and standards of conduct requirements of chapter 58. Any violation of chapter 58 will constitute a violation of this chapter and will constitute grounds for disciplinary action against the agent's insurance agent license.

(c) An agent may make application for the endorsement described in paragraph (a) on forms prescribed by and obtained from the commissioner.

Sec. 35. Minnesota Statutes 1998, section 60K.06, subdivision 2, is amended to read:

Subd. 2. [LICENSING FEES.] (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

- (1) a fee of \$60 per license for an initial license issued to an individual agent, and a fee of \$60 for each renewal;
- (2) a fee of \$160 for an initial license issued to a partnership, limited liability company, or corporation, and a fee of \$120 for each renewal;
- (3) a fee of \$75 for an initial amendment (variable annuity) to a license, and a fee of \$50 for each renewal; ~~and~~
- (4) a fee of \$200 for an initial mortgage origination endorsement to a license and a fee of \$200 for each renewal; and
- (5) a fee of \$500 for an initial surplus lines agent's license, and a fee of \$500 for each renewal.

(b) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1 of the renewal year. Applications for renewal of a license are timely filed if received by the commissioner on or before the 15th day preceding the license renewal date of the applicant on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked on or before the 15th day preceding the licensing renewal date of the applicant.

(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(d) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of any fee must be refunded upon proper application.

Sec. 36. Minnesota Statutes 1998, section 118A.01, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENT ENTITY.] "Government entity" means a county, city, town, school district, hospital district, public authority, public corporation, public commission, special district, any other political subdivision, except an entity whose investment authority is specified under chapter 11A or 356A.

For the purposes of sections 118A.02 and 118A.03 only, the term includes an American Indian tribal government entity located within a federally recognized American Indian reservation.

Sec. 37. Minnesota Statutes 1998, section 168.67, is amended to read:

168.67 [SALES FINANCE COMPANY; LICENSE, FEES, REFUND.]

(a) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in sections 168.66 to 168.77 provided, however, that no bank, trust company, savings bank, savings association, or credit union, whether state or federally chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated Loan Act authorized to do business in this state shall be required to obtain a license under sections 168.66 to 168.77.

(b) The application for a license shall be in writing, under oath and in the form prescribed by the administrator. The application shall contain the name of the applicant; date of incorporation, if incorporated; the address where the business is or is to be conducted and similar information as to any branch office of the applicant; the name and resident address of the owner or partners, or, if a corporation or association, of the directors, trustees and principal officers, and other pertinent information the administrator requires.

(c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the following year, or any part thereof shall be the sum of ~~\$150~~ \$250 for the principal place of business of the licensee, and the sum of ~~\$75~~ \$125 for each branch of the licensee, maintained in this state. Any licensee who proves to the satisfaction of the administrator, by affidavit or other proof satisfactory to the administrator, that during the 12 calendar months of the immediately preceding fiscal year, for which the license has been paid that the licensee has not held retail installment contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each license fee paid in excess of \$25. The administrator shall certify to the commissioner of finance that the licensee is entitled to a refund, and payment thereof shall be made by the state treasurer. The amount necessary to pay for the refundment of the license fee is appropriated out of the general fund. All license fees received by the administrator under sections 168.66 to 168.77 shall be deposited with the state treasurer.

(d) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case the location be changed, the administrator shall endorse the change of location on the license.

(e) Upon the filing of such application, and the payment of the fee, the administrator shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of sections 168.66 to 168.77 for a period which shall expire the last day of June next following the date of its issuance. The license shall not be transferable or assignable. No licensee shall transact any business provided for by sections 168.66 to 168.77 under any other name.

Sec. 38. Minnesota Statutes 1998, section 168.71, is amended to read:

168.71 [MOTOR VEHICLE RETAIL INSTALLMENT CONTRACT.]

(a)(1) Every retail installment contract shall be in writing, shall contain all the agreements of the parties, shall be signed by the retail buyer and seller, and a copy signed by the retail buyer shall be furnished to such retail buyer at the time the retail buyer executes the contract. The copy signed by both the retail buyer and retail seller shall be provided to the retail buyer within seven days after delivery of the vehicle. With respect to any contract executed prior to August 1, 1996, which has not been paid in full by the retail buyer, the retail seller shall provide such retail buyer a copy signed by both the retail buyer and retail seller within 120 days after August 1, 1996.

(2) No provisions for confession of judgment or power of attorney therefor contained in any retail installment contract or contained in a separate agreement relating thereto, shall be valid or enforceable.

(3) The holder of a precomputed retail installment contract may, if the contract so provides, collect a delinquency and collection charge on each installment in arrears for a period not less than ten days in an amount not in excess of five percent of each installment or \$5, whichever is greater. In addition to such delinquency and collection charge, the retail installment contract, whether interest-bearing or precomputed, may provide for the payment of attorneys' fees not exceeding 15 percent of the amount due and payable under such contract where such contract is referred to an attorney not a salaried employee of the holder of the contract for collection plus the court costs.

(4) Unless written notice has been given to the retail buyer of actual or intended assignment of a retail installment contract, payment thereunder or tender thereof made by the retail buyer to the last known holder of such contract shall be binding upon all subsequent holders or assignees.

(5) Upon written request from the retail buyer, the holder of the retail installment contract shall give or forward to the retail buyer a written statement of the dates and amounts of payments and the total amount unpaid under such contract. A retail buyer shall be given a written receipt for any payment when made in cash.

(b) The retail installment contract shall contain the following items:

(1) the cash sale price of the motor vehicle which is the subject matter of the retail installment contract;

(2) the total amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;

(3) the difference between items one and two;

(4) the charge, if any, included in the transaction to pay the balance of an existing purchase money motor vehicle lien which exceeds the value of the trade-in amount, or for any insurance and other benefits not included in clause (1), specifying the types of coverage and taxes, fees, and charges that actually are or will be paid to public officials or government agencies, including those for perfecting, releasing, or satisfying a security interest if such taxes, fees, or charges are not included in clause (1);

(5) principal balance, which is the sum of items three and four;

(6) the amount of the finance charge;

(7) the total of payments payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and date of each payment necessary finally to pay the total of payments which is the sum of item five and item six.

Provided, however, that said items one to seven inclusive need not be stated in the terms, sequence or order set forth above. Provided further, that clauses (6) and (7) may be disclosed on the assumption that all scheduled payments under the contract will be made when due.

In lieu of the above clauses, the retail seller may give the retail buyer disclosures which satisfy the requirements of the Federal Truth-In-Lending Act in effect as of the time of the contract, notwithstanding whether or not that act applies to the transaction.

(c) Every retail seller or sales finance company, if a charge for insurance on the motor vehicle is included in a retail installment contract shall within 30 days after execution of the retail installment contract send or cause to be sent to the retail buyer a policy or policies or certificate of insurance, which insurance shall be written by a company authorized to do business in this state, clearly setting forth the amount of the premium, the kind or kinds of insurance and the scope of the coverage and all the terms, exceptions, limitations, restrictions and conditions of the contract

or contracts of the insurance. The buyer of a motor vehicle under a retail installment contract shall have the privilege of purchasing such insurance from an agent or broker of the buyer's own selection and selecting an insurance company mutually acceptable to the seller and the buyer; provided, however, that the inclusion of the cost of the insurance premium in the retail installment contract when the buyer selects the agent, broker or company, shall be optional with the seller.

