

## STATE OF MINNESOTA

## SIXTY-EIGHTH SESSION - 1974

## ONE HUNDRED-FOURTEENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 27, 1974

The House convened at 10:00 a.m. and was called to order by the Speaker.

Prayer was offered by the Chaplain.

The roll was called, and the following members were present:

Adams, J.	Dieterich	Jopp	Miller, D.	Salchert
Andersen, R.	Dirlam	Jude	Miller, M.	Samuelson
Anderson, D.	Eckstein	Kahn	Moe	Sarna
Anderson, G.	Eken	Kelly	Mueller	Savelkoul
Anderson, I.	Enebo	Kempe	Munger	Schreiber
Becklin	Erdahl	Klaus	Myrah	Schulz
Belisle	Erickson	Knickerbocker	Nelson	Searle
Bell	Esau	Knoll	Newcome	Sherwood
Bennett	Faricy	Kostohryz	Niehaus	Sieben, H.
Berg	Ferderer	Kvam	Norton	Sieben, M.
Berglin	Forsythe	Laidig	Ohnstad	Skaar
Biersdorf	Fudro	Larson	Ojala	Smith
Braun	Fugina	LaVoy	Parish	Spanish
Brinkman	Graba	Lemke	Patton	Stanton
Carlson, A.	Graw	Lindstrom, E.	Pavlak, R.	Swanson
Carlson, B.	Grove	Lindstrom, J.	Pavlak, R. L.	Tomlinson
Carlson, D.	Hagedorn	Lombardi	Pehler	Ulland
Carlson, L.	Hanson	Long	Peterson	Vanasek
Casserly	Haugerud	Mann	Pieper	Vento
Cleary	Heinitz	McArthur	Pleasant	Voss
Clifford	Hook	McCarron	Prahl	Weaver
Connors	Jacobs	McCauley	Quirin	Wenzel
Culhane	Jaros	McEachern	Resner	Wigley
Cummiskey	Johnson, D.	McFarlin	Rice	Wohlwend
Dahl	Johnson, J.	McMillan	Ryan	Wolcott
DeGroat	Johnson, R.	Menke	St. Onge	Mr. Speaker

A quorum was present.

Adams, S.; Johnson, C.; and Stangeland were excused. Fjoslien was excused until 2:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day, when on the motion of Mr. Esau, the further reading was dispensed with and the Journal was approved as corrected.

## REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of S. F. Nos. 2604 and 3306 have been placed in the members' files.

## PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
ST. PAUL 55155

March 26, 1974

The Honorable Martin O. Sabo  
Speaker of the House

Sir:

I have the 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. 818, An act relating to elections; removing limitations on the transportation of voters to the polls; providing a penalty; repealing Minnesota Statutes 1971, Section 211.14, Subdivision 4.

H. F. No. 1409, An act relating to the policemen's relief association in the city of New Ulm, and membership in the public employees police and fire fund.

H. F. No. 1489, An act relating to education; providing for establishment and operation of cooperative centers by independent school districts.

H. F. No. 2517, An act relating to taxation; providing for declaration of value attached to transfers of real property; amending Minnesota Statutes 1971, Section 287.241, Subdivisions 2 and 3.

H. F. No. 2554, An act relating to counties; establishment and use of imprest cash funds in counties.

H. F. No. 2588, An act relating to peace officers; defining peace officer to include reserve police officers and reserve deputy sheriffs; amending Minnesota Statutes, 1973 Supplement, Section 352E.01, Subdivision 2.

H. F. No. 2699, An act relating to the registration of title to real estate; charges on registration; amending Minnesota Statutes 1971, Section 508.74.

H. F. No. 2883, An act relating to taxation, attached machinery aid; amending Minnesota Statutes, 1973 Supplement, Sections 124.04; 273.138, Subdivision 6, and by adding a subdivision; and Laws 1973, Chapter 650, Article XXIV, Section 6.

H. F. No. 2967, An act relating to highways; abolishing certain standing appropriations to the department of highways; amending Minnesota Statutes 1971, Section 161.50, Subdivisions 1 and 2; repealing Laws 1965, Chapter 863, Section 11.

H. F. No. 3276, An act relating to absent and disabled voters; providing for designation by county auditors of municipalities where application for ballots may be made; providing the duties of clerks for municipal elections; absentee voting for members of the armed forces; amending Minnesota Statutes, 1973 Supplement, Sections 207.03; 207.19; 207.20; and Minnesota Statutes 1971, Chapter 207, by adding a section.

H. F. No. 3279, An act relating to state government; empowering the commissioner of administration to assume management functions of dissolved agencies; allowing certain advance deposits to federal agencies; authorizing the use of state vehicles for the car pooling of state employees; updating the provisions of surplus property sales; empowering political subdivisions to purchase real and personal property from the state; amending Minnesota Statutes 1971, Sections 16.02, by adding a subdivision; 16.096; 94.09, Subdivision 3; 94.12; 94.13; 94.14; 471.64; and Chapter 16, by adding a section; repealing Minnesota Statutes 1971, Section 94.15.

H. F. No. 3289, An act relating to courts; county court witness and mileage fees; amending Minnesota Statutes 1971, Section 487.34.

H. F. No. 3328, An act relating to taxation; defining persons eligible for income tax credit to include certain blind, disabled and elderly persons; defining qualified home owner eligible for senior citizen property tax freeze; amending Minnesota Statutes, 1973 Supplement, Sections 290.0601, Subdivision 6 and 273.011, Subdivision 2.

H. F. No. 3395, An act relating to elections; vacancies in the legislature; amending Minnesota Statutes 1971, Section 203.45, Subdivision 3.

H. F. No. 3422, An act relating to the establishment of a new route to the Minnesota trunk highway system to serve the Minnesota zoological garden in Dakota county, Minnesota; appropriating money therefor; establishing deadlines for construction thereof.

Sincerely,

WENDELL R. ANDERSON  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
ST. PAUL 55155

March 26, 1974

The Honorable Martin O. Sabo  
Speaker of the House

Sir:

I have the 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. 3321, An act relating to county attorneys; authorizing county boards to provide that the office of county attorney be a full time position; amending Minnesota Statutes 1971, Chapter 388, by adding sections.

Sincerely,

WENDELL R. ANDERSON  
Governor

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

The Honorable Martin O. Sabo  
Speaker of the House of Representatives  
The Honorable Alec G. Olson  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1974 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 11:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1974</i>	<i>Date Filed 1974</i>
2285		236	March 23	March 25
3331		237	March 25	March 25

Sincerely,

ARLEN I. ERDAHL  
Secretary of State

The following conference committee reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2950

March 21, 1974

Honorable Martin O. Sabo  
Speaker of the House of Representatives  
Honorable Alec G. Olson  
President of the Senate

We, the undersigned conferees on the part of the House and the Senate, upon the disagreeing votes as to H. F. No. 2950, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted March 15, 1974, in the Senate amendment adopted March 18, 1974 on Mr. Humphrey's motion, and in the Senate amendment to page 4, lines 2 and 15 of the printed bill adopted March 18, 1974 on Mr. Coleman's motion.

That the Senate recede from the amendments adopted March 18, 1974 on the motions of Mr. A. G. Olson and Mr. Conzemius and from the amendment to page 7, line 18 of the printed bill adopted March 18, 1974 on the motion of Mr. Coleman.

That H. F. No. 2950, the typewritten bill, be further amended as follows:

Page 7, line 15, delete "single family".

Page 10, line 9, after "body" insert "or reservation housing authority".

Page 10, line 14, after the period insert:

*"In the allocation of federal housing assistance funds provided pursuant to this subdivision, the agency shall give priority to programs which increase opportunities for low cost residential housing on or adjacent to the Indian reservations of this state."*

We request adoption of this report and repassage of the bill in accordance therewith.

House Conferees: FRANKLIN J. KNOLL, E. W. QUIRIN, and GERALD KNICKERBOCKER.

Senate Conferees: HUBERT H. HUMPHREY, JOHN KEEFE, and WINSTON W. BORDEN.

Knoll moved that the report of the Conference Committee on H. F. No. 2950 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2950, A bill for an act relating to the Minnesota housing finance agency; revising limitations upon agency bonds and notes; providing for rehabilitation loans and grants; appropriating money; amending Minnesota Statutes 1971, Sections 462A.02, Subdivisions 3, 6, and by adding a subdivision; 462A.03, by adding a subdivision; 462A.04, Subdivision 1; 462A.05, by adding subdivisions; 462A.07, Subdivisions 2, 3, 10, and by adding subdivisions; 462A.20, by adding a subdivision; 462A.21, Subdivisions 1 and 5, and by adding a subdivision; Minnesota Statutes, 1973 Supplement, Sections 462A.03, Subdivisions 9 and 11; 462A.06, Subdivision 11; 462A.08, Subdivision 1; 462A.21, Subdivisions 2, 3, 4, and by adding a subdivision; and 462A.22, Subdivision 1.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 102, and nays 16, as follows:

Those who voted in the affirmative were:

Adams, J.	Dahl	Jopp	Miller, M.	Schreiber
Andersen, R.	DeGroat	Jude	Moe	Schulz
Anderson, D.	Dieterich	Kahn	Munger	Sherwood
Anderson, G.	Dirlam	Kelly	Nelson	Sieben, H.
Anderson, I.	Eckstein	Kempe	Newcome	Sieben, M.
Becklin	Eken	Knickerbocker	Parish	Smith
Belisle	Enebo	Knoll	Patton	Spanish
Bell	Esau	Kostohryz	Pavlak, R.	Stanton
Bennett	Faricy	Laidig	Pavlak, R. L.	Swanson
Berg	Ferderer	LaVoy	Pehler	Tomlinson
Berglin	Forsythe	Lemke	Peterson	Ulland
Biersdorf	Fudro	Lindstrom, J.	Pleasant	Vanasek
Brinkman	Graba	Lombardi	Prahl	Vento
Carlson, A.	Hanson	Mann	Quirin	Voss
Carlson, B.	Heinitz	McArthur	Resner	Wenzel
Carlson, D.	Hook	McCarron	Rice	Wohlwend
Carlson, L.	Jacobs	McEachern	Ryan	Wolcott
Clifford	Jaros	McFarlin	St. Onge	Mr. Speaker
Connors	Johnson, D.	McMillan	Salchert	
Culhane	Johnson, J.	Menke	Samuelson	
Cummiskey	Johnson, R.	Miller, D.	Sarna	

Those who voted in the negative were:

Erdahl	Kvam	Myrah	Searle	Weaver
Erickson	Larson	Niehaus	Skaar	Wigley
Hagedorn	Lindstrom, E.	Ohnstad		
Klaus	Long	Pieper		

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

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 1810

March 23, 1974

Honorable Martin O. Sabo  
Speaker of the House of Representatives  
Honorable Alec G. Olson  
President of the Senate

We, the undersigned conferees on the part of the House and the Senate, upon the disagreeing votes as to H. F. No. 1810, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and the bill be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof:

"Section 1. [DEVELOPMENT PROGRAM; PURPOSE.] It is found that there is a need for new development in areas of a municipality which are already built up to provide employment opportunities to improve the tax base and to improve the general economy of the state. Therefore, municipalities are authorized to develop a program for improving a district of the municipality to provide impetus for commercial development; to increase employment; to protect pedestrians from vehicle traffic and inclement weather; to provide the necessary linkage between peripheral parking facilities and places of employment and shopping; to provide off-street parking to serve the shoppers and employees of the district; to provide open space relief within the district; and to provide other facilities as are outlined in the development program adopted by the governing body. It is hereby declared by the legislature of the state of Minnesota that the actions required to assist the implementation of these development programs are a public purpose and that the execution and financing of such programs are a public purpose.

Sec. 2. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 14, the terms defined in this section shall have the meanings given them unless otherwise provided or indicated by the context.

Subd. 2. "Municipality" means any city, however organized.

Subd. 3. A "development district" is a specific area within the corporate limits of any municipality which has been so designated and separately numbered by the governing body. No less than 60 percent of the area of any such district shall consist of land which has been platted and developed. The area of a district shall not be enlarged after five years following the date of designation of the district. At the time of the designation of the first

development district in any municipality, the governing body of that municipality shall by formal action adopt one of the three following alternative restrictive options. Once the choice is made, that municipality must use the same option for all succeeding development districts.

(a) The total acreage included in any one development district when designated shall not exceed one percent of the total acreage of the municipality, and when added to the total current acreage within development districts for which unrecovered cost of bonds remain shall not exceed three percent of the total acreage of the municipality.

(b) The total market value of taxable real property of any one development district when designated shall not exceed five percent of the total market value of taxable real property in the municipality as most recently certified by the county auditor, and when added to the current total market value of taxable real property within development districts for which unrecovered cost of bonds remain shall not exceed ten percent of the total market value of taxable real property in the municipality as most recently certified by the county auditor.

(c) No development district shall exceed six acres. At no time shall another development district be designated by the governing body of the municipality until all cost of bonds for the previously designated district has been paid.

Subd. 4. "Substantially residential development district" means any development district in which 40 percent or more of the land area, exclusive of streets and open space, is used for residential purposes at the time the district is designated by the governing body.

Subd. 5. A "development program" is a statement of objectives of the municipality for improvement of a development district which shall contain a complete statement as to the public facilities to be constructed within the district, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, the proposed operations of the district after the capital improvements within the district has been completed.

Subd. 6. "Pedestrian skyway system" means any system of providing for pedestrian traffic circulation, mechanical or otherwise, elevated aboveground, within and without the public right of way, and through or above private property and buildings, and includes overpasses, bridges, passageways, walkways, concourses, hallways, corridors, arcades, courts, plazas, malls, elevators, escalators, heated canopies and accesses and all fixtures, furniture, signs, equipment, facilities, services, and appurtenances which in the judgment of the governing body of the municipality will enhance the movement, safety, security, convenience and en-



joyment of pedestrians and benefit the municipality and adjoining properties. The use of a public street or public right of way for pedestrian travel only constitutes a public use and shall not require a vacation of the street or right of way.

Subd. 7. "Special lighting systems" means lights or light displays of any type located within or without the public right of way.

Subd. 8. "Parking structure" means any building the principal use of which is designed for and intended for parking of motor vehicles. Open air parking on parking lots shall also be construed as parking structures for the purpose of this act.

Subd. 9. "Maintenance and operation" means all activities necessary to maintain facilities after they have been developed and all activities necessary to operate the facilities including but not limited to informational and educational programs, and safety and surveillance activities.

Subd. 10. Governing body means the duly elected council of a city, notwithstanding any contrary definition thereof contained in Chapter 475.

Sec. 3. [AUTHORITY GRANTED.] A municipality may after consultation with its planning agency or planning department and after public hearings, notice of which shall have been published in the official newspaper of the municipality, or if the municipality has no official newspaper, in a newspaper of general distribution within the municipality, designate development districts within the boundaries of the municipality. The municipality shall also provide for relocation pursuant to section 12 and consult with the advisory board created by section 11 before making this designation. Within these districts the municipality may adopt a development program consistent with which the municipality may acquire, construct, reconstruct, improve, alter, extend, operate, maintain, or promote developments aimed at improving the physical facilities, quality of life and quality of transportation. The municipality may acquire land or easements through negotiation or through powers of eminent domain. The municipal council may adopt ordinances regulating traffic in pedestrian skyway systems, public parking structures, and other facilities constructed within the development district. The municipal council may pass ordinances regulating access to pedestrian skyway systems and the conditions under which such access is allowed.

Traffic regulations may include but shall not be limited to direction and speed of traffic, policing of pedestrianways, hours that pedestrianways are open to the public, kinds of service activities that will be allowed in arcades, parks and plazas, fares to be charged on the people movers, and rates to be charged in the parking structures. The municipality shall have the power to

require private developers to construct buildings so as to accommodate and support pedestrian systems which are part of the program for the development district. When the municipality requires the developer to construct columns, beams or girders with greater strength than required for normal building purposes, the municipality shall reimburse the developer for the added expense from development district funds. The municipality shall have the authority to install special lighting systems, special street signs and street furniture, special landscaping of streets and public property; to install special snow removal systems; to acquire property for the district; to lease air rights over public buildings and to spend public funds for constructing the foundations and columns in the public buildings strong enough to support the buildings to be constructed on air rights; to lease all or portions of basement, ground and second floors of the public buildings constructed in the district; to negotiate the sale or lease of property for private development if the development is consistent with the development program for the district.

Sec. 4. [TAX STATUS.] The pedestrian skyway system, underground pedestrian concourse, the people mover system, and publicly owned parking structures are all declared to be public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments of city, county, state, or any political subdivision thereof. Taxes do not include charges for utilities and special services such as heat, water, electricity, gas, sewage disposal, or garbage removal.

Sec. 5. [GRANTS.] A municipality may accept grants or other financial assistance from the government of the United States or any other entity to do studies, construct and operate the pedestrian skyway system, underground pedestrian concourses, people mover systems, and other public improvements authorized by sections 1 to 14.

Sec. 6. [ISSUANCE OF BONDS.] The governing body of the municipality, may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program within the development district together with all relocation costs incidental thereto in accordance with Minnesota Statutes, Sections 475.51, 475.53, 475.54, 475.55, 475.56, 475.60, 475.61, 475.62, 475.63, 475.65, 475.66, 475.69, 475.70, and 475.71. All tax increments received by the municipality pursuant to section 7 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt.

Sec. 7. Subdivision 1. [TAX INCREMENT FINANCING PLAN.] A tax increment financing plan shall contain a statement of objectives of a municipality for improvement of a de-

velopment district. Such plan shall contain a complete statement as to the development program for the district. It shall also contain estimates of the following: cost of the development program; sources of revenue to finance these costs including estimates of tax increments; amount of bonded indebtedness to be incurred; and the duration of the program's existence. The plan shall also contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the district is located.