(d) Any sales finance company hereunder may purchase or acquire from any retail seller any retail installment contract on such terms and conditions as may be mutually agreed upon between them.

(e) An acknowledgment by the retail buyer of the delivery of any such copy or notice as required in subsection (a) contained in the body of the statement or contract shall be conclusive proof of delivery in any action or proceeding by or against any assignee of a retail installment contract.

Sec. 39. Minnesota Statutes 1998, section 303.25, subdivision 5, is amended to read:

Subd. 5. [SOLICITATION OF BUSINESS.] A foreign trust ~~association may not maintain an office within this state, but it~~ may solicit business within this state if banking or trust associations or corporations organized under the laws of this state or national banking associations maintaining their principal offices in this state may solicit business in the state in which the foreign trust association maintains its principal office. For purposes of this subdivision, solicitation of business includes the activities authorized for state or national banking associations exercising fiduciary powers maintaining their principal offices in this state considered a representative trust office established under section ~~48.476~~ 48A.14. A foreign trust association must follow the procedures in section 48A.18 to establish a trust office and the procedures in section 48A.19 to establish a representative trust office.

Sec. 40. Minnesota Statutes 1998, section 332.15, subdivision 2, is amended to read:

Subd. 2. [LICENSE FOR EACH LOCATION.] Each person operating a debt prorating service shall obtain a license for each location and place of business, including each branch office. Such person shall submit a separate application for each place of business. The full license fee shall be payable only for one such place of business. For each additional place of business the license fee shall be ~~\$25~~ \$100.

Sec. 41. Minnesota Statutes 1998, section 332.15, subdivision 3, is amended to read:

Subd. 3. [FEES.] Each applicant, at the time of making such application, shall pay to the commissioner the sum of ~~\$50~~ \$100 as a fee for investigation of the applicant, and the additional sum of ~~\$100~~ \$250 as a license fee. If the application is denied, said license fee shall be returned to the applicant.

Sec. 42. Minnesota Statutes 1998, section 332.17, is amended to read:

332.17 [RENEWAL OF LICENSE.]

Each licensee under the provisions of sections 332.12 to 332.29 shall, not more than 60 nor less than 30 days before its license is to expire, make application to the commissioner for renewal of its license. Such application for renewal shall be on a form prescribed by the commissioner and shall be accompanied by payment of the sum of ~~\$25~~ \$250 as a fee for investigation of the renewal applicant, the additional sum of ~~\$100~~ \$250 as a license fee, and a bond as required in the case of an original application. The commissioner may investigate the licensee and determine its continued fitness as in the case of an original application. If the commissioner shall renew the license, said renewal shall be effective for one year from the date on which the previous license expired.

Sec. 43. Minnesota Statutes 1998, section 332.30, is amended to read:

332.30 [ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND REQUIREMENTS.]

(a) Before beginning business in this state, an accelerated mortgage payment provider, as defined in section 332.13, subdivision 2, clause (10), shall submit to the commissioner of commerce an authorization fee of \$250 and either:

(1) a surety bond in which the accelerated mortgage payment provider is the obligor, in an amount determined by the commissioner; or

(2) if the commissioner agrees to accept it, a deposit:

(i) in cash in an amount equivalent to the bond amount; or

(ii) of authorized securities, as defined in section 50.14, with an aggregate market value equal to the bond amount. The cash or securities must be deposited with the state treasurer.

(b) The amount of the bond required by the commissioner shall vary with the amount of Minnesota client funds held or to be held by the obligor. For new businesses, the bond must be no less than \$100,000, except as provided in section 332.301. The commissioner may increase the required bond amount upon 30 days' notice to the accelerated mortgage payment provider.

(c) If a bond is submitted, it must name as surety an insurance company authorized to transact fidelity and surety business in this state. The bond must run to the state of Minnesota for the use of the state and of any person who may have a claim against the obligor arising out of the obligor's activities as an accelerated mortgage payment provider. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of accelerated mortgage payment agreements with Minnesota residents.

If an accelerated mortgage payment provider has failed to account to a mortgagor or distribute funds to the mortgagee as required by an accelerated mortgage payment agreement, the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall have, in addition to any other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to this section.

Sec. 44. [334.21] [MOTOR VEHICLE LEASE AGREEMENTS.]

A motor vehicle lease agreement may include the outstanding balance from a prior motor vehicle loan or lease.

Sec. 45. [CHISAGO LAKES TOWNSHIP; DETACHED BANKING FACILITY.]

With the prior approval of the commissioner of commerce, a bank operating its principal office in Marine on St. Croix may establish and maintain not more than one detached facility in Chisago Lakes township. A bank desiring to establish such a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility under this section is subject to Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 46. [REPEALER.]

(a) Minnesota Statutes 1998, section 47.20, subdivision 14, is repealed.

(b) Minnesota Statutes 1998, section 58.07, is repealed.

Sec. 47. [EFFECTIVE DATE.]

Sections 1 to 7, 12 to 14, 16, 18, 21 to 23, 25 to 29, 33, 35, 37, and 39 to 43 are effective July 1, 1999. Sections 11 and 46, paragraph (a) are effective July 29, 1999. Section 45 takes effect the day after compliance by the governing body of Chisago Lakes township with Minnesota Statutes, section 645.021, subdivision 3. Sections 8 to 10, 12, 15, and 17 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating fees, charges, investments, and time periods; regulating mortgage insurance and loans; modifying the application requirements for credit unions; making corrections and conforming changes; regulating deposit and investment of local public funds; modifying a definition;

authorizing a detached facility in Chisago Lakes Township; amending Minnesota Statutes 1998, sections 46.041, subdivisions 1 and 3; 46.048, subdivisions 1 and 2b; 46.131, subdivision 10; 47.0156; 47.101, subdivision 3; 47.20, subdivision 6b; 47.203; 47.204, subdivision 1; 47.27, subdivision 3; 47.54, subdivisions 2 and 3; 47.59, subdivision 12; 47.60, subdivision 3; 48.15, subdivisions 2a and 3; 48.24, subdivision 7, and by adding a subdivision; 48A.15, subdivision 1; 49.36, subdivision 1; 52.01; 52.05, subdivision 2; 53.03, subdivisions 1, 6, and 7; 55.04, subdivision 2; 56.02; 56.131, subdivision 1; 58.06, subdivision 2; 58.08, subdivision 1; 59A.03, subdivision 2; 60K.06, subdivision 2; 118A.01, subdivision 2; 168.67; 168.71; 303.25, subdivision 5; 332.15, subdivisions 2 and 3; 332.17; and 332.30; proposing coding for new law in Minnesota Statutes, chapters 47; 60K; and 334; repealing Minnesota Statutes 1998, sections 47.20, subdivision 14; and 58.07."

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

The report was adopted.