Subd. 2. [NOTICE, HEARING.] Before approving any tax increment financing plan, the governing body shall hold a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of hearing. This hearing may be a part of a hearing on the development program.

Subd. 3. [CONSULTATIONS WITH OTHER JURISDICTIONS.] Before formation of a development district the governing body shall provide a reasonable opportunity to the members of the county board of commissioners of any county in which any portion of the development district is located and to the members of the school board of any school district in which any portion of the development district is located to meet with the governing body. The governing body shall fully inform members of the county boards of commissioners and of the school boards of the fiscal and economic implications of the proposed development district. The members of the county boards of commissioners and of the school boards may present their recommendations at the public hearing on the tax increment financing plan. A governing body may enter into agreements with the county boards of commissioners, the school boards and the governing body of the municipality in which the district is located to share a portion of the captured assessed value of the district.

Subd. 4. [MODIFICATION OF PLAN.] A tax increment financing plan may be modified provided such modification shall be approved by the governing body upon such notice and after such public hearings and agreements as are required for approval of the original plan.

Sec. 8. [COMPUTATION OF TAX INCREMENT.] Subdivision 1. [ORIGINAL ASSESSED VALUE.] Upon or after formation of a development district, the auditor of the county in which it is situated shall upon request of the municipality certify the original assessed value of the real property within the boundaries of the development district as described in the tax increment financing plan. Property taxable at the time of the request shall be included in the original assessed value at its most recently determined valuation. Property exempt from taxation at the time of the request shall be included at zero unless it was taxable when the tax increment financing plan was approved in which case its most recently determined assessed valuation be-

fore it became exempt shall be included. Assessed valuation which is contributed to an area-wide tax base under Minnesota Statutes, Section 473F.08 shall not be included in the original assessed value. Each year thereafter, the auditor shall certify the amount by which the assessed value has increased or decreased from the original assessed value. The auditor shall also certify the proportion which any such increase or decrease bears to the total assessed value of the real property in that district for that year.

Subd. 2. [CAPTURED ASSESSED VALUE.] Any amount by which the current assessed value of a development district exceeds the original assessed value, other than the portion thereof to be contributed to an area-wide tax base under Minnesota Statutes, Section 473F.08, is referred to as the captured assessed value. The county auditor shall certify the amount of the captured assessed value to the municipality each year thereafter.

(a) A municipality may choose to retain any part or all of the captured assessed value for purposes of tax increment financing according to one of the two following options:

(1) If the plan provides that all the captured assessed value is necessary to finance the development program the municipality may retain the full captured assessed value.

(2) If the plan provides that only a portion of the captured assessed value is necessary to finance the development program of the district only that portion shall be set aside and the remainder shall be distributed among the affected taxing districts by the county auditor.

(b) The portion of captured assessed value that a municipality intends to use for purposes of tax increment financing must be clearly stated in the tax increment financing plan.

Subd. 3. [TAX INCREMENTS.] (a) In each subsequent year the county auditor shall compute assessed valuation, mill rates and tax increments according to the following method:

(1) If the municipality retains the full captured assessed value for the development district the county auditor shall include no more than the original assessed value of the real property in the development district for purposes of determining assessed value for local mill rates. He shall compute the mill rates of all taxes levied by the state, the county, the municipality or town, the school district and every other taxing district in which the district is located on the aforementioned assessed value. He shall extend all mill rates against the current assessed value, including the captured assessed value. In each year for which the current assessed value exceeds the original assessed value the county treasurer shall remit to the municipality that propor-

tion of all taxes paid that year on real property in the district which the captured assessed value bears to the total current assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year.

(2) If the municipality retains only a portion of the captured assessed value for the development district and returns the remaining portion to the tax rolls of all affected taxing districts the county auditor shall include the original assessed value and that portion of the captured assessed value which is shared with all the affected taxing districts in determining the assessed value for computing mill rates. He shall compute the mill rates of all taxes levied by the state, county, municipality, school district, and every other taxing district in which the district is located on this aforementioned assessed value. He shall extend all mill rates against the total current assessed value including that portion of the captured assessed value which the municipality is retaining for the development district only. In each year for which the current assessed value exceeds the original assessed value the county treasurer shall remit to the municipality that proportion of all taxes paid on real property in the district that the retained captured assessed value bears to the total current assessed value in the district. The amount so remitted each year is referred to as the tax increment.

(b) In any year in which the current assessed value of the development district is equal to or less than the original assessed value the county auditor shall compute and extend taxes against the current value. Taxes shall be distributed from the affected property to each of the taxing authorities as determined by the current levy and there is no tax increment.

Subd. 4. [LIMITATION ON USE OF TAX INCREMENTS.] The municipality shall expend the tax increments received for any development program only in accordance with the tax increment financing plan. Revenues derived from tax increments shall be used only to pay off capital costs and administrative expenses incurred in developing the district. These revenues shall not be used to circumvent existing levy limit laws.

Subd. 5. [ANNUAL DISCLOSURE.] On or before July 1, of each year, the governing body shall submit to the governing body of the municipality, the county board and the school board a report on the status of the account. The report shall include the following information: the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the district, the captured assessed value shared with other taxing districts, the tax increments received and any additional information necessary to demonstrate compliance with the tax increment financing plan. An annual statement showing the tax increments received

and expended in that year, the original assessed value, captured assessed value, amount of outstanding bonded indebtedness, and any additional information the governing body deems necessary shall be published in a newspaper of general circulation in the municipality.

Sec. 9. [MAINTENANCE AND OPERATION.] Maintenance and operation of the pedestrian systems, special lighting systems, parking structures, and other public improvements constructed under provisions of sections 1 to 14 shall be under the supervision of the administrator as designated in section 10. The cost of maintenance and operation of the nonrevenue facilities together with the excess costs of operation and maintenance of revenue producing facilities, if any, shall be charged against the development district in which it is located. The amount of assessment against each property within the district shall be in proportion to the benefit to the several properties within the district. By July 1 of each year the administrator of the development district shall submit to the governing body of the municipality the maintenance and operating budget for the following year, and the prorata share of the budget to be charged to each property in the district. The governing body of the municipality shall certify the assessments to the county auditor for collection. The governing body shall levy these assessments in accordance with the procedures established in Minnesota Statutes 1971, Section 429.061.

Sec. 10. [ADMINISTRATION.] The governing body of a municipality may create a department or designate an existing department or office, or agency or municipal housing or redevelopment authority, to administer all districts authorized under the act. The head of this department may, subject to such rules and limitations as may be adopted by the governing body be granted the following powers:

- (a) To acquire property or easements through negotiation;
- (b) To enter into operating contracts on behalf of the municipality for operation of any of the facilities authorized to be constructed under the terms of this act;
- (c) To lease space to private individuals or corporations within the buildings constructed under the terms of this act;
- (d) To lease or sell land and to lease or sell air rights over structures constructed under the authority of this act;
- (e) To enter into contracts for construction of the several facilities or portion thereof authorized under this act;
- (f) Contract with the housing and redevelopment authority of the municipality for the administration of any or all of the provisions of this act;

(g) Certify to the governing body of the municipality for acquisition through eminent domain property that cannot be acquired by negotiation, but is required for implementation of the development program;

(h) Certify to the governing body of the municipality the amount of funds, if any, which must be raised through sale of bonds to finance the program for development districts;

(i) Apply for grants from the United States of America;

(j) Apply for grants from other sources.

Sec. 11. [ADVISORY BOARD.] Subdivision 1. The governing body of the municipality may create an advisory board except in cities of the first class where the governing body shall create an advisory board. Except as provided in subdivision 2, a majority of the members shall be owners or occupants of real property located in or adjacent to the development district which they serve. The advisory board shall advise the governing body and the administrator on the planning, construction and implementation of the development program, and maintenance and operation of the district after the program has been completed.

Subd. 2. In a substantially residential development district the board shall be comprised of owners and occupants of real property within or adjacent to the district's boundaries. The board may be appointed or elected (except in the cities of Minneapolis and St. Paul where the board shall be elected) according to guidelines established by the governing body.

Subd. 3. The governing body shall by resolution delineate the respective powers and duties of the advisory board and the planning staff or agency. The resolution shall establish reasonable time limits for approval by the advisory board of the phases of the development program, and provide a mechanism for appealing to the governing body for a final decision when conflicts arise between the advisory board and the planning staff or agency, regarding the development program in its initial and subsequent stages.

Sec. 12. [RELOCATION.] Unless they desire otherwise, provision must be made for relocation of all persons who would be displaced by a proposed development district prior to displacement in accordance with the provisions of Minnesota Statutes, 1973 Supplement, Sections 117.50 to 117.56. Prior to undertaking any relocation of displaced persons, the governing body of a municipality shall insure that housing and other facilities of at least comparable quality be made available to the persons to be displaced.

Sec. 13. [EXISTING PROJECTS.] This law does not affect any project or program using tax increment financing which

was approved by a city council under Laws 1971, Chapters 548 or 677 or Laws 1973, Chapters 196, 761 or 764 prior to the effective date of this act and such projects or programs may be completed and financed in accordance with the provisions of the laws under which they were initiated notwithstanding any provision of this law. Provided, however, that Laws 1971, Chapters 548 and 677 and Laws 1973, Chapters 196, 761 and 764 are hereby specifically superseded, except as to those projects or programs which have been approved prior to the effective date of this act.

Sec. 14. [EFFECTIVE DATE.] The effective date of this act is July 1, 1974."

Further, amend the title by striking it in its entirety and inserting in lieu thereof:

"A bill for an act authorizing municipalities to create development districts within their corporate boundaries; to acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote development programs to be carried out in each of the districts created; authorizing the use of eminent domain; authorizing the issuance of bonds to carry out such development programs; authorizing the use of the tax increment created in the development districts to finance development programs; authorizing municipalities to operate pedestrian systems and special lighting and similar systems; authorizing municipalities to assess the cost of operations against the development districts; authorizing municipalities to lease space in structures and to lease or sell air rights over structures and to lease or sell property for private development."

We request adoption of this report and repassage of the bill in accordance therewith.

House Conferees: DAVID R. CUMMISKEY, RAY O. PLEASANT, and HENRY J. SAVELKOUL.

Senate Conferees: GEORGE R. CONZEMIUS, JOHN KEEFE, WINSTON W. BORDEN, and MEL FREDERICK.

Cummiskey moved that the report of the Conference Committee on H. F. No. 1810 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1810, A bill for an act providing standards and procedures for tax increment financing; authorizing municipalities to create development districts; authorizing the issuance of bonds to carry out development programs in development districts; authorizing tax increment financing for the payment of principal and interest on such bonds; authorizing municipalities to assess the cost of operation against development districts; authorizing port authorities to segregate tax increments in industrial development districts; providing limitation on extent



of districts to which tax increment financing applies; amending Minnesota Statutes 1971, Chapter 273, by adding sections; Sections 462.585, Subdivision 1; and 458.192, Subdivision 1 and adding new subdivisions to the section; and repealing Minnesota Statutes 1971, Sections 462.545, Subdivision 5; 462.585, Subdivisions 2 and 3; and 474.10, Subdivisions 2 and 3.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 89, and nays 32, as follows:

Those who voted in the affirmative were:

Andersen, R.	DeGroat	Knickerbocker	Miller, M.	Savelkoul
Anderson, G.	Dirlam	Kostohryz	Munger	Schulz
Anderson, I.	Ferderer	Laidig	Myrah	Sherwood
Becklin	Fudro	Larson	Newcome	Sieben, H.
Belisle	Fugina	LaVoy	Norton	Sieben, M.
Bennett	Graba	Lemke	Ohnstad	Smith
Biersdorf	Growe	Lindstrom, E.	Parish	Stanton
Brinkman	Hanson	Lindstrom, J.	Patton	Tomlinson
Carlson, A.	Haugerud	Lombardi	Pavlak, R.	Ulland
Carlson, B.	Heinitz	Mann	Pehler	Vanasek
Carlson, D.	Hook	McArthur	Peterson	Vento
Carlson, L.	Jacobs	McCarron	Pleasant	Voss
Casserly	Jaros	McCauley	Prahl	Weaver
Cleary	Johnson, D.	McEachern	Quirin	Wenzel
Clifford	Johnson, J.	McFarlin	Resner	Wigley
Culhane	Johnson, R.	McMillan	Rice	Wohlwend
Cummiskey	Jude	Menke	St. Onge	Wolcott
Dahl	Kelly	Miller, D.	Sarna	

Those who voted in the negative were:

Adams, J.	Erdahl	Kempe	Nelson	Searle
Anderson, D.	Erickson	Klaus	Niehaus	Skaar
Bell	Esau	Knoll	Ojala	Swanson
Berg	Faricy	Kvam	Pavlak, R. L.	Mr. Speaker
Berglin	Graw	Long	Pieper	
Connors	Hagedorn	Moe	Samuelson	
Dieterich	Kahn	Mueller	Schreiber	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 2866

March 26, 1974

Honorable Martin O. Sabo  
Speaker of the House of Representatives  
Honorable Alec G. Olson  
President of the Senate

We, the undersigned conferees on the part of the House and the Senate, upon the disagreeing votes as to H. F. No. 2866,

report that we have agreed upon the items in dispute and recommend as follows:

That the House accedes to the Senate amendments.

We request adoption of this report and repassage of the bill in accordance therewith.

House Conferees: BRUCE F. VENTO, NEIL B. DIETERICH, and ROBERT L. PAVLAK.

Senate Conferees: ROBERT D. NORTH, NICHOLAS D. COLEMAN, and JOSEPH T. O'NEILL.

Vento moved that the report of the Conference Committee on H. F. No. 2866 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the adoption of the report and the roll being called, there were yeas 26, and nays 80, as follows:

Those who voted in the affirmative were:

Anderson, D.	Fugina	LaVoy	Ojala	Weaver
Bennett	Graba	McCarron	Patton	Wenzel
Berglin	Jaros	McEachern	Rice	
Carlson, B.	Johnson, D.	Moe	St. Onge	
Casserly	Jude	Munger	Sieben, M.	
Dieterich	Kostohryz	Norton	Vento	

Those who voted in the negative were:

Adams, J.	Eckstein	Jopp	Miller, M.	Samuelson
Andersen, R.	Eken	Kempe	Myrah	Sarna
Anderson, G.	Erdahl	Klaus	Nelson	Savelkoul
Becklin	Erickson	Knickerbocker	Newcome	Schreiber
Belisle	Esau	Kvam	Niehaus	Searle
Biersdorf	Faricy	Laidig	Ohnstad	Sieben, H.
Braun	Ferderer	Larson	Pavlak, R.	Skaar
Brinkman	Forsythe	Lindstrom, E.	Pehler	Smith
Carlson, A.	Graw	Lombardi	Peterson	Spanish
Carlson, D.	Hagedorn	Long	Pieper	Swanson
Cleary	Hanson	Mann	Pleasant	Tomlinson
Clifford	Heinitz	McArthur	Prahl	Ulland
Connors	Hook	McCauley	Quirin	Vanasek
Culhane	Jacobs	McFarlin	Resner	Voss
DeGroat	Johnson, J.	McMillan	Ryan	Wigley
Dirlam	Johnson, R.	Menke	Salchert	Wohlwend

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

Vento moved that the present House Conference Committee on H. F. No. 2866 be continued, and that the bill be returned to the Conference Committee. The motion prevailed.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2837, A bill for an act relating to intoxicating liquor; authorizing off-sale of certain wines by certain manufacturers; amending Minnesota Statutes 1971, Section 340.13, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1866, A bill for an act relating to public welfare; providing for supplementary assistance payments to recipients; providing for the administration and agency and judicial review thereof.

The Senate has repassed said bill, in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2675, A bill for an act relating to energy; establishing a department of energy; providing for a central repository for state energy data; providing for the declaration of an energy emergency; requiring an emergency allocation plan; promulgation of specific energy conservation regulations; biennial energy reports; energy and energy conservation studies and research; certificate of need for construction of large energy facilities; prescribing penalties; appropriating money; amending Minnesota Statutes, 1973 Supplement, Section 116C.03, Subdivision 2.

The Senate has repassed said bill, in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2120, A bill for an act relating to workmen's compensation; supplementary benefits; amending Minnesota Statutes 1971, Section 176.132, Subdivision 3; and Minnesota Statutes, 1973 Supplement, Section 176.132, Subdivision 2.

The Senate has repassed said bill, in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 452, A bill for an act relating to crimes and criminals; indemnification of victims of violent crimes for expenses; providing a penalty for fraudulent claims; appropriating money.

The Senate has appointed as such committee Messrs. O'Neill, Doty and Humphrey.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2360, A bill for an act authorizing the issuance and sale of Minnesota trunk highway bonds under the provisions of Minnesota Constitution, Article IX, Section 6; and Article XVI, Section 12; and the expenditure of the proceeds thereof.

The Senate has appointed as such committee Messrs. Conzemius, Krieger and Coleman.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of 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 amendment the concurrence of the House is respectfully requested:

H. F. No. 974, A bill for an act relating to public health; authorizing the state board of health to prescribe fees for permits, licenses, registrations and certifications issued by it; amending Minnesota Statutes 1971, Sections 144.169, Subdivision 1; 144.53; 144.60; 144.61; 144.802; 149.02; 149.03; 149.04; 149.08; 156A.03, Subdivision 2; 156A.07, Subdivisions 1 and 3; 157.03; 326.42; 326.60, Subdivision 3; 326.62; 327.15; 327.16, Subdivisions 1, 2 and 3; and Chapter 144, by adding a section.

PATRICK E. FLAHAVEN, Secretary of the Senate

Swanson moved that the House refuse to concur in the Senate amendments to H. F. No. 974, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 974:

Swanson; Carlson, L.; and Heinitz.

Anderson, I., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Long and McFarlin were excused for the remainder of today's session.

#### MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

H. F. No. 862, A bill for an act relating to highway traffic regulations; motor vehicle equipment; loads; weighing of certain vehicles; amending Minnesota Statutes 1971, Sections 169.67, Subdivision 4; 169.73, Subdivision 2; 169.80, Subdivision 3; 169.85; and Chapter 169, by adding a section.

The Senate has appointed as such committee Messrs. North, Chmielewski and Olson, J. L.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of 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 amendment the concurrence of the House is respectfully requested:

H. F. No. 3512, A bill for an act relating to the city of St. Paul; increasing the maximum amount of severance pay; increasing the authorized tax levy for severance pay; amending Laws 1959, Chapter 690, Sections 2 and 3, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

Vento moved that the House refuse to concur in the Senate amendments to H. F. No. 3512, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 3512:

Vento, Salchert, and Bell.

The following conference committee report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 951

March 23, 1974

Honorable Martin O. Sabo  
Speaker of the House of Representatives  
Honorable Alec G. Olson  
President of the Senate

We, the undersigned conferees on the part of the House and the Senate, upon the disagreeing votes as to H. F. No. 951, report

that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 951 be further amended as follows:

Strike everything after the enacting clause and insert in lieu thereof the following:

"Section 1. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. "Administrative action" means an action of a non-ministerial nature by any official, board, commission or agency of the executive branch.

Subd. 3. "Association" means business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than an immediate family, acting in concert.

Subd. 4. "Business with which he is associated" means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. "Candidate" means an individual who seeks nomination for election or election to any statewide office or legislative office, other than a federal office for which candidates are required to report under federal laws. The term candidate shall also include supreme court and district court judges of the state. An individual shall be deemed to seek nomination for election or election if he has taken the action necessary under the law of the state of Minnesota to qualify himself for nomination for election or election to an office, has received contributions or made expenditures in excess of \$100, or has given his consent, implicit or explicit, for any other person to receive contributions or make expenditures in excess of \$100 with a view to bringing about his nomination for election or election to an office.

Subd. 6. "Commission" means the state ethics commission.

Subd. 7. "Contribution" means:

(a) A gift, subscription, loan, advance, the providing of supplies, materials or equipment, or deposit of money or anything else of value made to influence the nomination for election or election of a candidate to office;

(b) A transfer of funds between political committees or political funds; or

(c) The payment of compensation for the personal services of another person which are rendered to a candidate, political committee or political fund to influence the nomination for election or election of a candidate to office by any person other than that candidate, political committee or political fund.

"Contribution" does not include services provided without compensation by individuals volunteering their time on behalf of a candidate, political committee or political fund, or coverage by news media, but only while acting in the ordinary course of business of publishing or broadcasting news items, editorials or other comments.

Subd. 8. "Depository" means any bank, savings and loan association or credit union, organized under federal or state law and transacting business within Minnesota.

Subd. 9. "Election" means a general, special, primary or special primary election, or a convention or caucus of a political party held to nominate or endorse a candidate.

Subd. 10. "Expenditure" means:

(a) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value, made for the purpose of influencing the nomination for election or election of any candidate to office; or

(b) A transfer of funds between political committees or political funds.

"Expenditure" does not include: (a) Services provided without compensation by individuals volunteering their time on behalf of a candidate, political committee, or political fund; or (b) expenses incurred by a member of the legislature or a person holding constitutional office in the executive branch, in performing services for constituents. The commission shall have the power to determine whether the expense was incurred primarily for the purpose of providing a constituent service or is an expenditure within the meaning of this subdivision.

Subd. 11. "Lobbyist" means any:

(a) Individual who is engaged for pay or other consideration or is authorized by another person to spend money for the purpose of attempting to influence legislative or administrative action by communicating with public officials;

(b) Officially designated representatives of any person or association which has as a major purpose the influencing of



legislative or administrative action who attempt to influence an action by communicating with public officials; or

(c) Individual who spends more than \$250, not including traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating with public officials.

"Lobbyist" does not include:

(a) A public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Parties and their representatives appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is acting in a non-ministerial capacity;

(c) Individuals in the course of selling goods or services to be paid for by public funds; or

(d) News media or their employees or agents, but only while acting in the ordinary course of business of publishing or broadcasting news items, editorials or other comments or paid advertisements which directly or indirectly urge official action.

(e) Paid expert witnesses whose testimony is requested by the body before which they are appearing or one of the parties to a proceeding, but only while acting in the ordinary course of preparing or delivering testimony.

Subd. 12. "Major political party" means a political party as defined in Minnesota Statutes, Section 200.02, Subdivision 7.

Subd. 13. "Minor political party" means any party other than a major political party which ran a candidate on the statewide or legislative ballot in the last general election or files a petition with the secretary of state containing the names of 2,000 persons registered to vote in Minnesota and declaring that the signators desire to enable the party to receive money from the state elections campaign fund in the same manner as a major political party. For the purposes of this act prior to the general election in 1974, all persons who are eligible to vote in areas where there is no registration shall be considered registered voters.

Subd. 14. "Non-ministerial action" means making rules, regulations or general policy and does not include the application or administration of those rules, regulations or policies in specific instances, except in cases of rate-setting, power plant siting, and others which the commission may specify.

Subd. 15. "Political committee" means any political party, association or person other than an individual which has as its major purpose to support or oppose any candidate or to influence the nomination for election or election of a candidate.

Subd. 16. "Political fund" means any accumulation of dues or voluntary donations by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination for election or election of a candidate.

Subd. 17. "Political party" means either a major political party or a minor political party.

Subd. 18. "Public official" means any:

- (a) Member of the legislature;
- (b) Person holding a constitutional office in the executive branch and his chief administrative deputy;
- (c) Member of a state board or commission which has rule making authority, as "rule" is defined in Minnesota Statutes, Section 15.0411, Subdivision 3;
- (d) Person employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of legislative research;
- (e) Person employed by the executive branch in any position specified in Minnesota Statutes, Section 15A.081; and
- (f) Member of the metropolitan council, metropolitan transit commission, metropolitan sewer board or metropolitan airports commission.

Sec. 2. [STATE ETHICS COMMISSION.] Subdivision 1. There is hereby created a state ethics commission composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. Failure by either house to confirm the appointment of a commission member within 45 legislative days after his appointment shall be deemed to be a refusal to advise and consent and his appointment shall terminate immediately after 45 legislative days or non-confirmation, whichever is earlier. One member shall be a former state legislator from a political party different from that of the governor; one member shall be a former state legislator from the same political party as the governor; two members shall be persons who have not been public officials, held office in a political party other than precinct delegate, or been elected to public of-

fice for which party designation is required by statute in the three years prior to the time of their appointment; and the other two members shall not support the same political party. No more than three of the members of the commission shall support the same political party.

Subd. 2. The appointments shall be for a term of four years. One of the original six appointees shall serve for a one-year term, two shall serve a two-year term, one shall serve a three-year term, and two shall serve a four-year term, as determined by lot. All appointments to terms subsequent to the original term, except one made to fill a vacancy, shall be for terms of four years. Any appointment to fill a vacancy in an original or subsequent term shall be made only for the unexpired term of a member who is being replaced and shall be made within 60 days of the date on which a vacancy occurs and shall retain the same stated qualifications as the member being replaced.

Subd. 3. The concurring vote of four members of the commission shall be required to decide any matter before the commission.

Subd. 4. The commission shall hold an organizational meeting within 45 days after the effective date of this act at which time the members of the commission shall elect from among their members a chairman, a vice-chairman and a secretary. The secretary shall keep a record of all proceedings and actions by the commission. Meetings of the commission shall be at the call of the chairman or at the call of any four members of the commission acting together.

Subd. 5. The commission shall appoint an executive director who shall be in the unclassified service. The commission may also employ and prescribe the duties of other permanent or temporary employees in the unclassified service as may be necessary to administer sections 1 to 34, subject to appropriation. The executive director and all other employees shall serve at the pleasure of the commission. All administrative services such as supplies, office space and furnishings, payroll preparation and accounting services shall be provided to the commission by the secretary of state. Expenses of the commission shall be approved by the chairman or such other member as the rules of the commission may provide and the expenses shall then be paid in the same manner as other state expenses are paid.

Subd. 6. Members of the commission shall receive \$35 for each day spent in the performance of their duties, and necessary and ordinary expenses in the same manner and amount as state employees.

Subd. 7. All members and employees of the commission shall be subject to any provisions of law regulating political activity by state employees. In addition, no member or employee of the

commission shall be a candidate for, or holder of, (a) a national, state, congressional district, legislative district, county or precinct office in a political party, or (b) an elected public office for which party designation is required by statute.

Subd. 8. The commission shall: (a) Report at the close of each fiscal year to the legislature, the governor and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ and the money it has disbursed. The commission shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) Prescribe forms for statements and reports required to be filed under sections 1 to 34 and make the forms available to persons required to file them;

(c) Make available to the persons required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) Develop a filing, coding and cross-indexing system consistent with the purposes of sections 1 to 34;

(e) Make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. Any person may copy a report or statement by hand or by duplicating machine and the commission shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any person for any commercial purpose;

(f) Preserve reports and statements for a period of six years from the date of receipt;

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate.

Subd. 9. The executive director of the commission or his staff shall inspect all material filed with the commission as promptly as is necessary to comply with the provisions of sections 1 to 34. The executive director shall immediately notify the person required to file a document with the commission if a written complaint is filed with the commission by any registered voter alleging, or it otherwise appears, that a document filed with the commission is inaccurate or does not comply with the provisions of sections 1 to 34 or that a person has failed to file a document required by sections 1 to 34.

Subd. 10. The commission may make audits and investigations with respect to statements and reports which are filed or which should have been filed under the provisions of sections 1 to 34. In all matters relating to its official duties, the commission shall have the power to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the commission may apply to the district court of Ramsey county for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

Subd. 11. Any hearing or action of the commission concerning any complaint or investigation shall be confidential and all information obtained by the commission shall be privileged until the commission makes a finding that the commission believes there is or is not probable cause to conclude that a violation of this act or other campaign laws has occurred. Any person, including any member or employee of the commission, violating the confidentiality provisions of this subdivision shall be guilty of a gross misdemeanor. After determination of its findings the commission shall report any finding of probable cause to the appropriate law enforcement authorities.

Subd. 12. The commission may issue and publish advisory opinions on the requirements of sections 1 to 34 based upon real or hypothetical situations. An application for an advisory opinion may be made only by those who wish to use the opinion to guide their own conduct. The commission shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the commission agrees to extend the time limit.

Subd. 13. The provisions of Minnesota Statutes, Chapter 15, shall apply to the commission including the power to prescribe rules and regulations to carry out the purposes of sections 1 through 34.

Sec. 3. [LOBBYIST REGISTRATION.] Subdivision 1. Each lobbyist shall file a registration form with the commission within five days after he commences lobbying.

Subd. 2. The registration form shall be prescribed by the commission and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Sec. 4. [LOBBYING REPORTS.] Subdivision 1. Each lobbyist shall file reports of his activities with the commission as long as he lobbies.

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the commission by the following dates:

- (a) February 15
- (b) March 15
- (c) April 15
- (d) June 15
- (e) October 15

Subd. 3. Each person or association about whose activities a lobbyist is required to report shall provide the information required by sections 3 to 5 to the lobbyist no later than five days before the prescribed filing date.

Subd. 4. The report shall include all information required on the registration form and the following information for the reporting period:

(a) The lobbyist's total disbursements on lobbying and a breakdown of those disbursements into categories specified by the commission, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses;

(b) Each honorarium, gift or loan, excluding contributions to a candidate, equal in value to \$20 or more, given or paid to any public official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and

(c) Each original source of funds in excess of \$500 in any year used for the purpose of lobbying. The list shall include the name, address and employer, or, if self employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

Subd. 5. The commission shall notify by registered mail any lobbyist who fails after five days after a filing date imposed by section 3 or 4 to file a report or statement required by section 3 or 4. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving notice from the commission is guilty of a misdemeanor.

Sec. 5. [LOBBYIST REPORT.] Within 30 days after each lobbyist filing date set by section 4, the executive director of the commission shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists and the subject or subjects on which they are lobbying.

Sec. 6. [CONTINGENT FEES PROHIBITED.] No person shall employ a lobbyist for compensation which is dependent upon the result or outcome of any legislative or administrative action. Any person who violates the provisions of this section is guilty of a gross misdemeanor.

Sec. 7. [CONFLICTS OF INTEREST.] Subdivision 1. Any public official who in the discharge of his official duties would be required to take an action or make a decision which would substantially affect his financial interests or those of a business with which he is associated, unless the effect on him is no greater than on other members of his business classification, profession or occupation, shall take the following actions:

(a) He shall prepare a written statement describing the matter requiring action or decision and the nature of his potential conflict of interest;

(b) He shall deliver copies of the statement to the commission and to his immediate superior, if any;

(c) If he is a legislator, he shall deliver a copy of the statement to the presiding officer of the house in which he serves; and

(d) If a potential conflict of interest presents itself and there is insufficient time to comply with the provisions of clauses (a) to (c), the public official shall verbally inform his superior or the official body, or committee thereof, in which he serves of the potential conflict. He shall file a written statement with the commission within one week after the potential conflict presents itself.

Subd. 2. If the public official is not a legislator, his superior shall assign the matter, if possible, to another employee who does not have a potential conflict of interest. If he has no immediate superior, the public official shall remove himself, if possible, in a manner prescribed by the commission from influence over the action or decision in question. If the public official is a legislator, the house of which he is a member may, at his request, excuse him from taking part in the action or decision in question.

Sec. 8. [REPRESENTATION DISCLOSURE.] Any public official who represents a client for a fee before any board or

commission which has rule making authority in a hearing conducted under Minnesota Statutes, Chapter 15, shall disclose his participation in the action to the commission within 14 days after his appearance.

Sec. 9. [STATEMENTS OF ECONOMIC INTEREST.]  
Subdivision 1. Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the commission:

(a) Within 60 days of accepting employment as a public official; or

(b) Within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office; or

(c) In the case of a public official requiring the advice and consent of the senate, prior to the submission of his name to the senate, and in any event, within 60 days after he undertakes the duties of his office.

Subd. 2. The secretary of state or the appropriate county auditor upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public official required by this section to file a statement of economic interest, shall notify the commission of the name of the individual required to file a statement and the date of the affidavit, petition or nomination.

Subd. 3. The commission shall notify the secretary of state or the appropriate county auditor and, when necessary in the case of appointive office, the presiding officer of the house that will approve or disapprove the nomination, of the name of the individual who has filed a statement of economic interest with the commission and the date on which the statement was filed.

Subd. 4. The commission shall notify by registered mail any candidate for elective office who fails within 14 days after filing for office to submit a statement of economic interest required by this section. A candidate who knowingly fails to submit a statement of economic interest within seven days after receiving notice from the commission is guilty of a misdemeanor.

Subd. 5. A statement of economic interest required by this section shall be on a form prescribed by the commission. The individual filing shall provide the following information:

(a) His name, address, occupation and principal place of business;

(b) The name of each business with which he is associated and the nature of that association; and



(c) A listing of all real property within the state, excluding homestead property, in which he has a fee simple interest, a contract for deed or an option to buy, whether direct or indirect, and which interest is valued in excess of \$2,500. The filing shall indicate the municipality, if any, and the county wherein the property is located.

Subd. 6. Each individual who is required to file a statement of economic interest shall file a supplementary statement on April 15 of each year.

Subd. 7. All public officials in office on the effective date of this act shall file with the commission a statement of economic interest within 60 days after the date the commission issues statement of economic interest forms.

Subd. 8. Any public official, except a member of the legislature or a constitutional officer, who is required to file a statement of economic interest and fails to do so by the prescribed deadline shall be suspended without pay by the commission in the manner prescribed in the contested case procedures in Minnesota Statutes, Chapter 15.

Sec. 10. [PENALTY FOR FALSE STATEMENTS.] A report or statement required to be filed by sections 2 to 9 shall be signed and certified as true by the person required to file the report. Any person who signs and certifies to be true a report or statement which he knows contains false information or who knowingly omits required information is guilty of a felony.

Sec. 11. [ORGANIZATION OF POLITICAL COMMITTEES.] Subdivision 1. Every political committee shall have a chairman and a treasurer. Nothing in this act shall prohibit them from being the same person.

Subd. 2. No contribution shall be accepted and no expenditure shall be made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer.

Subd. 3. The treasurer of a political committee may appoint as many deputy treasurers as necessary and shall be responsible for their accounts.

Subd. 4. The treasurer of a political committee may designate not more than two depositories in each county in which a campaign is conducted.

Subd. 5. No funds of a political committee shall be commingled with any personal funds of officers, members or associates of the committee.

Subd. 6. Except for transfers of funds between political committees and transfers from the state election campaign fund, a

political committee shall be financed solely through voluntary donations by natural persons or political funds.

Subd. 7. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

Sec. 12. [POLITICAL FUNDS.] Subdivision 1. No association shall make a transfer of funds to a candidate or political committee or make an expenditure which has as its purpose the influencing of the nomination for election or election or defeat of a candidate unless it is a political committee or unless the funds for the contribution or expenditure come solely from a political fund.