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

H. F. No. 1266, A bill for an act relating to employment; appropriating money for grants to encourage women to enter nontraditional careers.

Reported the same back with the following amendments:

Page 2, line 30, after "All" insert "general"

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

The report was adopted.

Goodno from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 1426, A bill for an act relating to health; modifying well notification fees; modifying provisions for grants to rural hospitals and community health centers; modifying student loan repayment provisions for health professionals; amending Minnesota Statutes 1998, sections 103I.208, subdivision 1; 144.147, subdivisions 2, 3, 4, and 5; 144.1484, subdivision 1; 144.1486, subdivisions 3, 4, and 8; 144.1488, subdivisions 1, 3, and 4; 144.1489, subdivisions 2 and 4; 144.1490, subdivision 2; 144.1494, subdivisions 2, 3, 5, and by adding a subdivision; 144.1495, subdivisions 3, 4, and by adding a subdivision; and 144.1496, subdivisions 2 and 5.

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

The report was adopted.

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

H. F. No. 1568, A bill for an act relating to the state building code; transferring authority to adopt energy portions of the building code from the commissioner of public service to the commissioner of administration; transferring certain enforcement and inspection functions from the board of electricity and the commissioner of health to the commissioner of administration; amending Minnesota Statutes 1998, sections 16B.61, subdivisions 1 and 2; and 16B.62, subdivision 2; repealing Minnesota Statutes 1998, section 216C.19, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 16B.61, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 16B.59 to 16B.75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including the Uniform Code for Building Conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 16B.59 to 16B.75, the commissioner shall administer and enforce the provisions of those sections.

Sec. 2. Minnesota Statutes 1998, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings and state licensed facilities. Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building or a state licensed facility. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

Administration and enforcement in a municipality under this section must apply any optional provisions of the state building code adopted by the municipality. A municipality adopting any optional code provision shall notify the state building official within 30 days of its adoption.

The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 16B.747, subdivision 3.

Sec. 3. Minnesota Statutes 1998, section 16B.62, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT BY STATE BUILDING OFFICIAL.] If the commissioner determines that a municipality is not properly administering and enforcing the State Building Code as provided in section 16B.71, the commissioner may have the administration and enforcement in the involved municipality undertaken by the state building official. The commissioner shall notify the affected municipality in writing immediately upon making the determination, and the municipality may challenge the determination as a contested case before the commissioner pursuant to the Administrative Procedure Act. In municipalities not properly administering and enforcing the State Building Code, and in municipalities who determine not to administer and enforce the State Building Code, the commissioner shall have administration and enforcement undertaken by the state building official or by another inspector certified by the state. In carrying out administration and enforcement under this subdivision, the commissioner shall apply any optional provision of the state building code adopted by the municipality. A



municipality adopting any optional code provision shall notify the state building official within 30 days of its adoption. The commissioner shall determine appropriate fees to be charged for the administration and enforcement service rendered. Any cost to the state arising from the state administration and enforcement of the State Building Code shall be borne by the subject municipality.

Sec. 4. Minnesota Statutes 1998, section 16B.64, subdivision 4, is amended to read:

Subd. 4. [HEARINGS.] The commissioner, ~~except in the case of energy conservation standards promulgated or amended pursuant to section 216C.19, subdivision 8;~~ shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another state agency proposes to adopt or amend rules which are incorporated by reference into the code or whenever the commissioner proposes to incorporate those rules into the State Building Code. In no event ~~shall~~ may a state agency subsequently authorized to adopt rules involving State Building Code subject matter proceed to adopt the rules without prior consultation with the commissioner.

Sec. 5. Minnesota Statutes 1998, section 216C.19, subdivision 8, is amended to read:

Subd. 8. [APPLICABILITY TO BUILDING CODE; RULES.] In recognition of the compelling need for energy conservation in order to safeguard the public health, safety and welfare, it is necessary to provide building design and construction standards consistent with the most efficient use of energy. Therefore, the commissioner of administration in consultation with the commissioner of public service shall, pursuant to chapter 14, adopt rules governing building design and construction standards regarding heat loss control, illumination and climate control. To the maximum extent practicable, the rules providing for the energy portions of the building code shall be based on and conform to model codes generally accepted throughout the United States. The rules shall apply to all new buildings and remodeling affecting heat loss control, illumination and climate control. The rules shall be economically feasible in that the resultant savings in energy procurement shall exceed the cost of the energy conserving requirements amortized over the life of the building. The rules adopted pursuant to this subdivision, shall be part of the State Building Code. Notwithstanding the provisions of this subdivision, all applications for approval of building specifications and plans may be submitted to the state building ~~inspector~~ official as provided in section 16B.66.

Sec. 6. Minnesota Statutes 1998, section 216C.195, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER TO ADOPT.] ~~Not later than September 1, 1992;~~ The commissioner of administration in consultation with the commissioner of public service shall adopt amendments to the Energy Code portion of the Minnesota Building Code to implement energy-efficient standards for new commercial buildings.

Sec. 7. [TRANSFER.]

While the energy portion of the state building code is developed by the commissioner of public service, adoption of the energy portion of the building code is transferred from the commissioner of public service to the commissioner of administration in consultation with the commissioner of public service in accordance with Minnesota Statutes, section 15.039, excluding subdivisions 6 and 7.

Sec. 8. [REVIEW.]

The construction codes advisory council established by Minnesota Statutes, section 16B.76, shall review the program evaluation report on the state building code issued by the office of the legislative auditor in January 1999 and shall report to the legislature by January 15, 2000, with recommendations on which proposals in the report, if any, should be implemented.

## Sec. 9. [ENERGY CODE.]

The effective date of the residential building energy code set out in Minnesota Rules, chapter 7672, is July 20, 2000. Until that date, the energy code set out in Minnesota Rules, chapter 7670, shall remain in effect for one and two family residential buildings.

## Sec. 10. [REPEALER.]

Minnesota Statutes 1998, section 16B.165, is repealed.

## Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective July 1, 1999."

Delete the title and insert:

"A bill for an act relating to the state building code; transferring authority to adopt energy portions of the building code from the commissioner of public service to the commissioner of administration; providing for conformity with the Uniform Code for Building Conservation; requiring implementation of locally adopted optional code provisions; requiring a report; amending Minnesota Statutes 1998, sections 16B.61, subdivisions 1 and 1a; 16B.62, subdivision 2; 16B.64, subdivision 4; 216C.19, subdivision 8; and 216C.195, subdivision 1; repealing Minnesota Statutes 1998, section 16B.165."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1658, A bill for an act relating to health; requiring prompt payments by health maintenance organizations and nonprofit health service plan corporations of certain claims made by home care providers; requiring claim errors to be reported within a certain time; establishing penalties; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [62D.108] [PROMPT PAYMENTS TO HOME CARE PROVIDERS.]

Subdivision 1. [APPLICABILITY.] This section applies to health maintenance organizations regulated under this chapter.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(1) "clean claim" means an original paper or electronic claim with correct data elements, prepared in accordance with the health maintenance organization's published specifications for claims preparation, that does not require an attachment or text information to pay or deny the claim;

(2) "home care provider" has the meaning given in section 144A.43, subdivision 4; and

(3) "valid home care provider claim" means a clean claim submitted directly to the health maintenance organization by an eligible home care provider for home care services provided to an eligible enrollee.