Subd. 2. The contents of a political fund shall not be commingled with any other funds or with the personal funds of any officer or member of the fund.

Subd. 3. Each association which has a political fund shall elect or appoint a treasurer of the political fund.

Subd. 4. No donations to the political fund shall be accepted and no expenditures from the political fund shall be made while the office of treasurer of the political fund is vacant.

Subd. 5. Notwithstanding subdivision 1, any association may, if not prohibited by law, transfer to its political fund money from that part of its treasury financed by dues or membership fees. Pursuant to section 20, the source of the dues or membership fees must be disclosed if an aggregate amount in excess of \$50 of any member's dues, membership fees and voluntary contributions are transferred to the political fund within one year.

Subd. 6. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

Sec. 13. [ACCOUNTS WHICH MUST BE KEPT.] Subdivision 1. It shall be the duty of the treasurer of a political committee or political fund to keep an account of:

(a) The sum of all contributions except any contribution in kind valued at less than \$20 made to or for the political committee or political fund;

(b) The name and address, if any, of any person making a contribution in excess of \$20, and the date and amount thereof; and

(c) All expenditures made by or on behalf of the committee or fund.

Any person who knowingly violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 2. The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee or political fund of over \$100, and for any expenditure in a lesser amount if the aggregate amount of lesser expenditures to the same person during a year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

Sec. 14. [REGISTRATION OF POLITICAL COMMITTEES AND POLITICAL FUNDS.] Subdivision 1. The treasurer of a political committee or political fund shall register with the commission by filing a statement of organization no later than 14 days after the date upon which the committee or fund has received contributions or made expenditures in excess of \$100. However, in the first year of this act, treasurers shall file within 30 days after the commission issues political committee or political fund registration forms.

Subd. 2. The statement of organization shall include:

(a) The name and address of the political committee or political fund;

(b) The names and addresses of the supporting associations of a political fund;

(c) The geographic area in which it will operate and the purpose of the political committee or political fund;

(d) The name, address and position of the custodian of books and accounts;

(e) The name and address of the chairman, the treasurer, and any other principal officers including deputy treasurers, if any;

(f) The name, address, office sought, and party affiliation, if any, of each candidate whom the committee or political fund is supporting, or, if the committee or political fund is supporting the entire ticket of any party, the name of the party;

(g) A statement as to whether the committee or political fund is a continuing one;

(h) A listing of all depositories or safety deposit boxes used; and

(i) A statement as to whether the committee is a principal campaign committee.

Subd. 3. Any change in information required in subdivision 2 shall be forwarded to the commission by the chairman or treasurer of the political committee or political fund within 14 days of the change.

Subd. 4. The commission shall notify any person who fails to file a statement required by this section. A person who knowingly fails to file the statement within seven days after receiving notice from the commission is guilty of a gross misdemeanor.

Sec. 15. [CONTRIBUTIONS.] Subdivision 1. Any anonymous contribution in excess of \$20 shall not be retained by any political committee or political fund, but shall be forwarded to the commission and deposited to the general account of the state elections campaign fund.

Subd. 2. Every person who receives a contribution in excess of \$20 for a political committee or political fund shall, on demand of the treasurer, and in any event within 14 days after receipt of the contribution, inform the treasurer of the amount, the name and, if known, the address of the person making the contribution and the date it was received.

Subd. 3. All monetary contributions received by or on behalf of any candidate or political committee or political fund shall within 14 days after the receipt thereof, Sundays and holidays excepted, be deposited in a designated depository in an account designated "Campaign Fund of . . . . . (name of committee or fund)".

Subd. 4. Any person violating the provisions of this section is guilty of a misdemeanor.

Sec. 16. [EARMARKING.] Any person, political committee or political fund which receives contributions or transfers of funds from any person or association with the condition, express or implied, that those funds or any part of them be directed to a particular candidate shall disclose to the ultimate recipient of such funds and in the reports required by section 20, the original source of the funds, the fact that the funds were earmarked and the candidate to whom they are directed. The ultimate recipient of any funds so earmarked shall also disclose by report to the commission the original source of the funds, and the person, political committee, or political fund through which they were directed. This section applies only to those contributions required to be disclosed by section 20. Any person or association who knowingly accepts earmarked funds and fails to make the required disclosures is guilty of a gross misdemeanor.

Sec. 17. [EXPENDITURES.] Subdivision 1. All expenditures shall be authorized by the treasurer or deputy treasurer of the committee or fund making that expenditure.

Subd. 2. No person or persons acting in concert other than the candidate and the treasurer of the candidate's principal campaign committee may make expenditures of more than \$20 with the authorization or consent, express or implied, of a candidate or his agent, or under the control, direct or indirect, of a candidate or his agent on behalf of a candidate without receiving from the treasurer of that candidate's principal campaign committee (i) prior written authorization and (ii) certification that the expenditures will not exceed the limits on expenditures as set forth in sections 25 and 27. All such expenditures shall be counted against the spending limitations of the candidate.

Subd. 3. The treasurer or deputy treasurer of a political committee may make an authorization for petty cash in any reporting period of not more than \$100 per week for statewide elections and \$20 per week in legislative elections to be used for miscellaneous expenditures.

Subd. 4. Each authorization shall state the amount and purpose of the expenditure and shall be signed by the treasurer or deputy treasurer of the committee making the expenditure and by the individual making the expenditure.

Subd. 5. Any political committee, political fund or person who solicits or accepts contributions or make expenditures on behalf of any candidate without the written authorization of the candidate shall publicly disclose its lack of authorization. In all written communications with those from whom it solicits or accepts contributions or to whom it makes expenditures, the committee, fund or person shall state in writing and in conspicuous type that it is not authorized by the candidate and that the candidate is not responsible for its activities. A similar oral statement shall be included in all oral communications. A similar written statement shall be included in conspicuous type on the front page of all literature and advertisements published or posted and a similar oral statement included at the end of all broadcast advertisements by committee, fund or person in connection with the candidate's campaign.

Subd. 6. Any person who knowingly violates the provisions of subdivisions 1, 2, 3 or 5 of this section or who falsely claims the lack of authorization is guilty of a misdemeanor.

Sec. 18. [BILLS WHEN RENDERED AND PAID.] Every person who has a bill, charge or claim against any political committee or political fund for any expenditure shall render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. Failure to so present the bill, charge or claim is a misdemeanor.

Sec. 19. [PRINCIPAL CAMPAIGN COMMITTEE.] Subdivision 1. Every candidate shall designate and cause to be formed a single principal campaign committee.

Subd. 2. A candidate may at any time without cause remove and replace the chairman, treasurer, deputy treasurer or any other officer of the candidate's principal campaign committee.

Sec. 20. [CAMPAIGN REPORTS.] Subdivision 1. Every treasurer of a political committee or political fund shall file the reports required by this section in any year it receives contributions or makes expenditures in excess of \$100.

Subd. 2. The reports shall be filed with the commission by the following dates:

(a) In years in which any candidate being supported does not stand for election:

(1) January 7; and

(2) July 7;

(b) In years in which any candidate being supported does stand for election:

(1) January 7;

(2) July 7;

(3) Five days before any primary election in which the candidate stands for election;

(4) Five days before any general election in which the candidate stands for election; and

(5) 30 days after the last election in which a candidate stands for election;

(c) In special or special primary elections in which a candidate stands for election:

(1) 30 days before the election; and

(2) Five days before the election.

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or, if self-employed, occupation of each person, political committee or political fund who has made one or more contributions to or for the political com-

mittee or political fund including the purchase of tickets for dinners, luncheons, rallies, and similar fund raising events within the year in an aggregate amount or value in excess of \$50 for legislative candidates and in excess of \$100 for statewide candidates, together with the amount and date of the contributions, and the aggregate amount of contributions within the year of each contributor so disclosed. The lists of contributors shall be in alphabetical order;

(c) The total sum of individual contributions made to or for the political committee or political fund during the reporting period and not reported under clause (b);

(d) The name and address of each political committee, political fund or candidate from which the reporting committee or fund received, or to which that committee made, any transfer of funds, together with the amounts and dates of all transfers. The lists shall be in alphabetical order;

(e) Each loan to or from any person within the year in an aggregate amount or value in excess of \$100, together with the full names and mailing address, occupations and the principal places of business, if any, of the lender or endorser, if any, and the date and amount of the loans;

(f) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (e);

(g) The total sum of all receipts by or for the political committee or political fund during the reporting period;

(h) The name, address, occupation and the principal place of business, if any, of each person to whom expenditures have been made by the political committee or political fund or on its behalf within the year in an aggregate amount in excess of \$100, the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made;

(i) The sum of individual expenditures which is not otherwise reported under clause (h);

(j) The name, address, occupation and the principal place of business, if any, of each person to whom an expenditure for personal services, salaries, and reimbursable expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date and purpose of the expenditure;

(k) The sum of individual expenditures for personal services, salaries and reimbursable expense which is not otherwise reported under (j);

(l) The total expenditures made by the political committee or political fund during the reporting period;

(m) The amount and nature of debts and obligations owed by or to the political committee or political fund, and a continuous reporting of their debts and obligations after the election until the debts and obligations are extinguished;

(n) The amount and nature of any contract, promise or agreement, in writing, whether or not legally enforceable, to make a contribution or expenditure;

(o) The name of each person, committee or political fund, which has been authorized by the treasurer to make expenditures on behalf of the candidate and the nature and amount of each authorized expenditure.

Subd. 4. The reports shall cover the time from the last day of the period covered by the last report to seven days prior to the filing date.

Subd. 5. In any statewide election any contribution or contributions from a person or association totaling \$2,000 or more, or in any legislative election any contribution of \$200 or more, received after the period covered in the last report prior to an election and prior to the election shall be reported to the commission by telegram within 48 hours after its receipt and in the next required report.

Subd. 6. Every person, other than a political committee or political fund, who makes expenditures, other than by contribution to a political committee or political fund, in an aggregate amount in excess of \$100 within a year shall file with the commission a statement containing the information required of a political committee, political fund or candidate. Statements required by this subdivision shall be filed on the dates on which reports by committees are filed.

Subd. 7. If no contribution is received or expenditure made by or on behalf of a candidate, political fund or political committee during a reporting period, the treasurer of the committee or fund shall file with the commission at the time required by this section a statement to that effect.

Subd. 8. The commission shall exempt any association or any of its members or contributors from the provisions of this section if disclosure would expose any or all of them to economic reprisals, loss of employment or threat of physical coercion.

An association may seek an exemption for all of its members or contributors only if it proves by clear and convincing evidence that a substantial number of its members or contributors would



suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Subd. 9. The commission shall exempt any individual from the provisions of this section who, by written request, demonstrates by clear and convincing evidence that disclosure would expose him to economic reprisals, loss of employment or threat of physical coercion.

The commission shall issue a written order to exempt the individual.

Subd. 10. A political committee or a political fund or any of its members or contributors shall have standing to seek an exemption. All applications by associations for exemption shall be treated as contested cases within the meaning of Minnesota Statutes, Chapter 15. The commission by rule shall establish a procedure so that any individual seeking an exemption may proceed anonymously if he would be exposed to the reprisals listed in subdivision 9 were he to reveal his identity for the purposes of the hearing.

Subd. 11. No person or association shall engage in economic reprisals or threaten loss of employment or physical coercion against any person or association because of that person's or association's political contributions or political activity. This subdivision shall not apply to compensation for employment or loss of employment when the political affiliation or viewpoint of the employee is a bonafide occupational qualification of the employment. Any person or association which violates this subdivision is guilty of a gross misdemeanor.

Sec. 21. [REPORTS TO COUNTY AUDITOR.] Subdivision 1. All reports or statements that must be filed with the commission by the principal campaign committee of legislative candidates shall also be filed with the county auditor of each county in which the legislative district lies.

Subd. 2. The copies of reports filed with the county auditor need not be certified copies.

Subd. 3. Statements and reports filed with county auditor shall be available to the public in the manner prescribed by section 2, subdivision 8, clause (e) and retained until four years after the election to which they pertain.

Sec. 22. [REQUIREMENTS RESPECTING REPORTS AND STATEMENTS.] Subdivision 1. A report or statement required by sections 11 to 34 to be filed by a treasurer of a political committee or political fund, or by any other person, shall be signed and certified as true by the person required to file the report. Any person who signs and certifies to be true a report

or statement which he knows contains false information or who knowingly omits required information is guilty of a felony.

Subd. 2. Contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, such debts and other contracts, agreements and promises shall not be considered as part of the totals of receipts or expenditures until actual payment is made, but shall be reported according to section 20, subdivision 3, clause (n).

Subd. 3. Each contribution in kind shall be valued at fair market value and reported on the appropriate schedule of receipts, identified as to its nature and listed as "contribution in kind". The total amount of goods and services contributed in kind shall be deemed to have been consumed in the reporting period in which received. Each contribution in kind shall be declared as an expenditure at the same fair market value and reported on the appropriate expenditure schedule, identified as "contribution in kind".

Subd. 4. In determining the aggregate of a person's contributions, the treasurer shall list contributions from the same donor under the same name. In each instance when a contribution received from a person in a reporting period is added to previously reported unitemized contributions from the same contributor and the aggregate exceeds the disclosure threshold of section 20, the name, address and employer, or, if self-employed, occupation of that contributor shall then be listed on the prescribed reporting forms. A candidate may refuse to accept any contribution.

Subd. 5. A political committee or political fund making an expenditure, other than a transfer of funds, for or on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report this allocation for each candidate. The treasurer shall retain for audit any documents supporting the allocation.

Subd. 6. Each person required to file any report or statement shall maintain records on the matters required to be reported, including vouchers, cancelled checks, bills, invoices, worksheets, and receipts, which will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified and checked for accuracy and completeness, and he shall keep the records available for audit, inspection, or examination by the commission or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections thereto. Any person who knowingly violates any provisions of this subdivision is guilty of a misdemeanor.

Subd. 7. The treasurer of a political committee or political fund shall not accept a contribution of more than \$100 from a political committee or political fund not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure requirements imposed by section 20. This statement shall be certified as true and correct by an officer of the contributing committee or political fund. The provisions of this subdivision shall not apply when the national affiliate of any political party in this state transfers money to its state affiliate and that money is expended by the state political party on behalf of candidates of that party generally, without referring to any of them specifically, in any advertisement published or posted, on any broadcast, or in any telephone conversation if that conversation mentions three or more candidates.

Subd. 8. The secretary of state shall cause one certified copy of each report or statement filed with him under section 309 of the federal election campaign act of 1971 to be delivered to the commission within 24 hours of the time he receives the report or statement.

Sec. 23. [CHANGES AND CORRECTIONS.] Any material changes in information previously submitted and any corrections to a report shall be reported in writing to the commission within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any person who wilfully fails to report a material change or correction is guilty of a gross misdemeanor.

Sec. 24. [DISSOLUTION OR TERMINATION.] No political committee or political fund shall dissolve until it has settled all of its debts and filed a termination report. The termination report shall include all information required in periodic reports and a statement as to the disposition of any residual funds.

Sec. 25. [LIMITS ON CAMPAIGN EXPENDITURES.] Subdivision 1. For the purposes of sections 11 to 34 a candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate and all expenditures made by or on behalf of the candidate for governor and all expenditures made by or on behalf of the candidate for lieutenant governor shall be considered to be expenditures by or on behalf of the candidate for governor.

Subd. 2. In a year in which a candidate stands for election no expenditures shall be made and no obligations to make expenditures shall be incurred by a candidate or by a political committee, political fund or individual which makes expenditures with the authorization, express or implied, and under the control, direct or indirect, of the candidate or his agents which results

in the aggregate expenditure on behalf of the candidate of an amount in excess of the following amounts:

(a) For governor and lieutenant governor, running jointly, 12 1/2 cents per capita or \$600,000, whichever is greater;

(b) For attorney general, 2 1/2 cents per capita or \$100,000, whichever is greater;

(c) For secretary of state, state treasurer and state auditor, separately, 1 1/4 cents per capita or \$50,000, whichever is greater;

(d) For state senator, 20 cents per capita or \$15,000, whichever is greater;

(e) For state representative, 20 cents per capita or \$7,500, whichever is greater.

Subd. 3. Notwithstanding subdivision 2, clause (a), a candidate for the endorsement for the office of lieutenant governor at the convention of a political party may spend \$30,000 or five percent of the amount in subdivision 2, clause (a), prior to the time of endorsement. This money shall be in addition to the money which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. Notwithstanding subdivision 2 with respect to the 1974 general election, expenses incurred prior to the effective date of this act shall not be counted against the spending limitations imposed by subdivision 2.

Subd. 5. If the winning candidate in a contested race in a primary election receives less than twice as many votes as any one of his opponents in that election, he shall have added to the aggregate amount which may be expended by him or on his behalf an amount equal to one-fifth of the applicable amount as set forth in subdivision 2 of this section, or the amount actually expended by him or on his behalf in the primary election, whichever is less.

Subd. 6. In a year in which a candidate does not stand for election, no expenditures shall be made and no obligations to make expenditures shall be incurred by a candidate or by a political committee, political fund or individual which makes expenditures with the authorization, express or implied, and under the control, direct or indirect, of the candidate or his agents which shall result in the aggregate expenditure on behalf of the candidate in that year of an amount in excess of 20 percent of the amount of the aggregate expenditure permitted by subdivision 2. Expenditures permitted by this subdivision shall be in addition to expenditures permitted by subdivision 2.