Subd. 3. [CLAIMS PAYMENTS TO HOME CARE PROVIDERS.] A health maintenance organization must pay or deny a valid home care provider claim for home care services within 30 days of receiving the claim and all other information from third parties required to process the claim in accordance with the health maintenance organization's specifications for claims processing. A health maintenance organization must notify a home care provider of an incorrect, defective, or improper claim within 30 days of receipt of the original claim. If the health maintenance organization is unable to pay or deny the claim within 30 days because additional information, other than information from the home care provider, is required to complete the processing of the claim, the health maintenance organization shall disclose to the home care provider the nature of the additional information needed to process the claim. The disclosure shall be made consistent with state and federal law. Where evidence of suspected fraud is present, the requirement to disclose additional information need not be specific.

Subd. 4. [PAYMENT OF INTEREST ON LATE PAYMENTS.] (a) If a health maintenance organization fails to pay or deny a valid home care provider claim within 30 days as specified in subdivision 3, the health maintenance organization must pay interest to the home care provider on the claim with interest accruing from the 30th day. If a negotiated contract or agreement between a home care provider and a health maintenance organization requires an audit by the health maintenance organization before acceptance and payment of the claim, interest payments do not apply until 30 days after the timely completion of the audit by the health maintenance organization. Before any interest payment is made, the home care provider must bill the health maintenance organization for the interest.

(b) The rate of interest paid by a health maintenance organization under this subdivision shall be 1.5 percent per month or any part of the month.

(c) A home care provider who prevails in a civil action to collect interest payments from a health maintenance organization shall be awarded the costs and disbursements, including attorney fees, incurred in bringing the action.

(d) The minimum monthly interest payment that a health maintenance organization must pay to a home care provider for the unpaid balance for any single overdue claim equal to or exceeding \$100 is \$10. For unpaid balances of less than \$100, the health maintenance organization must pay the actual interest payment due to the home care provider.

(e) A health maintenance organization is not required to make an interest payment on a claim for which payment has been delayed for purposes of reviewing potentially fraudulent or abusive billing practices.

## Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1999, and applies to claims made under health maintenance organization contracts with home care providers entered into or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to health; requiring prompt payments by health maintenance organizations of certain claims made by home care providers; requiring health maintenance organizations to pay interest on late payments; establishing penalties; proposing coding for new law in Minnesota Statutes, chapter 62D."

With the recommendation that when so amended the bill pass.

The report was adopted.

Seagren from the Committee on K-12 Education Finance to which was referred:

H. F. No. 1775, A bill for an act relating to education; authorizing a planning grant to create an urban agricultural high school; appropriating money; amending Minnesota Statutes 1998, section 41D.02, subdivision 2.

Reported the same back with the following amendments:

Page 2, lines 16 and 17, delete "Minnesota agriculture education leadership council" and insert "commissioner of children, families, and learning"

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

The report was adopted.

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

H. F. No. 1825, A bill for an act relating to lawful gambling; expanding the use of pull-tab dispensing machines; making technical changes; modifying progressive bingo prizes; specifying maximum tipboard prizes; amending Minnesota Statutes 1998, sections 349.151, subdivision 4b; 349.165, subdivisions 1 and 3; and 349.211, subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three;

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages or (ii) a licensed bingo hall that allows gambling only by persons 18 years or older; and

(3) must prohibit the use of pull-tab dispensing devices at any licensed premises where pull-tabs are sold other than through a pull-tab dispensing device by an employee of the organization who is also the lessor or an employee of the lessor.

(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

(d) The director may charge a manufacturer a fee of up to \$5,000 per pull-tab dispensing device to cover the costs of services provided by an independent testing laboratory to perform testing and analysis of pull-tab dispensing devices. The director shall deposit in a separate account in the state treasury all money the director receives as reimbursement for the costs of services provided by independent testing laboratories that have entered into contracts with the state to perform testing and analysis of pull-tab dispensing devices. Money in the account is appropriated to the director to pay the costs of services under those contracts.

Sec. 2. Minnesota Statutes 1998, section 349.151, is amended by adding a subdivision to read:

Subd. 4c. [RAFFLE TICKETS.] A raffle ticket must at a minimum list the three most expensive prizes in the raffle. If additional prizes will be awarded that are not contained on the raffle ticket, the raffle ticket must contain the statement, "a complete list of additional prizes is available upon request."

Sec. 3. Minnesota Statutes 1998, section 349.1711, is amended by adding a subdivision to read:

Subd. 4. [TIPBOARD RULES.] The board may by rule permit tipboard games with multiple seals. The board may adopt rules for cumulative or carryover tipboard prizes.

Sec. 4. Minnesota Statutes 1998, section 349.211, subdivision 2, is amended to read:

Subd. 2. [PROGRESSIVE BINGO GAMES.] A prize of up to \$2,000 may be awarded for a progressive bingo game, including a cover-all game. The prize for a progressive bingo game may start at \$300 and be increased by up to \$100 for each occasion during which the progressive bingo game is played. A consolation prize of up to \$100 \$200 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won. The total amount awarded in progressive bingo game prizes in any calendar year may not exceed \$36,000.

Sec. 5. Minnesota Statutes 1998, section 349.211, is amended by adding a subdivision to read:

Subd. 2c. [TIPBOARD PRIZES.] The maximum prize which may be awarded for a tipboard ticket is \$500, not including any cumulative or carryover prizes. Cumulative or carryover prizes in a tipboard game may not exceed \$2,500.

Sec. 6. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 4 are effective the day following final enactment. Section 5 is effective the day following the effective date of the rules adopted under section 3."

Delete the title and insert:

"A bill for an act relating to lawful gambling; specifying locations where pull-tab dispensing machines may be used; requiring certain information to be printed on raffle tickets; authorizing certain tipboard games and tipboard rules; increasing maximum consolation prizes for bingo games; specifying maximum tipboard prizes; amending Minnesota Statutes 1998, sections 349.151, subdivision 4b, and by adding a subdivision; 349.1711, by adding a subdivision; and 349.211, subdivision 2, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1845, A bill for an act relating to school boards; a person convicted of a sex offense who is required to be registered under the predatory offender law is not eligible to be a candidate for the office of school board member; amending Minnesota Statutes 1998, sections 123B.09, by adding a subdivision; and 205A.06, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 123B.09, is amended by adding a subdivision to read:

Subd. 1a. [SEX OFFENDER SCHOOL BOARD INELIGIBILITY.] A sex offender who has been convicted of an offense for which registration under section 243.166 is required is ineligible to become a candidate for the office of school board member, as defined in subdivision 1. Ineligibility is determined by the registration requirements in effect at the time the offender files for office, not by the registration requirements, if any, that were in effect at the time the offender was convicted.

Sec. 2. Minnesota Statutes 1998, section 205A.06, is amended by adding a subdivision to read:

Subd. 1b. [SCHOOL BOARD MEMBER; SEX OFFENDER; INELIGIBLE TO FILE AFFIDAVIT OF CANDIDACY.] A sex offender who has been convicted of an offense for which registration is required under section 243.166 is ineligible to become a candidate for the office of school board member and may not file an affidavit of candidacy for that office. Ineligibility is determined by the registration requirements in effect at the time the offender files for office, not by the registration requirements, if any, that were in effect at the time the offender was convicted."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1985, A bill for an act relating to motor vehicles; authorizing suspension of a vehicle's registration in certain circumstances; requiring a detachable form to be provided in a vehicle's certificate of title and completed under certain circumstances; appropriating money; amending Minnesota Statutes 1998, sections 168.17; 168A.05, subdivision 5; and 168A.10, subdivisions 1, 2, and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 168.17, is amended to read:

168.17 [SUSPENSION OF REGISTRATION.]

All registrations and issue of number plates shall be subject to amendment, suspension, modification or revocation by the registrar summarily for any violation of or neglect to comply with the provisions of this chapter or when the transferee fails to comply with section 168A.10, subdivision 2, within 30 days of the date of sale. In any case where the proper registration of a motor vehicle is dependent upon procuring information entailing such delay as to unreasonably deprive the owner of the use of the motor vehicle, the registrar may issue a tax receipt and plates conditionally. In any case when revoking a registration for cause, the registrar shall have authority to demand the return of the number plates and registration certificates, and, if necessary, to seize the number plates issued for such registration.

Sec. 2. Minnesota Statutes 1998, section 168.301, subdivision 3, is amended to read:

Subd. 3. [LATE FEE.] In addition to any fee or tax otherwise authorized or imposed upon the transfer of title for a motor vehicle, the commissioner of public safety shall impose a \$2 additional fee for failure to deliver a title transfer within ~~14~~ 10 days.

Sec. 3. Minnesota Statutes 1998, section 168.301, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] When the commissioner has suspended license plates on a vehicle because the transferee has failed to ~~deliver~~ file the title certificate within ~~ten~~ 30 days ~~as provided in subdivision 1,~~ the transferee shall pay a ~~\$5~~ \$10 fee before the registration is reinstated.

Sec. 4. Minnesota Statutes 1998, section 168A.05, subdivision 5, is amended to read:

Subd. 5. [~~ASSIGNMENT AND WARRANTY OF TITLE FORMS.~~] (a) The certificate of title shall contain forms:

(1) for assignment and warranty of title by the owner, ~~and for:~~

(2) for assignment and warranty of title by a dealer, and shall contain forms for applications;

(3) to apply for a certificate of title by a transferee, and the naming of;

(4) to name a secured party, and shall include; and

(5) language necessary to implement to make the disclosure required by section 325F.6641.

(b) The certificate of title must also include a separate detachable postcard entitled "Notice of Sale" that contains, but is not limited to, the vehicle's title number and vehicle identification number. The postcard must include sufficient space for the owner to record the purchaser's name, address, and driver's license number, if any, and the date of sale. The Notice of Sale must include clear instructions regarding the owner's responsibility to complete and return the form, or to transmit the required information electronically in a form acceptable to the commissioner, pursuant to section 168A.10, subdivision 1.

Sec. 5. Minnesota Statutes 1998, section 168A.10, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT AND WARRANTY OF TITLE; MILEAGE; NOTICE OF SALE.] If an owner transfers interest in a vehicle other than by the creation of a security interest, the owner shall at the time of the delivery of the vehicle execute an assignment and warranty of title to the transferee and shall state the actual selling price in the space provided therefor on the certificate. Within ten days of the date of sale, other than a sale by or to a licensed motor vehicle dealer, the owner shall: (1) complete, detach, and return to the department the postcard on the certificate entitled "Notice of Sale," if one is provided, including the transferee's name, address, and driver's license number, if any, and the date of sale; or (2) transmit this information electronically in a form acceptable to the commissioner. With respect to motor vehicles subject to the provisions of section 325E.15, the transferor shall also, in the space provided therefor on the certificate, state the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage. The transferor shall cause the certificate and assignment to be delivered to the transferee immediately.

Sec. 6. Minnesota Statutes 1998, section 168A.10, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR NEW CERTIFICATE.] Except as provided in section 168A.11, the transferee shall, within ten days after assignment to the transferee of the vehicle title certificate, execute the application for a new certificate of title in the space provided therefor on the certificate, and cause the certificate of title to be mailed or delivered to the department. Failure of the transferee to comply with this subdivision shall result in the suspension of the vehicle's registration under section 168.17.

Sec. 7. Minnesota Statutes 1998, section 168A.10, subdivision 5, is amended to read:

Subd. 5. [COMPLIANCE REMOVES LIABILITY AFTER DELIVERY.] Except as provided in section 168A.11 and as between the parties, a transfer by an owner is not effective until the provisions of this section have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied, or within 48 hours after such delivery does comply, with the provisions of this section requiring action by the owner is not liable as owner for any damages resulting from operation of the vehicle after the delivery of the vehicle to the transferee. An owner is not liable who has complied with the provisions of this section except for completing and returning the Notice of Sale or transmitting the required information electronically under subdivision 1.

Sec. 8. Minnesota Statutes 1998, section 168A.30, subdivision 2, is amended to read:

Subd. 2. [WILLFUL OR FRAUDULENT ACTS; FAILURE TO NOTIFY.] A person is guilty of a misdemeanor who:

(1) with fraudulent intent permits another, not entitled thereto, to use or have possession of a certificate of title;

(2) willfully fails to mail or deliver a certificate of title to the department within the time required by sections 168A.01 to 168A.31;

(3) willfully fails to deliver to the transferee a certificate of title within ten days after the time required by sections 168A.01 to 168A.31;

(4) commits a fraud in any application for a certificate of title;

(5) fails to notify the department of any fact as required by sections 168A.01 to 168A.31, except for the facts included in the Notice of Sale described in section 168A.10, subdivision 1; or

(6) willfully violates any other provision of sections 168A.01 to 168A.31 except as otherwise provided in sections 168A.01 to 168A.31.

Sec. 9. [APPROPRIATION.]

\$...... is appropriated for the biennium ending June 30, 2001, from the general fund to the commissioner of public safety to implement this act.

Sec. 10. [EFFECTIVE DATE.]

This act is effective July 1, 2000."

Delete the title and insert:

"A bill for an act relating to motor vehicles; authorizing suspension of a vehicle's registration in certain circumstances; requiring a detachable postcard to be provided in a vehicle's certificate of title and completed under certain circumstances; appropriating money; amending Minnesota Statutes 1998, sections 168.17; 168.301, subdivisions 3 and 4; 168A.05, subdivision 5; 168A.10, subdivisions 1, 2, and 5; and 168A.30, subdivision 2."

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

The report was adopted.

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

H. F. No. 2251, A bill for an act relating to agriculture; providing for a temporary 30-day permit for producers of Grade A or manufacturing grade milk for adulterated milk; amending Minnesota Statutes 1998, section 32.21, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 17, delete ". Complete Grade A status may be restored" and insert "and shipment may resume"

Page 4, line 8, after "Grade A" insert "or manufacturing grade"

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

The report was adopted.