Subd. 7. On or before January 15 of each year, the commissioner of health shall certify to the commission the population of the state of Minnesota for the last calendar year ending before the date of certification. In determining the per capita amounts for each office in section 25, subdivision 2, the commission shall use:

(a) In the case of the elections for governor and lieutenant governor, attorney general, secretary of state, state treasurer and state auditor, the total population of the state;

(b) In the case of the elections for state senator, 1/67 of the total population of the state;

(c) In the case of elections for state representative, 1/134 of the total population of the state.

Subd. 8. On or before January 31 of each year, the commission shall determine and publish the amount, rounded off to the nearest hundred dollars, of the limits on campaign expenditures in section 25, subdivision 2.

Subd. 9. An expenditure is made in the year in which the goods or services for which it was made are used or consumed.

Sec. 26. [TRANSFERS OF FUNDS EXCEPTED.] Any transfer of funds or anything of pecuniary value from any political committee, political fund or political party to a principal campaign committee of a candidate shall not be considered to be an expenditure of funds on behalf of the candidate by the political committee, political fund or political party, but shall be reported as required by this act.

Sec. 27. [ADDITIONAL LIMITATIONS.] Subdivision 1. No political committee, political fund, or individual, except a political party or the principal campaign committee of a candidate shall make expenditures on behalf or in opposition to the opponent of a candidate, or transfer funds to the principal campaign committee of a candidate, in an amount in excess of ten percent of the amount that may be spent by or on behalf of that candidate as set forth in section 25.

Subd. 2. No political party shall make expenditures on behalf of a candidate or transfer funds to the principal campaign committee of a candidate in an amount in excess of 50 percent of the amount that may be spent by or on behalf of that candidate as set forth in section 25.

Subd. 3. Expenditures by a political party on behalf of candidates of that party generally, without referring to any of them specifically in any advertisement published or posted, on any broadcast, or in any telephone conversation, if that conversation

mentions three or more candidates, shall not be subject to the limitations of section 25, subdivision 2.

Subd. 4. For the purposes of this section, a political party includes a political party's organization within congressional districts, counties, legislative districts, municipalities, wards, precincts, and any legislative body.

Sec. 28. [PENALTY FOR EXCEEDING LIMITS.] Any person or association that makes expenditures in excess of the limitations imposed by sections 25 and 27 shall be subject to a fine equal to four times the amount by which its expenditure exceeded the limit. If the commission or county attorney has reason to believe that a person or association has made such excess expenditures, the commission or county attorney shall bring an action in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district, to impose this penalty. All moneys recovered pursuant to this section shall be deposited in the general account of state elections campaign fund.

Sec. 29. [CIRCUMVENTION PROHIBITED.] Any attempt by a person to circumvent the provisions of sections 11 to 41 by redirecting funds through, or contributing funds on behalf of, another person is a gross misdemeanor.

Sec. 30. [STATE ELECTIONS CAMPAIGN FUND.] Subdivision 1. There is hereby established an account within the general fund of the state to be known as the "state elections campaign fund".

Subd. 2. Within the state elections campaign fund account there shall be maintained separate accounts for the candidates of each political party and a general account.

Sec. 31. [DESIGNATION OF INCOME TAX PAYMENTS.] Subdivision 1. Effective with the taxable years beginning after December 31, 1973, every individual whose income tax liability after personal credit for the taxable year is \$1 or more may designate that \$1 shall be paid into the state elections campaign fund. In the case of a joint return of husband and wife having an income tax liability of \$2 or more, each spouse may designate that \$1 shall be paid.

Subd. 2. The taxpayer may designate that the \$1 be paid into the account of a political party or into the general account.

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form notify the taxpayer of his right to allocate \$1 of his taxes (\$2 if filing a joint return) to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the taxpayer to direct the state to allocate the \$1 (or \$2

if filing a joint return) to one of the following: (i) the major political parties; (ii) the name of any minor political party provided that if a petition is filed to qualify as a minor political party it be filed by June 1 of that taxable year; and (iii) distribution to all qualifying candidates as provided by this section.

Subd. 4. All moneys designated by individual taxpayers for the state elections campaign fund shall be credited to the appropriate account in the general fund of the state and shall be annually appropriated for distribution as set forth in subdivisions 5, 6 and 7.

Subd. 5. (a) In each fiscal year, 40 percent of the moneys in each account shall be set aside for candidates for statewide office.

(b) Of the amount set aside in clause (a), 40 percent shall be distributed to the candidates for governor and lieutenant governor jointly; 24 percent shall be distributed to the candidate for attorney general; and 12 percent each shall be distributed to the candidates for secretary of state, state treasurer and state auditor. If there is no nominee of that party for one of the offices, the share set aside for that office shall be distributed to the other statewide candidates of that party in the same proportions as the original amount.

(c) Within two weeks of the certification by the state canvassing board of the results of the primary election, the state treasurer shall distribute available funds in each account, other than the general account, of the state elections fund to the appropriate candidates who are to appear on the ballot for the general election as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account in the same proportions as provided in clause (b), in an equal amount to each candidate who received at least five percent of the vote cast in the general election for the office for which he was a candidate.

Subd. 6 (a) In each of the fiscal years during the period in which the state senate serves a four year term which commences after the effective date of this act, 20 percent of the moneys in each account shall be set aside for candidates for state senate. In each of the fiscal years during the period in which the state senate serves a two year term, and in 1975 and 1976, 30 percent of the moneys in each account shall be set aside for candidates for state senate.

(b) The amount set aside in clause (a) shall be distributed in equal shares to each of the candidates for state senate of that party.

(c) Within two weeks of the certification by the state canvassing board of the results of primary election, the state treasurer shall distribute available funds in each account, other than the general account to the appropriate candidates who are to appear on the ballot for the general election as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account in an equal amount to each candidate who received at least ten percent of the votes cast in the general election for the office for which he was a candidate.

Subd. 7. (a) In each of the fiscal years during the period in which the state senate serves a four year term which commences after the effective date of this act, 40 percent of the moneys in each account shall be set aside for candidates for state representatives. In each of the fiscal years during the period in which the state senate serves a two year term, and in 1975 and 1976, 30 percent of the moneys in each account shall be set aside for candidates for state representatives.

(b) The amount set aside in clause (a) shall be distributed in equal shares to each of the candidates for state representative of that party.

(c) Within two weeks of the certification by the state canvassing board of the results of the primary election, the state treasurer shall distribute available funds in each account, other than the general account, to the appropriate candidates who are to appear on the ballot for the general election as prescribed in clauses (a) and (b).

(d) Within two weeks of the certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account in an equal amount to each candidate who received at least ten percent of the votes cast in the general election for the office for which he was a candidate.

Sec. 32. [LIMITATIONS UPON THE STATE ELECTION CAMPAIGN FUND.] Subdivision 1. No candidate shall be entitled to receive from the state elections campaign fund an amount greater than the total amount of expenditures which may be made by or on behalf of the candidate under sections 25 and 27.

Subd. 2. No candidate shall be entitled to receive from the state election campaign fund an amount greater than the total amount actually expended by or on behalf of the candidate during his campaign.



Subd. 3. As a condition of receiving any funds from the state elections campaign fund, any candidate, prior to receipt of the funds, shall agree that his principal campaign committee shall not accept contributions exceeding 105 percent of the difference between the amount which may legally be expended by or on behalf of that candidate, and the amount which the candidate receives from the state elections campaign fund.

Subd. 4. If a political party for whose candidates funds have been accumulated in the state elections campaign fund does not have a candidate for statewide office, state representative or state senator, the moneys which would be used for distribution to that category or categories shall be transferred to the general account.

Sec. 33. [APPLICATION.] The provisions of sections 30 to 32 shall apply only in general elections and primary elections preceding general elections and shall not include special elections, special primary elections, conventions and caucuses of a political party.

Sec. 34. [REMEDIES.] Subdivision 1. A person charged with a duty under sections 2 to 34 shall be personally liable for the penalty for failing to discharge it.

Subd. 2. The commission or a county attorney may seek an injunction in the district court to enforce the provisions of sections 2 to 34.

Subd. 3. Unless otherwise provided, a violation of sections 2 to 34 is not a crime.

Sec. 35. Minnesota Statutes 1971, Section 290.06, is amended by adding a subdivision to read:

*Subd. 11. Effective for taxable years commencing after December 31, 1973, in lieu of the credit against taxable net income provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under chapter 290 of 50 percent but not more than \$12.50 of his contributions to a political party and candidate. A married couple, filing jointly, may take a similar credit of not more than \$25. However, the taxpayer may take a credit for contributions of not more than \$5 in the case of an individual return or \$10 in the case of a joint return for contributions to a political party. For purposes of this subdivision, "candidate" means a candidate as defined in section 1, subdivision 5. Any taxpayer taking this credit shall attach to his individual income tax form a receipt or receipts substantiating his claim. The department of revenue shall provide on the first page of the Minnesota tax form an appropriate provision for the credit provided by this act.*

Sec. 36. Minnesota Statutes 1971, Chapter 211, is amended by adding a section to read:

[211.035] [ADVERTISING RATES.] *To the extent that any person sells advertising space used on behalf of any candidate, the charges made shall not exceed the charges made for any other comparable purpose or use according to the seller's rate schedule.*

Sec. 37. Minnesota Statutes 1971, Section 210.20, is amended to read:

210.20 [FAILURE BY CANDIDATE TO FILE STATEMENT.] Every candidate for nomination or election to any elective office *except* governor, lieutenant governor, attorney general, secretary of state, state treasurer, state auditor, state senator and state representative, who *intentionally* fails to make and file the verified statement of moneys contributed, disbursed, expended, or promised by him, or by any other person, committee, or organization for him, so far as he can learn, in the manner, within the time, and with the details required by (LAW) chapter 211, or who enters upon the duties of any such office, or receives any salary or emolument therefrom, (BEFORE HE HAS SO FILED) *with knowledge that such statement has not been filed*, and every officer who issues a commission or certificate of election to any person (BEFORE) *with knowledge that such statement (SHALL HAVE) has not been so filed*, (SHALL BE) *is guilty of a gross misdemeanor.*

Sec. 38. Minnesota Statutes 1971, Section 211.01, Subdivision 3, is amended to read:

Subd. 3. "Candidate" means every person for whom it is contemplated or desired that votes may be cast at any election or primary, and who either tacitly or expressly consents to be so considered, except candidates for president and vice president of the United States. *In sections 211.06, 211.16, 211.17, 211.19 211.20, 211.21, 211.22, 211.25 and 211.32, "candidate" does not mean a person for whom it is contemplated or desired that votes may be cast at any election or primary, and who either tacitly or expressly consents to be so considered for governor, state officer, state senator or membership in the house of representatives.*

Sec. 39. Minnesota Statutes 1971, Section 211.06, is amended to read:

211.06 [EXPENDITURES, LIMIT.] No disbursement shall be made and no obligation, express or implied, to make such disbursement, shall be incurred by any candidate or his personal campaign committee for any office under the (CONSTITUTION OR) laws of this state, or under the ordinance of any municipality of this state in his campaign for nomination and elec-

tion, which shall be in the aggregate in excess of the amounts herein specified:

(a) (FOR GOVERNOR, \$7,000, AND IN ADDITION, FIVE CENTS FOR EACH OF THE TOTAL NUMBER OF PERSONS WHO VOTED IN THE STATE AT THE LAST GENERAL ELECTION;)

((B) FOR OTHER STATE OFFICERS, \$3,500, AND IN ADDITION, FIVE CENTS FOR EACH OF THE TOTAL NUMBER OF PERSONS WHO VOTED IN THE STATE AT THE LAST GENERAL ELECTION;)

((C) FOR STATE SENATOR, \$800, AND IN ADDITION, FIVE CENTS FOR EACH OF THE TOTAL NUMBER OF PERSONS WHO VOTED IN THE DISTRICT AT THE LAST GENERAL ELECTION;)

((D) FOR MEMBER OF HOUSE OF REPRESENTATIVES, \$600, AND IN ADDITION, FIVE CENTS FOR EACH OF THE TOTAL NUMBER OF PERSONS WHO VOTED IN THE DISTRICT AT THE LAST GENERAL ELECTION;)

((E)) For any county, city, village, or town officer, for any judge or for any officer not hereinbefore mentioned, who, if nominated and elected, would receive a salary, a sum not exceeding one third of the salary for the office in the year that the election is held, with the minimum sum allowed, \$100. If such person, when nominated and elected, would not receive a salary, a sum not exceeding one-third of the compensation which his predecessor received during the first year of such predecessor's incumbency, with the minimum sum allowed, \$100. If such officer, when nominated and elected, would not receive a salary and if such officer had no predecessor, and in all cases not specifically provided for, \$100, and no more.

((F)) (b) The disbursements authorized in this section by a candidate for elective office shall be deductible as expenses for production of income or a business deduction under chapter 290.

Sec. 40. Minnesota Statutes 1971, Section 211.20, Subdivision 3, is amended to read:

Subd. 3. [STATEMENTS OF POLITICAL COMMITTEES.] Statements shall also be made by any political committee showing the total amount of receipts and disbursements, and for what purpose such disbursements were made. Such statement shall be filed within 30 days after any primary, municipal, or general election (, AS FOLLOWS):

(a) When the committee is organized to support a candidate for a federal (OR STATE-WIDE) office with the filing officer of such candidate;

(b) When the committee is organized to support a candidate for a (LEGISLATIVE,) judicial district (,) or county office with the auditor of the county in which such committee has its headquarters;

(c) When the committee is organized to support or oppose any constitutional amendment with the secretary of state;

(d) When the committee is organized to support a candidate for municipal office in municipalities having more than 20,000 population or to support or oppose propositions in elections in such municipalities with the filing officer of the municipality.

Sec. 41. [EFFECTIVE DATE.] This act shall take effect the day following final enactment. The commission shall be appointed within 30 days of the effective date of this act and shall promulgate the rules within 30 days of its appointment. The commission has emergency power to issue rules and regulations through December 31, 1974. No statement or report required to be filed by this act need be filed until 30 days after the commission adopts and makes available the forms for the statements or reports.

Sec. 42. [APPROPRIATION.] There is appropriated to the state ethics commission from the general fund \$120,000 for the purposes of this act.

Sec. 43. Minnesota Statutes 1971, Sections 3.87; 3.88; 3.89; 3.90; 3.91; and 3.92 are repealed."

Further, strike the title and insert:

"A bill for an act relating to conduct of public officers including campaigns for the offices; authorizing tax credits for campaign contributions; providing penalties; appropriating money; amending Minnesota Statutes 1971, Sections 210.20; Chapter 211, by adding a section; 211.01, Subdivision 3; 211.06; 211.20, Subdivision 3; 290.06, by adding a subdivision; repealing Minnesota Statutes 1971, Sections 3.87; 3.88; 3.89; 3.90; 3.91; and 3.92."

We request adoption of this report and repassage of the bill in accordance therewith.

House Conferees: TOM BERG, HARRY A. SIEBEN, JR., and HENRY J. SAVELKOUL.

Senate Conferees: STEPHEN KEEFE, ROBERT O. ASHBACH, and ROBERT J. TENNESSEN.

Berg moved that the report of the Conference Committee on H. F. No. 951 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Clery was excused for the remainder of today's session.

H. F. No. 951, A bill for an act relating to ethics in government; regulating lobbyists, conflicts of interest and election expenses and contributions; providing penalties; appropriating money; amending Minnesota Statutes 1971, Sections 211.01, Subdivision 3; 211.06; 211.20, Subdivision 3; 211.27, by adding a subdivision; and 290.06, by adding a subdivision; repealing Minnesota Statutes 1971, Sections 3.87; 3.88; 3.89; 3.90; 3.91; and 3.92.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 118, and nays 10, as follows:

Those who voted in the affirmative were:

Adams, J.	Dieterich	Johnson, R.	Moe	Sarna
Andersen, R.	Dirlam	Jude	Mueller	Savelkoul
Anderson, D.	Eckstein	Kahn	Munger	Schreiber
Anderson, G.	Eken	Kelly	Nelson	Schulz
Anderson, I.	Enebo	Kempe	Newcome	Searle
Becklin	Erdahl	Knickerbocker	Niehaus	Sherwood
Belisle	Esau	Knoll	Norton	Sieben, H.
Bell	Faricy	Kostohryz	Ohnstad	Sieben, M.
Bennett	Ferderer	Kvam	Ojala	Smith
Berg	Fjoslien	Laidig	Parish	Spanish
Berglin	Forsythe	Larson	Patton	Stanton
Biersdorf	Fudro	LaVoy	Pavlak, R.	Swanson
Braun	Fugina	Lemke	Pavlak, R. L.	Tomlinson
Brinkman	Graba	Lindstrom, J.	Pehler	Ulland
Carlson, A.	Graw	Lombardi	Peterson	Vanasek
Carlson, B.	Growe	Mann	Pieper	Vento
Carlson, D.	Hanson	McArthur	Prahl	Voss
Carlson, L.	Haugerud	McCarron	Quirin	Weaver
Casserly	Heinitz	McCauley	Resner	Wenzel
Connors	Hook	McEachern	Rice	Wohlwend
Culhane	Jacobs	McMillan	Ryan	Wolcott
Cummiskey	Jaros	Menke	St. Onge	Mr. Speaker
Dahl	Johnson, D.	Miller, D.	Salchert	
DeGroat	Johnson, J.	Miller, M.	Samuelson	

Those who voted in the negative were:

Clifford	Hagedorn	Klaus	Myrah	Skaar
Erickson	Jopp	Lindstrom, E.	Pleasant	Wigley

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

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

H. F. No. 2349, A bill for an act relating to the city of Virginia; authorizing one additional on-sale intoxicating liquor license.

The Senate has appointed as such committee Messrs. Perpich, G.; Solon; and Fitzsimons.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 3090, A bill for an act relating to towns; requiring a city to confer jointly with the governing body of a town and county planning commission before extending certain municipal services into the area governed by the town.