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

H. F. No. 2258, A bill for an act relating to taxation; providing for an extension of the duration of a tax increment district in the city of Fridley.

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

The report was adopted.

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

S. F. No. 465, A bill for an act relating to counties; permitting county recorders to require minimum deposits in certain cases; amending Minnesota Statutes 1998, section 386.78.

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

The report was adopted.

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

S. F. No. 768, A bill for an act relating to Ramsey county; making changes in the personnel process; amending Minnesota Statutes 1998, section 383A.288, by adding a subdivision.

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

The report was adopted.

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

S. F. No. 1600, A bill for an act relating to motor vehicles; eliminating requirement that certain applications submitted to department of public safety be in writing; amending Minnesota Statutes 1998, sections 168.013, subdivision 3; and 168.82, subdivision 1.

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

The report was adopted.

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

S. F. No. 1712, A bill for an act relating to the metropolitan council; changing the schedule for the metropolitan transit system's operation performance audit; amending Minnesota Statutes 1998, section 473.1466.

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

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 860, 870, 937, 1055, 1068, 1426, 1568, 1658, 1825 and 1845 were read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. Nos. 803, 972, 984, 1173, 1188, 465, 768 and 1600 were read for the second time.

### **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Abeler, Johnson, Mares, Schumacher, Tomassoni, Erickson and Hackbarth introduced:

H. F. No. 2319, A bill for an act relating to education; requiring phonics to be taught in elementary school; providing for staff development; requiring phonics instruction for teacher licensure; amending Minnesota Statutes 1998, section 122A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 120B.

The bill was read for the first time and referred to the Committee on Education Policy.

Abeler introduced:

H. F. No. 2320, A bill for an act relating to military affairs; redefining the time period for which public employees must be reimbursed by employers while on military duty; amending Minnesota Statutes 1998, section 192.26, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Mulder introduced:

H. F. No. 2321, A bill for an act relating to economic development; providing for a grant to the Pipestone County Historical Society; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Dorman; Clark, J.; Daggett; Rostberg; Cassell; Stang; Tuma; Storm and Kuisle introduced:

H. F. No. 2322, A bill for an act relating to agriculture; providing a property tax credit for debt service and referendum levies on agriculture property; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Gray and Mares introduced:

H. F. No. 2323, A bill for an act relating to education; modifying the definition of parent for compulsory education and reporting; permitting reporting to a county or state agency providing services to a child; working to develop, provide, and maintain an educational structure that meets the needs of at-risk students; identifying obstacles to student educational success; providing for staff development and community training grants; creating an advisory council to assist in analyzing student performance data; emphasizing outcomes; appropriating money; amending Minnesota Statutes 1998, sections 120A.22, subdivision 3; and 120A.26, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124D.

The bill was read for the first time and referred to the Committee on Education Policy.

Peterson introduced:

H. F. No. 2324, A bill for an act relating to economic development; providing for a grant to the city of Madison for planning of the Madison Historic Preservation and Downtown Redevelopment Program; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Solberg, Hilty and Hasskamp introduced:

H. F. No. 2325, A bill for an act relating to taxation; modifying the requirements for the tax exemption for business incubator property; amending Minnesota Statutes 1998, section 272.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Finseth, Skoe, Lieder and Westfall introduced:

H. F. No. 2326, A bill for an act relating to taxation; providing aid to certain counties that had flood-related market value losses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1998, section 273.1383.

The bill was read for the first time and referred to the Committee on Taxes.

Fuller, Storm, Holberg, Erickson, Gerlach, Westerberg, Hackbarth, Wilkin, Howes and Broecker introduced:

H. F. No. 2327, A bill for an act relating to crime; requiring inmates committed to the custody of the commissioner of corrections to apply their assets toward the cost of their care; creating provisions to prevent impoverishment of an innocent spouse; permitting certain transfers of assets and prohibiting other transfers of assets; providing criminal penalties for prohibited transfers; proposing coding for new law in Minnesota Statutes, chapter 243.

The bill was read for the first time and referred to the Committee on Crime Prevention.

Opatz introduced:

H. F. No. 2328, A bill for an act relating to education; appropriating money for a teacher training program at St. Cloud State University to increase urban teachers of color.

The bill was read for the first time and referred to the Committee on Higher Education Finance.

Peterson introduced:

H. F. No. 2329, A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; providing for a grant to the city of Madison for infrastructure for the Madison historic preservation and downtown redevelopment program; authorizing issuance of bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 640, A bill for an act relating to mental health; modifying membership, duties, and reporting requirements for the state advisory council on mental health; amending Minnesota Statutes 1998, section 245.697.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Bradley moved that the House concur in the Senate amendments to H. F. No. 640 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 640, A bill for an act relating to mental health; modifying membership, duties, and reporting requirements for the state advisory council on mental health; amending Minnesota Statutes 1998, section 245.697.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Carruthers	Dorman	Gray	Hilty	Kalis
Abrams	Cassell	Dorn	Greenfield	Holberg	Kelliher
Anderson, B.	Chaudhary	Entenza	Greiling	Holsten	Kielkucki
Anderson, I.	Clark, J.	Erhardt	Gunther	Howes	Knoblach
Bakk	Clark, K.	Finseth	Haake	Huntley	Koskinen
Bishop	Daggett	Folliard	Haas	Jaros	Kubly
Boudreau	Davids	Fuller	Hackbarth	Jennings	Kuisle
Bradley	Dawkins	Gerlach	Harder	Johnson	Larson, D.
Buesgens	Dehler	Gleason	Hasskamp	Juhnke	Leighton
Carlson	Dempsey	Goodno	Hausman	Kahn	Lenczewski

Leppik	Molnau	Ozment	Rukavina	Storm	Westerberg
Lieder	Mulder	Paulsen	Schumacher	Swenson	Westfall
Lindner	Mullery	Pawlenty	Seagren	Sykora	Westrom
Luther	Murphy	Paymar	Seifert, J.	Tomassoni	Wilkin
Mahoney	Ness	Pelowski	Seifert, M.	Trimble	Winter
Mares	Nornes	Peterson	Skoe	Tuma	Wolf
Mariani	Olson	Pugh	Skoglund	Tunheim	Workman
Marko	Opatz	Reuter	Smith	Vandever	Spk. Sviggum
McElroy	Orfield	Rhodes	Solberg	Wagenius	
McGuire	Osskopp	Rifenberg	Stanek	Wejcman	
Milbert	Otremba	Rostberg	Stang	Wenzel	

The bill was repassed, as amended by the Senate, and its title agreed to.

#### POINT OF ORDER

Pawlenty raised a point of order pursuant to section 100 of "Mason's Manual of Legislative Procedure," relating to There Must Be a Question Before the House to Permit Debate. The Speaker ruled the point of order well taken.

#### POINT OF ORDER

Pawlenty raised a point of order pursuant to section 100 of "Mason's Manual of Legislative Procedure," relating to There Must Be a Question Before the House to Permit Debate. The Speaker ruled the point of order well taken.