The Senate has appointed as such committee Messrs. Dunn, Bernhagen and Willet.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 974, A bill for an act relating to public health; authorizing the state board of health to prescribe fees for permits, licenses, registrations and certifications issued by it; amending Minnesota Statutes 1971, Sections 144.169, Subdivision 1; 144.53; 144.60; 144.61; 144.802; 149.02; 149.03; 149.04; 149.08; 156A.03, Subdivision 2; 156A.07, Subdivisions 1 and 3;

157.03; 326.42; 326.60, Subdivision 3; 326.62; 327.15; 327.16, Subdivisions 1, 2 and 3; and Chapter 144, by adding a section.

The Senate has appointed as such committee Messrs. Lewis, Conzemius and Brown.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2703, A bill for an act relating to metropolitan public transit; directing the metropolitan transit commission to plan an automated small vehicle fixed guideway system; establishing a joint metropolitan transit planning legislative review commission; authorizing tax levies upon property within the metropolitan transit taxing district.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2703

March 25, 1974

Honorable Alec G. Olson  
President of the Senate  
Honorable Martin O. Sabo  
Speaker of the House of Representatives

We, the undersigned conferees on the part of the Senate and the House, upon the disagreeing votes as to S. F. No. 2703, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2703 be amended as follows:

Strike everything after the enacting clause and insert in lieu thereof:

"Section 1. [METROPOLITAN TRANSIT COMMISSION; AUTOMATED SMALL VEHICLE FIXED GUIDEWAY SYSTEM; PLANNING.] Subdivision 1. The metropolitan transit

commission shall develop plans for an automated small vehicle fixed guideway system capable of development into a regional type system. In preparing its plans, the metropolitan transit commission shall include recent studies and developments in transit technology. The metropolitan council shall cooperate with the metropolitan transit commission and provide general policy guidance in developing the plans. The plans shall be subject to review by the metropolitan council in accordance with the provisions of section 3 of this act. The plans shall provide for demand activated origin to destination service, at least during non-peak or non-rush hour periods. "Demand activated" means, for the purpose of this section, that a vehicle is waiting or comes within a very short time for the use of one individual or party. "Origin to destination" means, for the purpose of this section, that the vehicle travels to any other station in the system without stops or transfers.

Subd. 2. The metropolitan transit commission shall issue written monthly reports to the metropolitan council and to members of the House and Senate metropolitan and urban affairs committees summarizing the status of the studies described in this section. After final approval by the council of the study design for the development of the plans, and before the study is begun or consultants are hired, the metropolitan transit commission shall present the study design to a joint meeting of the House and Senate committees on metropolitan and urban affairs at which public testimony shall be taken.

Subd. 3. The plans shall provide for a safe and reliable system which is compatible with local circulation routes and which is adaptable to carry freight as well as passengers. The plans shall have a positive impact on efforts to minimize urban sprawl.

Subd. 4. The system shall be flexible to allow for expansion and improvement in order to accommodate changes made possible by changes in technology. The system shall be designed so as to maximize compatibility with the environment, including, but not limited to, such techniques as tunneling, to the extent practically and economically feasible; and aboveground guideways, designed to be as small as possible and aesthetically coordinated with the surrounding community.

Subd. 5. The plans shall specify general routes, route mileage, vehicle size, vehicle type and other technical matters.

Subd. 6. The plans shall be in such form that direct, valid comparison can be made with the other mass transit options reported in metropolitan transit commission consultant report III-A-2 on the following factors: capital cost, operating cost, 30-year net present cost, number of riders, completion date, route miles, safety, reliability, environmental impact, effect on development in the metropolitan area, reduction of energy requirements, capacity to meet future passenger levels higher than



estimated, and technological feasibility. The final report of the commission required in section 3 shall be based on a thorough alternative systems analysis.

Sec. 2. [TAX LEVY; SMALL VEHICLE FIXED GUIDEWAY SYSTEM PLANNING.] Subdivision 1. The metropolitan transit commission shall levy for the planning program authorized by this act upon all taxable property within the metropolitan transit taxing district a tax in excess of all taxing limitations, without affecting the amount or rate of taxes which may be levied by the commission for other purposes or by any local government in the area. The levy made for the purposes of sections 1 to 3 of this act shall not exceed one-twentieth of a mill on each dollar of assessed valuation of all taxable property in the metropolitan transit taxing district. The certification and collection of the tax levied pursuant to this section shall be accomplished in accordance with Minnesota Statutes, Section 473A.111, Subdivision 3.

Subd. 2. This section shall be effective for taxes assessed in 1974 and payable in 1975.

Sec. 3. [METROPOLITAN COUNCIL REVIEW.] The metropolitan transit commission shall submit its study design for the development of the plans to the metropolitan council for prompt review and approval. The commission shall not alter or revise the study design unless agreed to by the council. In addition, before any consultant is hired for the purposes of this act he shall have his contract for employment approved by the metropolitan council. The metropolitan transit commission shall submit a report to the metropolitan council and to the legislature by January 1, 1975, on the plans it has considered and its final recommendations. Based upon the plans developed according to section 1 of this act, the metropolitan council shall make a final report to the legislature on its findings and recommendations based upon the metropolitan council's development guide on or before February 1, 1975.

Sec. 4. Following the approval by the legislature of the council's final report required under section 3 of this act, the metropolitan transit commission shall prepare socioeconomic and environmental impact studies, and preliminary engineering studies for a transit development program based on the recommendations contained in the final report.

Sec. 5. This act is effective on the date following its final enactment."

Further amend by striking the title and inserting in lieu thereof:

"A bill for an act relating to metropolitan public transit; directing the metropolitan transit commission to plan an auto-

mated small vehicle fixed guideway system; authorizing tax levies upon property within the metropolitan transit taxing district."

We request adoption of this report and repassage of the bill in accordance therewith.

Senate Conferees: JOHN C. CHENOWETH, ROBERT D. NORTH, and WILLIAM G. KIRCHNER.

House Conferees: DICK ANDERSEN, JOHN TOMLINSON, and JOHN SALCHERT.

Tomlinson moved that the report of the Conference Committee on S. F. No. 2703 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2703, A bill for an act relating to metropolitan public transit; directing the metropolitan transit commission to plan an automated small vehicle fixed guideway system; establishing a joint metropolitan transit planning legislative review commission; authorizing tax levies upon property within the metropolitan transit taxing district.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 100, and nays 21, as follows:

Those who voted in the affirmative were:

Adams, J.	Enebo	Knickerbocker	Nelson	Schreiber
Andersen, R.	Faricy	Knoll	Newcome	Schulz
Anderson, I.	Ferderer	Kostohryz	Norton	Sherwood
Becklin	Fjoslien	Laidig	Ojala	Sieben, H.
Belisle	Forsythe	LaVoy	Parish	Sieben, M.
Bell	Fudro	Lemke	Patton	Skaar
Bennett	Fugina	Lindstrom, E.	Pavlak, R.	Smith
Berg	Graba	Lombardi	Pavlak, R. L.	Stanton
Berglin	Graw	Mann	Pehler	Swanson
Braun	Growe	McArthur	Peterson	Tomlinson
Brinkman	Hagedorn	McCarron	Pleasant	Ulland
Carlson, A.	Hanson	McCauley	Prahl	Vanasek
Carlson, D.	Jacobs	McEachern	Quirin	Vento
Carlson, L.	Jaros	McMillan	Resner	Voss
Casserly	Johnson, D.	Menke	Rice	Weaver
Connors	Johnson, J.	Miller, D.	Ryan	Wenzel
Cummiskey	Johnson, R.	Miller, M.	St. Onge	Wigley
Dahl	Jude	Moe	Salchert	Wohiwend
Dieterich	Kahn	Munger	Sarna	Wolcott
Eckstein	Kelly	Myrah	Savelkoul	Mr. Speaker

Those who voted in the negative were:

Anderson, D.	Dirlam	Heinitz	Kvam	Searle
Anderson, G.	Eken	Hook	Larson	
Biersdorf	Erdahl	Jopp	Niehaus	
Culhane	Erickson	Kempe	Ohnstad	
DeGroat	Esau	Klaus	Pieper	

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

#### UNANIMOUS CONSENT

Anderson, I., requested unanimous consent to offer a motion. The request was granted.

Anderson, I., moved that S. F. No. 2477 be recalled from the Senate for further consideration by the House. The motion prevailed.

There being no objection the order of business reverted to Reports of Standing Committees.

#### REPORTS OF STANDING COMMITTEES

Mr. Anderson, I., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3558, A bill for an act relating to the joint coordinating committee; prescribing powers and duties; amending Minnesota Statutes, 1973 Supplement, Sections 3.303, by adding subdivisions; 3.304, Subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1973 Supplement, Section 3.304, Subdivision 2, is amended to read:

Subd. 2. All employees of the office of legislative research are employees of the legislature *in the unclassified service of the state*. (THE COMMITTEE MAY DESIGNATE CERTAIN EMPLOYEES OF THE OFFICE AS PERMANENT FOR THE PURPOSE OF CONFERRING EMPLOYEE BENEFITS.)

Sec. 2. Minnesota Statutes, 1973 Supplement, Section 3.304, is amended by adding a subdivision to read:

Subd. 7. *During the biennium ending June 30, 1975, with the approval of the committee, the senate committee on rules and*

*administration, and the house committee on rules and legislative administration, the director of research when full time personnel are not available to carry out the duties of the office of legislative research, may contract for legal, technical, or research services. A contractor under this subdivision shall be subject to the prohibitions and limitations otherwise applicable to the office of legislative research. The authority conferred may be redelegated to other officers within the office of legislative research by the director.*

Sec. 3. This act is effective the day following its final enactment.”.

Further amend the title as follows:

Page 1, line 5, strike “Sections 3.303, by” and insert “Section”.

Page 1, line 6, strike “adding subdivisions;”.

With the recommendation that when so amended the bill do pass.

The report was adopted.

Mr. Anderson, I., from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 3308, A bill for an act creating a legislative commission to study and propose legislation relating to the problem of organized crime; appropriating money therefor.

Reported the same back with the following amendments:

Page 1, line 10, after “The” and before “commission” insert “by-partisan”.

Page 1, line 28, strike “\$30,000” and insert in lieu thereof “\$10,000”.

Add a section to read:

“Sec. 7. This act is effective the day following final enactment.”.

With the recommendation that when so amended the bill do pass.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 3558 was read for the second time.

## SECOND READING OF SENATE BILLS

S. F. No. 3308 was read for the second time.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3288, A bill for an act relating to courts; lien; conciliation court judgment; amending Minnesota Statutes, 1973 Supplement, Section 487.23, Subdivision 7a.

PATRICK E. FLAHAVEN, Secretary of 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 amendment the concurrence of the House is respectfully requested:

H. F. No. 798, A bill for an act relating to the juvenile court; amending Minnesota Statutes 1971, Sections 260.015, Subdivision 5; and 260.185, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Nelson moved that the House concur in the Senate amendments to H. F. No. 798 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 798, A bill for an act relating to the juvenile court; amending Minnesota Statutes 1971, Sections 260.015, Subdivision 5; and 260.185, Subdivision 1.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 122, and nays 1, as follows:

Those who voted in the affirmative were :

Adams, J.	Eckstein	Kahn	Munger	Savelkoul
Andersen, R.	Eken	Kelly	Myrah	Schreiber
Anderson, D.	Enebo	Kempe	Nelson	Schulz
Anderson, G.	Erdahl	Klaus	Newcome	Searle
Anderson, I.	Erickson	Knickerbocker	Niehaus	Sherwood
Becklin	Esau	Knoll	Norton	Sieben, H.
Belisle	Faricy	Kostohryz	Ohnstad	Sieben, M.
Bell	Ferderer	Kvam	Ojala	Skaar.
Bennett	Fjoslien	Laidig	Parish	Smith
Berg	Forsythe	Larson	Patton	Stanton
Berglin	Fudro	LaVoy	Pavlak, R.	Swanson
Biersdorf	Fugina	Lemke	Pavlak, R. L.	Tomlinson
Braun	Graba	Lindstrom, E.	Pehler	Ulland
Brinkman	Grove	Lindstrom, J.	Peterson	Vanasek
Carlson, A.	Hagedorn	Lombardi	Pieper	Vento
Carlson, B.	Hanson	Mann	Pleasant	Voss
Carlson, D.	Heinitz	McArthur	Prahl	Weaver
Carlson, L.	Hook	McCarron	Quirin	Wenzel
Cassery	Jacobs	McCauley	Resner	Wigley
Clifford	Jaros	McEachern	Rice	Wohlwend
Connors	Johnson, D.	McMillan	Ryan	Wolcott
Culhane	Johnson, J.	Menke	St. Onge	Mr. Speaker
Cummiskey	Johnson, R.	Miller, D.	Salchert	
Dahl	Jopp	Miller, M.	Samuelson	
Dirlam	Jude	Moe	Sarna	

Those who voted in the negative were :

Dieterich

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

Mr. Speaker :

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

H. F. No. 530, A bill for an act relating to wild animals ; designating timber wolves as big game animals and prescribing powers and duties of the commissioner of natural resources in relation thereto ; amending Minnesota Statutes 1971, Section 97.40, Subdivision 8 ; 98.46, Subdivisions 2, 4 and 14 ; 99.25, Subdivision 7 ; 100.26, Subdivision 1 ; 100.27, Subdivision 9 ; and 100.29, Subdivision 14.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, D., moved that the House refuse to concur in the Senate amendments to H. F. No. 530, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two Houses.

A roll call was requested and properly seconded.

The question was taken on the motion and the roll being called, there were yeas 64, and nays 59, as follows:

Those who voted in the affirmative were:

Anderson, D.	Erdahl	Jopp	McMillan	Samuelson
Anderson, G.	Erickson	Kelly	Miller, D.	Savelkoul
Anderson, I.	Esau	Klaus	Miller, M.	Schreiber
Biersdorf	Ferderer	Knickerbocker	Myrah	Schulz
Braun	Fjoslien	Kvam	Newcome	Skaar
Brinkman	Fugina	Laidig	Niehaus	Smith
Carlson, D.	Graw	Larson	Ohnstad	Spanish
Clifford	Hagedorn	Lemke	Ojala	Ulland
Culhane	Heinitz	Lindstrom, E.	Peterson	Weaver
DeGroat	Hook	Lindstrom, J.	Pieper	Wenzel
Dirlam	Johnson, D.	Lombardi	Pleasant	Wigley
Eckstein	Johnson, J.	Mann	Prahl	Wohlwend
Eken	Johnson, R.	McCauley	St. Onge	

Those who voted in the negative were:

Adams, J.	Cummiskey	Kahn	Norton	Sherwood
Andersen, R.	Dahl	Kempe	Parish	Sieben, H.
Becklin	Dieterich	Knoll	Patton	Sieben, M.
Belisle	Enebo	Kostohryz	Pavlak, R.	Stanton
Bell	Faricy	LaVoy	Pavlak, R. L.	Swanson
Bennett	Forsythe	McArthur	Pehler	Tomlinson
Berg	Fudro	McCarron	Quirin	Vanasek
Berglin	Graba	McEachern	Resner	Vento
Carlson, A.	Hanson	Menke	Rice	Voss
Carlson, L.	Jacobs	Moe	Ryan	Wolcott
Casserly	Jaros	Munger	Salchert	Mr. Speaker
Connors	Jude	Nelson	Searle	

The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 530:

Vento; Carlson, D.; and Munger.

The Speaker announced the appointment of the following members of the House to the Conference Committee on H. F. No. 3707:

Pavlak, R.; Sabo; Anderson, I.; Johnson, D.; and Dirlam.

The following conference committee report was received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 2996

March 20, 1974

Honorable Martin O. Sabo  
Speaker of the House of Representatives  
Honorable Alec G. Olson  
President of the Senate

We, the undersigned conferees on the part of the House and the Senate, upon the disagreeing votes as to H. F. No. 2996, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2996 be amended as follows:

Strike everything after the enacting clause and insert the following:

"Section 1. [POST-SECONDARY VOCATIONAL-TECHNICAL EDUCATION FUNDING.] Subdivision 1. [PURPOSE.] The purpose of this section is to change the funding of post-secondary vocational-technical education from reimbursement of past expenditures to a current funding process.

Subd. 2. [CURRENT AID.] Beginning July 1, 1975, the state board for vocational education shall not enter into agreements to pay reimbursements but shall be obligated for reimbursement payments incurred in fiscal year 1975. Beginning July 1, 1976, all vocational aid payments to the extent funds are available shall be made based on the approved budget for the current fiscal year.

Subd. 3. [BUDGETS.] Before January 1, 1976, and before January 1 of each year thereafter area vocational-technical institute budgets for the following fiscal year shall be submitted to the state board for vocational education. The commissioner, subject to the approval of the state board for vocational education, shall approve the state and federal portion of the budget for each district prior to May 15 of each year. The total amount of reimbursement payments approved for fiscal year 1975 payable in fiscal year 1976 shall not exceed by more than 14 percent the amount appropriated for post-secondary vocational-technical education for fiscal year 1975. Inflation and expansion occurring in fiscal year 1976 shall be incorporated into the fiscal year 1976 budget request. No district shall increase its indebtedness during fiscal year 1976 unless authorized by the state board for vocational education. The state board for vocational education shall before January 1, 1975 promulgate rules and regulations which establish the approval criteria of budgets including but not limited to the



following: responsiveness to current and projected manpower needs of population groups to be served in the various geographic areas and communities of the state, particularly disadvantaged and handicapped persons; adequacy of evaluation of programs; other criteria set forth in the state plan for vocational education. The commissioner, in cooperation with the department of finance, shall establish program budget standards by which area vocational-technical institutes shall submit financial requests.

Subd. 4. [LOCAL DEFICITS.] The commissioner with the approval of the state board for vocational education shall establish a uniform auditing procedure for post-secondary vocational education. This procedure shall be used to determine the local deficit or surplus in each district as of July 1, 1974 and as of July 1 for each year thereafter. This deficit or surplus shall be certified to the commissioner before January 1, 1975 and January 1 of each year thereafter.

Sec. 2. [EARLY CHILDHOOD IDENTIFICATION AND EDUCATION PROGRAMS.] Subdivision 1. For the 1974-75 school year, the council on quality education shall make grants to no fewer than six pilot early childhood identification and education programs. Early childhood identification and education programs are programs for children before kindergarten and below age six which may include the following: identification of potential barriers to learning, education of parents on child development, libraries of educational materials, family services, education for parenthood programs in secondary schools, in-center activity, home-based programs, and referral services.

Notwithstanding section 3.926, subdivision 2, every early childhood identification and education program proposal shall be submitted to the council on quality education not less than six weeks before the planned commencement of the program. These programs shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area. Each pilot program shall serve one elementary school attendance area in the local school district.

The council on quality education shall prescribe the form and manner of application and shall determine the participating pilot programs. In the determination of pilot programs, programs shall be given preference for their ability to coordinate their services with existing programs and other governmental agencies. The council on quality education shall report on the programs annually to the committees on education of the senate and house of representatives.

Subd. 2. Each district providing pilot programs shall establish and maintain an account separate from all other district accounts for the receipt and disbursement of all funds related to these early childhood identification and education programs.

Subd. 3. A school district providing early childhood identification and education programs shall be eligible to receive funds for these programs from other government agencies and from private sources when such funds are available.

Subd. 4. A district may charge reasonable fees for early childhood identification and education services; however, a district shall waive the charge or fee if any pupil, his parent or guardian is unable to pay it.

Sec. 3. [ADVISORY COMMITTEE ON EARLY CHILDHOOD IDENTIFICATION AND EDUCATION PROGRAMS.] The council on quality education shall appoint an advisory committee on early childhood identification and education programs.

Sec. 4. [THE STATE BOARD OF EDUCATION.] The state board of education shall provide service to the pilot programs by:

(1) Applying for funds which are, or may become, available under federal programs pertaining to child development, including funds for administration, demonstration projects, training, technical assistance, planning, and evaluation;

(2) Making maximum use of existing information services to inform the public concerning comprehensive early childhood development;

(3) Providing professional and technical assistance.

Sec. 5. [ADVISORY COMMITTEES.] Each pilot program shall provide for an advisory committee selected from the attendance area by the local board of education. A majority of the members of this committee shall be parents participating in the program. The committee shall report to the council on quality education, the local school board, and the district community school advisory council if this council has been established in the district.

Sec. 6. [VOLUNTARY PARTICIPATION.] All participation by parents and children in these early childhood identification and education programs shall be voluntary, and shall not preclude participation in any other state or local program. All pilot programs shall provide services to all qualified children, regardless of race, religion or ethnic background, and no such programs shall be used in whole or in part for religious worship or instruction.

Sec. 7. [TRANSITIONAL YEAR.] Subdivision 1. Notwithstanding any law to the contrary, any secondary school student who has completed all required courses may, with the approval of the student, his parent or guardian, and local school officials, graduate prior to the completion of the school year. All aid which such student, had he not graduated, would have earned

for the district pursuant to Minnesota Statutes, Section 124.212, plus that portion of the amount raised by the local tax levy which results from such transitional year students plus that portion of any excess levy allowable under Minnesota Statutes, Section 275.125, Subdivision 3 (5) shall continue to be earned by the district.

Subd. 2. The commissioner shall promulgate rules and regulations setting forth the standards for application for and approval of this early graduation procedure.

Sec. 8. [FUNDING AND REFUNDING BONDS.] Notwithstanding the provisions of any general or special law to the contrary, any school district, however organized, may issue its general obligation bonds to fund or refund outstanding bonds without an election to the extent and in the manner provided in Minnesota Statutes, Chapter 475, but without complying with the provisions of Minnesota Statutes, Section 124.43, Subdivision 6, and Minnesota Statutes, Section 475.54, Subdivision 2; and such refunding bonds may but need not be included for purposes of determining maturity schedules of any other bonds thereafter issued as otherwise required under Minnesota Statutes, Section 475.54, Subdivision 2.

Sec. 9. Notwithstanding any law to the contrary, in Independent School Districts No. 93 and No. 99 where the adjusted assessed valuation is under contest in a Minnesota court as of February 1, 1974, foundation aid payments for the 1972-73 and 1973-74 school years shall be made on the basis of the uncontested portion of the valuation of these districts. If as a result of the pending litigation these districts experience an increase in the adjusted assessed value as determined by the equalization aid review committee and recover tax revenues in excess of those which would have been raised on the uncontested adjusted assessed value as determined by the equalization aid review committee, any excess in foundation aid payments which resulted from the use of this uncontested adjusted assessed value in the aid determination shall be returned to the state by these districts.

Sec. 10. Laws 1969, Chapter 775, Section 4, Subdivision 3, is amended to read:

Subd. 3. [SPECIAL INTERMEDIATE SCHOOL DISTRICT NO. 916.] The intermediate school board, acting in its own behalf, may issue bonds for the acquisition and betterment of school facilities or equipment or for the funding or refunding of outstanding bonds, warrants, orders or certificates of indebtedness. Minnesota Statutes, Chapter 475, shall be applicable in all respects. The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. When such resolution has been adopted

by the intermediate school board it shall be published once in a newspaper of general circulation in said district.

The intermediate school board shall not sell and issue (SUCH) bonds *for acquisition or betterment purposes* until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for such intermediate district. The date of such election, the question to be submitted, and all other necessary conduct of such election shall be fixed by the intermediate school board and said election shall be conducted and canvassed under the direction of the intermediate school board in accordance with Minnesota Statutes, Section 123.32, insofar as the same may be deemed applicable.

If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may thereupon proceed with the sale and the issuance of said bonds. The full faith, credit and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness and none of such obligations shall be included in the net debt of any participating school district as defined by Minnesota Statutes, Section 475.51, Subdivision 4, or any other law similar thereto. The intermediate school board upon awarding a contract for the sale of such bonds shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of such bonds as provided by Minnesota Statutes, Section 475.61. The county auditor shall cause such taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of said intermediate school district. In all other respects Minnesota Statutes, Chapter 475, shall apply and said bonds shall be deemed authorized securities within the provisions of Minnesota Statutes, Section 50.14, and shall be deemed instruments of a public governmental agency and exempt from taxation under provisions of Minnesota Statutes, Chapter 290, or any other act similar thereto.

Sec. 11. Minnesota Statutes 1971, Section 121.21, Subdivision 5, is amended to read:

Subd. 5. The commissioner with the approval of the state board for vocational education is authorized to apportion and distribute funds to the local school districts under the provisions of this section, such apportionment and reimbursement to be on a cost basis for those trainees living outside of the local school districts; *provided however that in fiscal years 1975 and 1976 nonresident reimbursement shall be limited to: (1) expenditures approved by the state board for vocational education, (2) debt service, and (3) fixed costs; provided (HOWEVER) further that those school districts enrolling more than the state average of resident students shall receive nonresident aids based on the*

average percentage of nonresident attendance for the preceding school year for the state in area vocational-technical schools.

Sec. 12. Minnesota Statutes 1971, Chapter 121, is amended by adding a section to read:

[121.50] [EDUCATIONAL ASSESSMENT PROGRAM; APPROPRIATION.] *Subdivision 1. It is the policy of this state to provide assistance in measurement of the effectiveness of the public educational system.*

*Subd. 2. The commissioner or his representative is authorized to select a sample of public school pupils for purposes of the educational assessment program funded pursuant to Laws 1973, Chapter 768, Section 2, Subdivision 4.*

*Subd. 3. The board of any district may, by resolution and consistent with this section, enter into a written agreement with the department, if the commissioner determines it to be in the best interests of the assessment program, to have statewide educational assessment instruments as developed by the department administered to its pupils in excess of any sample of its pupils previously selected by the commissioner and in addition thereto any related services.*

*Subd. 4. The department is authorized to enter into a written agreement with a district to provide the services described in subdivision 3 which will protect the interest of the state as determined by the commissioner provided that such services will be on an actual cost basis to the district and in no event at direct cost expense to the state and provided further that a district which fails to remit the amount due and payable within 60 days of the date of billing shall forfeit that portion of any subsequent state aids otherwise earned and payable to such district which are equal to the amount due and payable under such agreement.*

*Subd. 5. All amounts received by the department pursuant to this section, including any state aids forfeited as provided by subdivision 4, shall forthwith be deposited with the state treasurer to be credited to the general fund in the state treasury.*

*Subd. 6. There is hereby continuously appropriated from the general fund to the department of education any and all amounts deposited by the department pursuant to subdivision 5 to be used for the purposes set out in this section.*

Sec. 13. Minnesota Statutes 1971, Section 123.37, Subdivision 1, is amended to read:

123.37 [INDEPENDENT SCHOOL DISTRICTS, CONTRACTS.] *Subdivision 1. No contract for work or labor, or for the purchase of furniture, fixtures, or other property, except*

books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed: (a) \$3,000 for school districts with an enrollment of students in grades 1 to 12 of less than 10,000, or (b) \$5,000 for all other school districts, shall be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. Such notice shall state the time and place of receiving bids and contain a brief description of the subject matter.

Such additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

*After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract shall be awarded to the lowest responsible bidder, duly executed in writing, and the person to whom the same is awarded shall give a sufficient bond to the board for its faithful performance, and otherwise conditioned as required by law. A record shall be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid shall be rejected unless the alteration or erasure is corrected as herein provided. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district shall be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts shall not exceed two years with an option on the part of the district to renew for an additional two years. Provided that in the case of purchase of perishable food items except milk for school lunches and vocational training programs a contract of any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.*

Every contract made without compliance with the provisions of this section shall be void. Provided, that in case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

*Firm bid contracts for the purchase of milk and ice cream renegotiated between August 25, 1973 and July 1, 1974 which provide for a price increase or decrease based upon a demonstrable industrywide or regional increase in the vendor's costs are valid and not void under this subdivision; provided that the adjustment shall not exceed the increase or decrease authorized in the applicable federal marketing order for raw milk; and provided further that a school district which did not renegotiate its contract before February 1, 1974, shall not adjust its contract to provide for price increases or decreases for purchases made before February 1, 1974.*

Sec. 14. Minnesota Statutes 1971, Section 123.37, is amended by adding a subdivision to read:

*Subd. 1a. [AUTHORITY TO PURCHASE.] The board may authorize its superintendent or business manager to lease, purchase, and contract for goods and services within the budget as approved by the board, provided that any transaction in an amount exceeding the minimum amount for which bids are required must first be specifically authorized by the board and must fulfill all other applicable requirements in section 123.37, subdivision 1.*

Sec. 15. Minnesota Statutes 1971, Section 123.37, is amended by adding a subdivision to read:

*Subd. 1b. Notwithstanding the provisions of subdivision 1, a contract for the transportation of school children may be made either by direct negotiation by obtaining two or more written quotations for the service, when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, negotiations shall be carried on at a meeting of the school board open to the public. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1.*

Sec. 16. Minnesota Statutes 1971, Section 123.39, Subdivision 1, is amended to read:

**123.39 [INDEPENDENT SCHOOL DISTRICTS, TRANSPORTATION.]** Subdivision 1. The board may provide for the free transportation of pupils to and from school, and to schools,

in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year as it may deem advisable, and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any district which at the time of the adoption of this code was a consolidated district or enjoyed the privileges of a consolidated district, the board shall arrange for the attendance of all pupils living two miles or more from the school, through suitable provision for transportation or for the boarding and rooming of such pupils as may be more economically and conveniently provided for by such means. The district is authorized to provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by such means *or who attend school in a building rented or leased by a district within the confines of an adjacent district.*

Sec. 17. Minnesota Statutes, 1973 Supplement, Section 124.04, is amended to read:

124.04 [CAPITAL EXPENDITURE TAXING AUTHORITY.] In addition to the tax levy prescribed by law for general and special school purposes, the board of any district may levy annually an amount not to exceed \$65 per pupil unit and not to exceed 10 mills on each dollar of assessed valuation of the taxable property in the district as adjusted for the preceding year by the equalization aid review committee notwithstanding the provisions of sections 272.64 and 275.49, provided that said levy may not exceed by more than two mills (three mills if the district adds units pursuant to section 124.17, subdivision 1, clause (7)) the levy under this section in the previous year *and provided further that any district which did not levy pursuant to this section in 1972 may certify a maximum levy of 6 mills not to exceed \$65 per pupil unit in 1974.* The tax so levied shall be collected in the manner provided by law for the collection of school taxes. The proceeds of the tax may be used only to acquire land, improve and repair school sites and to equip, re-equip, repair and improve buildings and permanent attached fixtures. Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

The proceeds of the tax shall not be used for custodial or other maintenance services.

Sec. 18. Minnesota Statutes, 1973 Supplement, Section 124.17, Subdivision 1, is amended to read:



124.17 [DEFINITION OF PUPIL UNITS.] Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school, for kindergarten and for handicapped pre-kindergarten pupils as defined in section 120.03, and enrolled in one-half day sessions throughout the school year or the equivalent thereof, approved by the commissioner of education, one-half pupil unit and other elementary pupils, one pupil unit.

(2) In secondary schools, pupils in junior high school or a six-year school and all other pupils in secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of a middle school shall be counted as secondary pupils.

(3) In area vocational-technical schools one and one-half pupil units.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil *in clauses (1) and (2)* from families receiving aid to families with dependent children or its successor program shall be counted as an additional five-tenths pupil unit. The department of public welfare is directed to furnish to the department of education that information concerning children from families with dependent children which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds (TEN) *nine* percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional  $35/100$  of a pupil unit; for those districts where the number of such pupils is more than eight percent but not more than (TEN) *nine* percent of the total pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional two-tenths of a pupil unit and for those districts where the number of such pupils is at least five percent but not more than eight percent of the total pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional one-tenth of a pupil unit. Such weighing shall be in addition to the weighing provided in clauses (1), (2), (3), and (4) of this section. School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents.

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units for such district shall equal the average of actual pupil units for the prior and current years.

(7) Where the actual number of pupil units has increased from the prior year by more than (FOUR) *three* percent, a number of pupil units equal to one fourth of the difference between the units as computed in clauses (1) and (2) for the two years shall be added to the other units for the district.

(8) Only pupil units in clauses (1)(,) and (2) (AND (3)) shall be used in computing adjusted maintenance cost per pupil unit.

Sec. 19. Minnesota Statutes 1971, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. *Membership for pupils in grades kindergarten through twelve, for pupils in area vocational-technical schools and for handicapped pre-kindergarten pupils* shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; provided that any pupil, *regardless of age*, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. Nothing in Extra Session Laws 1971, Chapter 31, shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session. For districts operating 12 months schools, days schools are in session shall mean the number of session days required by section 124.19, subdivision 1. The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which such pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil. Foundation aid for each pupil in such shared time classes shall be paid at a rate proportionate to aid paid for other resident pupils of the district providing instruction. A district shall not be entitled to transportation aid under section 124.22 for pupils enrolled on a shared time basis unless the statutes specifically provide for transportation aid to such student.

Sec. 20. Minnesota Statutes 1971, Section 124.17, is amended by adding a subdivision to read:

*Subd. 2a. Notwithstanding subdivision 2, pupils granted transitional year status shall continue to be counted as members on the current roll of the school for the remainder of the school year. For purposes of computing average daily membership transitional year pupils shall be considered to be enrolled every day school is in session for the remainder of the school year.*

Sec. 21. Minnesota Statutes, 1973 Supplement, Section 124.20, is amended to read:

**124.20 [AID COMPUTATION FOR SUMMER SCHOOL AND YEAR-ROUND CLASSES.]** State aid for summer school classes which are not a part of the regular school term in hospitals, sanatoriums, home instruction programs, and inter-session classes of year-round programs in elementary and secondary schools, and summer school instruction in area vocational schools or teachers college laboratory schools or in the university laboratory school shall be paid at a proportionate rate for aids paid during the regular school term, *provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs.*

Sec. 22. Minnesota Statutes, 1973 Supplement, Section 124.212, Subdivision 7a, is amended to read:

*Subd. 7a. For the 1974-1975 school year a district shall receive in foundation aid, the lesser of: (1) (\$820) \$825 per pupil unit less 30 mills times the 1972 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to section 124.212, subdivision 6a, clause (2), and the greater of (a) one-third of the difference that results when such greater sum is subtracted from (\$820) \$825, or (b) (\$32) \$37, bears to (\$820) \$825. This section shall not be construed as in any instance authorizing the levy of total amounts of taxes for school purposes in excess of the amount allowed by law on October 15, 1973.*

Sec. 23. Minnesota Statutes, 1973 Supplement, Section 124.212, Subdivision 10, is amended to read:

*Subd. 10. The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, and the commissioner of (TAXATION) revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. When such reviews disclose reasonable evidence that the assessed valuation of any district furnished by any county auditor is not based upon the market value of taxable property in such district, then said committee shall call upon the department of (TAXATION) revenue to ascertain the market value*

of such property, and adjust such values as required by law to determine the adjusted assessed valuation. The department of (TAXATION) *revenue* shall take such steps as it may consider necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of (TAXATION) *revenue* is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before (MAY 1) *March 15*, annually, the department of (TAXATION) *revenue* shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.