#### POINT OF ORDER

Pawlenty raised a point of order pursuant to section 100 of "Mason's Manual of Legislative Procedure," relating to There Must Be a Question Before the House to Permit Debate. The Speaker ruled the point of order well taken.

### CONSENT CALENDAR

H. F. No. 643, A bill for an act relating to civil commitment; providing the same legal rights for all persons under commitment status; amending Minnesota Statutes 1998, section 253B.23, subdivision 2; repealing Minnesota Statutes 1998, section 609.165, subdivision 1c.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bakk	Broecker	Cassell	Dauids	Dorman
Abrams	Bishop	Buesgens	Chaudhary	Dawkins	Dorn
Anderson, B.	Boudreau	Carlson	Clark, J.	Dehler	Entenza
Anderson, I.	Bradley	Carruthers	Daggett	Dempsey	Erhardt

Finseth	Holberg	Larsen, P.	Mullery	Reuter	Tomassoni
Folliard	Holsten	Larsen, D.	Murphy	Rhodes	Trimble
Fuller	Howes	Leighton	Ness	Rifenberg	Tuma
Gerlach	Huntley	Lenczewski	Nornes	Rostberg	Tunheim
Gleason	Jaros	Leppik	Olson	Rukavina	Vandever
Goodno	Jennings	Lieder	Opatz	Schumacher	Wagenius
Gray	Johnson	Lindner	Orfield	Seagren	Wejcman
Greenfield	Juhnke	Luther	Osskopp	Seifert, J.	Wenzel
Greiling	Kahn	Mahoney	Osthoff	Seifert, M.	Westerberg
Gunther	Kalis	Mares	Otremba	Skoe	Westfall
Haake	Kelliher	Marko	Ozment	Skoglund	Westrom
Haas	Kielkucki	McCollum	Paulsen	Smith	Wilkin
Hackbarth	Knoblach	McElroy	Pawlenty	Solberg	Winter
Harder	Koskinen	McGuire	Paymar	Stanek	Wolf
Hasskamp	Krinkie	Milbert	Pelowski	Stang	Workman
Hausman	Kubly	Molnau	Peterson	Storm	Spk. Sviggum
Hilty	Kuisle	Mulder	Pugh	Sykora	

The bill was passed and its title agreed to.

S. F. No. 727, A bill for an act relating to commerce; providing for continuity of contracts affected by the European currency; proposing coding for new law in Minnesota Statutes, chapter 334.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1660, A bill for an act relating to the board of government innovation and cooperation; extending exemptions from enforcement of law granted by the board during calendar years 1996 and 1998; amending Minnesota Statutes 1998, section 465.797, subdivision 5a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1888, A bill for an act relating to highways; designating Otter Tail Veterans Memorial Drive; amending Minnesota Statutes 1998, section 161.14, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Boudreau	Cassell	Dawkins	Erhardt	Goodno
Abrams	Bradley	Chaudhary	Dehler	Finseth	Gray
Anderson, B.	Broecker	Clark, J.	Dempsey	Folliard	Greenfield
Anderson, I.	Buesgens	Clark, K.	Dorman	Fuller	Greiling
Bakk	Carlson	Daggett	Dorn	Gerlach	Gunther
Bishop	Carruthers	Davids	Entenza	Gleason	Haake

Haas	Kelliher	Mares	Osthoff	Seifert, J.	Wagenius
Hackbarth	Kielkucki	Marko	Otremba	Seifert, M.	Wejcman
Harder	Knoblach	McCollum	Ozment	Skoe	Wenzel
Hasskamp	Koskinen	McElroy	Paulsen	Skoglund	Westerberg
Hausman	Krinkie	McGuire	Pawlenty	Smith	Westfall
Hilty	Kubly	Milbert	Paymar	Solberg	Westrom
Holberg	Kuisle	Molnau	Pelowski	Stanek	Wilkin
Holsten	Larsen, P.	Mulder	Peterson	Stang	Winter
Howes	Larson, D.	Mullery	Pugh	Storm	Wolf
Huntley	Leighton	Murphy	Reuter	Swenson	Workman
Jaros	Lenczewski	Ness	Rhodes	Sykora	Spk. Sviggum
Jennings	Leppik	Nornes	Rifenberg	Tomassoni	
Johnson	Lieder	Olson	Rostberg	Trimble	
Juhnke	Lindner	Opatz	Rukavina	Tuma	
Kahn	Luther	Orfield	Schumacher	Tunheim	
Kalis	Mahoney	Osskopp	Seagren	Vandever	

The bill was passed and its title agreed to.

S. F. No. 794, A bill for an act relating to utilities; modifying provisions of the one call excavation notice system; amending Minnesota Statutes 1998, section 216D.06, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.



S. F. No. 1150, A bill for an act relating to traffic regulations; fixing speed limit in rural residential districts; amending Minnesota Statutes 1998, section 169.14, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Finseth	Krinkie	Smith
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The bill was passed and its title agreed to.

### CALENDAR FOR THE DAY

H. F. No. 1079 was reported to the House.

Jennings offered an amendment to H. F. No. 1079, the first engrossment.

### POINT OF ORDER

Smith raised a point of order pursuant to rule 3.21 that the Jennings amendment was not in order. The Speaker ruled the point of order well taken and the Jennings amendment out of order.

H. F. No. 1079, A bill for an act relating to alcoholic beverages; authorizing acceptance of certain coupons by retailers of alcoholic beverages; authorizing issuance of on-sale and temporary on-sale intoxicating liquor licenses in Minneapolis, St. Paul, Detroit Lakes, Eden Prairie, International Falls, Marshall, Proctor, and Stillwater; providing for duration of on-sale intoxicating liquor licenses for seasonal tour boats; amending Minnesota Statutes 1998, sections 340A.404, subdivisions 2, 8, and by adding a subdivision; 340A.412, subdivision 4; and 340A.5071; repealing Laws 1998, chapter 364, section 13.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 98 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Howes	Leppik	Pawlenty	Storm
Anderson, I.	Entenza	Huntley	Lieder	Paymar	Sykora
Bakk	Erhardt	Jaros	Mares	Pelowski	Tomassoni
Bishop	Fuller	Jennings	Mariani	Peterson	Tuma
Boudreau	Gerlach	Johnson	Marko	Pugh	Tunheim
Bradley	Gleason	Juhnke	McElroy	Rhodes	Vandev eer
Buesgens	Goodno	Kahn	Molnau	Rifenberg	Wagenius
Carlson	Gray	Kalis	Mulder	Rostberg	Wenzel
Carruthers	Gunther	Kelliher	Mullery	Rukavina	Westrom
Chaudhary	Haake	Kielkucki	Murphy	Schumacher	Wilkin
Clark, J.	Haas	Knoblach	Ness	Seagren	Winter
Clark, K.	Hackbarth	Koskinen	Nornes	Seifert, J.	Wolf
Daggett	Harder	Kubly	Opatz	Seifert, M.	Spk. Sviggum
Davids	Hasskamp	Kuisle	Orfield	Skoe	
Dehler	Hausman	Larson, D.	Otremba	Solberg	
Dempsey	Hilty	Leighton	Ozment	Stanek	
Dorman	Holsten	Lenczewski	Paulsen	Stang	

Those who voted in the negative were:

Abeler	Finseth	Larsen, P.	McGuire	Reuter	Wejcman
Anderson, B.	Folliard	Lindner	Milbert	Skoglund	Westerberg
Broecker	Greiling	Luther	Olson	Smith	Westfall
Cassell	Holberg	Mahoney	Osskopp	Swenson	Workman
Dawkins	Krinkie	McCollum	Osthoff	Trimble	

The bill was passed and its title agreed to.

H. F. No. 70 was reported to the House.

Skoglund moved to amend H. F. No. 70, the first engrossment, as follows:

Page 1, line 11, after the headnote, insert "(a)"

Page 2, after line 12, insert:

"(b) Notwithstanding the provisions of paragraph (a), the appropriate agency may not sell a firearm under paragraph (a), clause (1) or (3) if the firearm was used to commit a crime against the person, unless the victim of the crime consents to the sale of the firearm."

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 47 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Bishop	Gleason	Jennings	Leighton	Milbert	Pugh
Carlson	Gray	Johnson	Lenczewski	Mullery	Schumacher
Carruthers	Greenfield	Juhnke	Luther	Opatz	Skoglund
Chaudhary	Greiling	Kahn	Mahoney	Orfield	Trimble
Clark, K.	Hasskamp	Kelliher	Mariani	Osthoff	Wagenius
Dawkins	Hausman	Koskinen	Marko	Otremba	Wejzman
Entenza	Hilty	Kubly	McCollum	Pawlenty	Winter
Folliard	Jaros	Larson, D.	McGuire	Peterson	

Those who voted in the negative were:

Abeler	Dempsey	Holsten	Molnau	Rukavina	Tunheim
Abrams	Dorman	Howes	Mulder	Seagren	Vandever
Anderson, B.	Dorn	Huntley	Murphy	Seifert, J.	Wenzel
Anderson, I.	Erhardt	Kalis	Ness	Seifert, M.	Westerberg
Bakk	Finseth	Kielkucki	Nornes	Skoe	Westfall
Boudreau	Fuller	Knoblach	Olson	Smith	Westrom
Bradley	Gerlach	Krinkie	Osskopp	Solberg	Wilkin
Broecker	Goodno	Kuisle	Ozment	Stanek	Wolf
Buesgens	Gunther	Larsen, P.	Paulsen	Stang	Workman
Cassell	Haake	Leppik	Pelowski	Storm	Spk. Sviggum
Clark, J.	Haas	Lieder	Reuter	Swenson	
Daggett	Hackbarth	Lindner	Rhodes	Sykora	
Davids	Harder	Mares	Rifenberg	Tomassoni	
Dehler	Holberg	McElroy	Rostberg	Tuma	

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

H. F. No. 70, A bill for an act relating to public safety; authorizing law enforcement agencies to sell forfeited firearms, ammunition, and firearm accessories to firearms dealers; allowing certain agencies to retain forfeited money for crime prevention use; amending Minnesota Statutes 1998, section 609.5315, subdivisions 1 and 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Johnson	McElroy	Pugh	Tomassoni
Abrams	Erhardt	Juhnke	McGuire	Reuter	Trimble
Anderson, B.	Finseth	Kalis	Molnau	Rhodes	Tuma
Anderson, I.	Fuller	Kielkucki	Mulder	Rifenberg	Tunheim
Bakk	Gerlach	Knoblach	Murphy	Rostberg	Vandever
Bishop	Gleason	Krinkie	Ness	Rukavina	Wenzel
Boudreau	Goodno	Kubly	Nornes	Schumacher	Westerberg
Bradley	Haake	Kuisle	Olson	Seagren	Westfall
Broecker	Haas	Larsen, P.	Opatz	Seifert, J.	Westrom
Buesgens	Hackbarth	Larson, D.	Orfield	Seifert, M.	Wilkin
Carlson	Harder	Leighton	Osskopp	Skoe	Winter
Cassell	Hasskamp	Lenczewski	Otremba	Smith	Wolf
Clark, J.	Hilty	Leppik	Ozment	Solberg	Workman
Daggett	Holberg	Lieder	Paulsen	Stanek	Spk. Sviggum
Davids	Holsten	Lindner	Pawlenty	Stang	
Dehler	Howes	Mahoney	Paymar	Storm	
Dempsey	Huntley	Mares	Pelowski	Swenson	
Dorman	Jennings	Marko	Peterson	Sykora	

Those who voted in the negative were:

Carruthers	Entenza	Greiling	Kelliher	McCollum	Skoglund
Chaudhary	Folliard	Hausman	Koskinen	Milbert	Wagenius
Clark, K.	Gray	Jaros	Luther	Mullery	Wejcman
Dawkins	Greenfield	Kahn	Mariani	Osthoff	

The bill was passed and its title agreed to.

Pawlenty moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

### MOTIONS AND RESOLUTIONS

Skoe moved that his name be stricken as an author on H. F. No. 1607. The motion prevailed.

Schumacher moved that her name be stricken as an author on H. F. No. 1811. The motion prevailed.

Van Dellen moved that the name of Smith be added as an author on H. F. No. 2186. The motion prevailed.

Skoglund moved that H. F. No. 578 be recalled from the Committee on Crime Prevention and be re-referred to the Committee on Civil Law. The motion prevailed.

Bradley moved that H. F. No. 1309, now on the Calendar for the Day, be re-referred to the Committee on Civil Law. The motion prevailed.

Mullery moved that H. F. No. 1490 be recalled from the Committee on Crime Prevention and be re-referred to the Committee on Judiciary Finance. The motion prevailed.

Mahoney moved that H. F. No. 1509 be recalled from the Committee on Crime Prevention and be re-referred to the Committee on Judiciary Finance. The motion prevailed.

Goodno moved that H. F. No. 1596 be recalled from the Committee on Health and Human Services Policy and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Kahn moved that H. F. No. 1817 be recalled from the Committee on Jobs and Economic Development Policy and be re-referred to the Committee on Jobs and Economic Development Finance. The motion prevailed.

Haas moved that S. F. No. 1330 be recalled from the Committee on Commerce and be re-referred to the Committee on Jobs and Economic Development Finance. The motion prevailed.

Biernat, Chaudhary, Rhodes, Bishop and Kahn introduced:

House Resolution No. 8, A house resolution condemning the violence against the Masjid Al-Huda Mosque.

The resolution was referred to the Committee on Rules and Legislative Administration.

Rukavina, Marko, Hasskamp, Leppik and Howes introduced:

House Resolution No. 9, A house resolution commending Minnesota's volunteers during Volunteer Recognition Week, April 18-24, 1999.

The resolution was referred to the Committee on Rules and Legislative Administration.

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Bishop announced his intention to place H. F. No. 878 on the Fiscal Calendar for Wednesday, March 31, 1999.

#### ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, March 31, 1999. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, March 31, 1999.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