Sec. 24. Minnesota Statutes, 1973 Supplement, Section 124.222, Subdivision 1, is amended to read:

124.222 [TRANSPORTATION AID ENTITLEMENT.]  
Subdivision 1. [COMPUTATION.] For the 1974-1975 school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid: (1) The lesser product of either

(a) The actual net operating cost per eligible pupil transported during the 1975 fiscal year times the number of eligible pupils transported during the 1975 fiscal year; or

(b) (110) 115 percent of the actual net operating cost per eligible pupil transported during the year ending June 30, 1973, times the number of eligible pupils transported during the 1975 fiscal year;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year 1974;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of ten percent per year of the net cost of the fleet.

Sec. 25. Minnesota Statutes, 1973 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]  
For the 1974-1975 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils; provided that state transportation aid is authorized in an amount not to exceed \$700,000 annually for the transportation of any elementary pupil, if the commissioner determines that the transportation is necessary because of extraordinary traffic hazards;

(2) Transportation to or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) Transportation for residents to a state board approved secondary vocational center;

(4) Transportation or board and lodging of a handicapped pupil when he cannot be transported on a regular school bus, and the conveying of handicapped pupils between home and school and within the school plant;

(5) Transportation of resident handicapped (CHILDREN) *persons who fulfill the eligibility requirements of Minnesota Statutes, Section 252.23 (1) to licensed daytime activity centers attended by (THE CHILDREN) these persons;*

(6) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(7) Services described in clauses (1) to (6) when provided in conjunction with a state board approved summer school program.

Sec. 26. Minnesota Statutes 1971, Section 124.28, Subdivision 1, is amended to read:

124.28 [GROSS EARNINGS REFUND.] Subdivision 1. When the properties of any district are made up, to the extent of at least 20 percent in value of property which is exempt from local taxation because taxes thereon are paid into the state treasury under the provisions of the gross earnings tax law, for the

*refund receivable in fiscal year 1974 and thereafter* such district shall receive annually a refund from such gross earnings taxes in the amount that would be produced by a tax on such exempt property at *three times* the current tax rate for school purposes in the district including the rate for nonresident high school children levied by the county provided that any district which has 15 percent in value of such exempt property and presently receiving gross earnings refund shall continue to receive it until June 30, 1963. For the purpose of determining the amount of this refund, the value of such exempt property shall be set at 30 percent of its full (AND TRUE) value except that in no case shall the assessed value of said exempt property for this purpose exceed such an amount as when added to the assessed value of all other property in the district exceed (\$3,000) \$9,000 per resident pupil unit. In the determination of the amounts to which districts shall be entitled in the distribution of any state aids that are based upon total valuation per pupil this valuation shall be included.

Sec. 27. Minnesota Statutes, 1973 Supplement, Section 124.30, Subdivision 2, is amended to read:

Subd. 2. *For fiscal year 1974 and thereafter*, no district with an assessed valuation of (\$1,300) \$3,900 or more per pupil unit in average daily membership shall receive any aid under the provisions of this section. This subdivision does not apply to any district formed in accordance with the provisions of the consolidation law, in which more than 85 percent of the lands are tax exempt nor to any district with more than 30 townships in which more than 50 percent of the land in such district is tax exempt.

Sec. 28. Minnesota Statutes 1971, Section 270.11, Subdivision 2, is amended to read:

Subd. 2. [COUNTY AUDITOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.] The commissioner of (TAXATION) *revenue* shall require the auditor of each county in the state to file with him, on or before August 1, each year, complete abstracts of all real and personal property in the county, as equalized by the county board of equalization, and itemized by assessment districts, accompanied by a printed or typewritten copy of the proceedings of the county board of equalization, and it shall be the duty of the county auditor to so report to the commissioner of (TAXATION) *revenue*.

*The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before January 1 of each calendar year.*

Sec. 29. Minnesota Statutes, 1973 Supplement, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In 1973, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1972 adjusted assessed valuation of the district times the number of mills, not to exceed 30, that bears the same relation to 30, as the greater sum computed pursuant to section 124.212, subdivision 7a, clause (2), bears to \$820.

(2) In 1974, a school district may levy for all general and special school purposes, an amount equal to the amount raised by the 1973 adjusted assessed valuation of the district times the number of mills, not to exceed 30, that bears the same relation to 30, as the sum of the greater sum computed pursuant to section 124.212, subdivision 7a, clause (2), and the greater of (a) one-half of the difference that results when such greater sum is subtracted from (\$860) \$875, or (b) (\$40) \$50, bears to (\$860) \$875.

(3) The levy authorized by clauses (1) or (2) may be increased to any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held in a single school year. The question on the ballot shall be whether a specific millage which will yield a specific amount based on the most recent assessed valuation may be added to that authorized by clauses (1) or (2). If approved, the amount provided by the millage applied to each year's assessed valuation shall be authorized for certification until revoked by the voters of the district at a subsequent referendum, which may be called by the school board and which shall be called by the school board upon the written petition of qualified voters of the district unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. A petition authorized by this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board unless the petition for revocation is submitted in the same year in which a levy has been increased by the voters pursuant to this clause. Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

Sec. 30. Minnesota Statutes, 1973 Supplement, Section 275.125, Subdivision 3, is amended to read:

Subd. 3. In addition to the levy authorized by section 275.125, subdivision 2a, a qualifying district may levy additional amounts as follows:

(1) The amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by clause (7) (C) of this subdivision, and for repayment of debt service loans and capital loans, the amount authorized for capital expenditures pursuant to section 124.04 and the amount authorized for liabilities of dissolved districts pursuant to section 122.45.

(2) For school transportation services, an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year; provided that in 1973 and thereafter a district having boundaries coterminous with the boundaries of a city of the first class may levy an amount not to exceed 20 percent of its costs for transportation and related services for which state aid is authorized for the 1974-1975 school year and thereafter, and provided further that a district may levy under this clause for the annual cash payments to be made for the purchase of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation; *and provided further that beginning with the levy certified in 1974, a district may levy for that portion of transportation costs approved by the commissioner as qualifying for aid because of extraordinary traffic hazards but for which no state aid is receivable for the current fiscal year pursuant to section 124.223, clause (1).*

(3) For purposes of the 1973 levy, collectible in 1974, any district which qualified for an extra levy under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4), shall be allowed to levy the same amount per pupil unit allowed by that clause. Provided, however, that a district having boundaries coterminous with the boundaries of a city of the first class which was affected by the limitation of an extra levy not to exceed 1.5 mills times the adjusted assessed valuation of the district shall be allowed to levy 1.9 mills. For purposes of the 1973 levy, collectible in 1974, any district which qualified for an extra levy in 1971, collectible in 1972, under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3) but did not qualify for an extra levy under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4) in 1972, collectible in 1973, shall be allowed to levy the amount per pupil unit it was qualified to levy under Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3).

(4) In 1973 only, for a district which was authorized to levy pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3), but which was not authorized to levy pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4), an amount not to exceed the aggregate amount authorized by Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (3).



(5) (A DISTRICT WHICH QUALIFIED FOR A LEVY UNDER CLAUSE (3) ABOVE SHALL BE ALLOWED TO LEVY THAT SAME AMOUNT PER PUPIL UNIT IN 1974) *For the 1974 levy, collectible in 1975, any district, in which the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership was greater than \$663 per pupil unit, may levy an amount per pupil unit which is equal to or less than the difference between the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership and \$663 per pupil unit, reduced by two and one-half percent. (THE PER PUPIL AMOUNT OF THE REDUCTION SHALL BE ROUNDED DOWN TO THE DOLLAR.) No district may levy under this clause an amount which exceeds the sum of the levy permitted under Minnesota Statutes, 1973 Supplement, Section 275.125, Subdivision 3(3) and the amount raised by 2 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. Provided, however, that a district (WITHIN) with boundaries coterminous with the boundaries of a city of the first class which was affected by the limitation of an extra levy not to exceed 1.9 mills times the adjusted assessed valuation of the district shall be allowed to levy (THE 1.9) 2.0 mills.*

(6) For districts in cities of the first class, maintaining post secondary vocational schools, one half mills times the adjusted assessed valuation of the taxable property of the district for the preceding year; and for other districts maintaining post secondary vocational schools, three mills times the adjusted assessed valuation of the taxable property of the district for the preceding year, provided that districts formed pursuant to Laws 1967, Chapter 822, and Laws 1969, Chapters 775 and 1060, shall be subject to the levy limitations imposed by those laws, as amended.

(7) (A) In order that the transition from existing patterns of financing public schools to the system prescribed in Extra Session Laws 1971, Chapter 31, Article 20 may be made in an orderly fashion, a district may levy an additional levy under the terms of this section.

(B) If that part of the levy certified by the school district in 1970, received in 1971, plus so much of the levy, allowed under subdivisions 2 and 3, sections 1 to 5 of this act, to be certified in 1971, received in 1972, as will be received between July 1, 1971 and June 30, 1972, and when added to all other state aids, local funds available and net existing local debts, exclusive of bonded debt and existing capital loans will not be sufficient to allow a district to spend an amount per pupil unit sufficient to raise its 1970-1971 adjusted maintenance cost per pupil unit by \$42 it may petition the commissioner of education for authority to levy an additional levy. Before such a levy can be made, the commissioner must authorize such a levy. Such authorization shall specify the amount of the levy, provided that such levy may not exceed .5 mills in a city of the first class or 1.5 mills in any other dis-

trict times the 1970 adjusted assessed valuation of the district as determined by the equalization aid review committee.

(C) If the additional levy allowed in (B) is insufficient to raise the adjusted maintenance cost of a district to \$42 above its costs in 1970-1971 it may petition the commissioner of education for authority to issue general obligation bonds of an amount sufficient to meet the deficiency. The commissioner must authorize such a bond issue. The authorization shall specify the amount of the bond issue provided that the levy authorization to pay the principal and interest on the bonds may not exceed .5 mills in a district within a city of the first class, or 1.5 mills in any other district, times the 1970 adjusted assessed valuation of the district as determined by the equalization aid review committee. The bonds authorized by this section shall be sold and issued pursuant to the provisions of chapter 475, except as otherwise provided herein. Such bonds shall not be included in computing any debt limitation for a district and no election shall be required for their sale and issuance.

A district may not be authorized an additional levy under both (B) and (C) of this section.

(8) In 1973, and each year thereafter, for a district which has established a community school advisory council pursuant to section 121.88, whether or not the district receives reimbursement from the state pursuant to section 121.89, an amount of money raised by the greater of (A) \$1 per capita, or (B) the number of mills not to exceed the number of mills necessary in 1973 to raise \$1 per capita in 1973 for community services including summer school, nonvocational adult programs, recreation programs, and programs contemplated by sections 121.85 to 121.89.

The population of the district for purposes of this clause is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

(9) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, shall reduce the permissible levies authorized by this subdivision by 25 percent in 1973, 50 percent in 1974, 75 percent in 1975, and 100 percent for each year thereafter of that portion of the previous year's payment not deducted from foundation aid on account of the payment, unless such a levy reduction is otherwise required by law. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies.

(10) The commissioner shall certify to the county auditors (ANY ERRORS MADE IN 1971 AND 1972 IN GENERAL AND SPECIAL PURPOSE LEVY AMOUNTS) *the levy limits for all school districts headquartered in the respective counties*

together with adjustments for errors in levies not penalized pursuant to subdivision 4 as well as adjustments to final pupil unit counts.

A school district shall have the right to require the commissioner to review his certification and to present evidence in support of modification of his certification.

The county auditor (IS AUTHORIZED TO ADJUST THE 1973 LEVY TO CORRECT FOR THE ERRORS) shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may at the discretion of the school district be spread over not to exceed two calendar years.

(11) The commissioner of education shall certify to the county auditors any underlevies made in 1971 and 1972 in the transportation levy amounts. The 1971 underlevies shall be determined to be (1) the actual net costs of reimbursable transportation as reported to the department of education for the 1972-1973 school year plus the amount expended by the district to acquire school buses in 1972-1973 used for reimbursable transportation, less (2) the 1971 certified transportation levy as amended and state aids received in 1972-1973 for transportation including depreciation. Underlevies in the 1972 transportation levy shall be computed in like manner using 1973-1974 costs and state aids received in the 1973-1974 school year. The 1974 levy shall be adjusted to correct for such underlevies, provided that upon written request of the affected school board to the commissioner, the adjustment shall be prorated in the 1974 and 1975 transportation levies. No district may levy under this clause in any year an amount which exceeds the amount raised by a levy of two mills times the previous year's adjusted assessed valuation of the taxable property of the district.

(12) When a district finds it economically advantageous to rent or lease existing school buildings for instructional purposes, and the proceeds of the levy permitted under section 124.04 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes.

Sec. 31. Minnesota Statutes 1971, Section 275.125, Subdivision 7, is amended to read:

Subd. 7. By November 1 of each year ((DECEMBER 1, IN 1971 ONLY)) each district shall submit to the commissioner of education (AND THE COMMISSIONER OF TAXATION) a certificate of compliance with the levy limitations of this section (AND OF SECTION 124.04). The commissioner of (TAXATION) *education* shall prescribe the form of this certificate.

Sec. 32. [APPROPRIATION.] There is appropriated from the general fund of the state treasury to the department of education the following sums for the year ending June 30, 1975 and for the purposes indicated:

(1) Foundation aid ..... \$5,549,000

This appropriation shall be added to the \$497,500,000 appropriated in Laws 1973, Chapter 683, Section 28, Clause (1).

(2) Transportation aid ..... \$2,700,000

This appropriation shall be added to the \$51,000,000 appropriated in Laws 1973, Chapter 683, Section 28, Clause (2).

(3) Right to read ..... \$200,000

This appropriation shall be added to the \$1,751,440 appropriated in Laws 1973, Chapter 768, Section 2, Subdivision 1, and shall be used solely to supplement the \$100,000 designated for the right to read program for the fiscal year ending June 30, 1975.

(4) Educational assessment ..... \$100,000

This appropriation shall be added to the \$796,800 appropriated in Laws 1973, Chapter 768, Section 2, Subdivision 4, and shall be used solely for the purposes of the educational assessment program.

(5) Council on quality education ..... \$250,000

This appropriation shall be used for funding early childhood identification and education programs pursuant to sections 2 to 6 of this act. No more than \$10,000 may be expended for administration of these programs by the council on quality education and no more than \$10,000 may be expended for evaluation of these programs.

(6) Educational television ..... \$100,000

Of this appropriation an amount not to exceed \$20,000 shall be made available by the commissioner to each Minnesota mem-

ber station of Midwestern Educational Television, Incorporated upon the request of the director of the member station.

Sec. 33. Sections 1, 2, 3, 4, 5, 6, 8, 9, 11, 13, 14, 15, 17, 21, 26 and 27 of this act shall be effective the day following final enactment. Section 10 of this act shall be effective following final enactment and upon the approval of a majority of the governing body of special intermediate school district No. 916 and upon compliance with Minnesota Statutes, Section 645.021, except the last sentence of section 645.021, subdivision 1, shall not apply to section 10. Section 12 of this act shall be effective the day following final enactment for the biennium ending June 30, 1975 and shall expire June 30, 1975.

Sec. 34. Minnesota Statutes 1971, Section 124.13, is repealed."

Further, amend the title by striking it in its entirety and inserting the following:

"A bill for an act relating to operation of government; providing for aids to education, tax levies, and the distribution of tax revenues; changing the funding of post-secondary vocational-technical education to a current funding basis; granting certain powers to school districts and the state board of education; establishing early childhood identification and education pilot programs and a transitional year procedure; school district contracts; educational assessment; appropriating money; amending Laws 1969, Chapter 775, Section 4, Subdivision 3; amending Minnesota Statutes 1971, Chapter 121, by adding a section; Sections 121.21, Subdivision 5; 123.37, Subdivision 1 and by adding subdivisions; 123.39, Subdivision 1; 124.17, Subdivision 2 and by adding a subdivision; 124.28, Subdivision 1; 270.11, Subdivision 2; 275.125, Subdivision 7; Minnesota Statutes, 1973 Supplement, Sections 124.04; 124.17, Subdivision 1; 124.20; 124.212, Subdivisions 7a and 10; 124.222, Subdivision 1; 124.223; 124.30, Subdivision 2; and 275.125, Subdivisions 2a and 3; repealing Minnesota Statutes 1971, Section 124.13."

We request adoption of this report and repassage of the bill in accordance therewith.

House Conferees: JOSEPH P. GRABA, CARL M. JOHNSON, TOM BERG, SALISBURY ADAMS, and GILBERT ESAU.

Senate Conferees: JERALD C. ANDERSON, JEROME M. HUGHES, DOUGLAS H. SILLERS, JOSEPH T. O'NEILL, and NORBERT ARNOLD.

Graba moved that the report of the Conference Committee on H. F. No. 2996 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Klaus was excused for the remainder of today's session.

H. F. No. 2996, A bill for an act relating to government; aids to education; tax levies; distribution of tax revenues; appropriating money; amending Minnesota Statutes, 1973 Supplement, Sections 124.17, Subdivision 1; 124.20; 124.212, Subdivisions 7a and 10; 124.222, Subdivision 1; 124.30, Subdivision 2; 275.125, Subdivisions 2a and 3; Minnesota Statutes 1971, Sections 123.39, Subdivisions 1 and 5; 124.28, Subdivision 1; 270.11, Subdivision 2; 275.125, Subdivision 7; and repealing Minnesota Statutes 1971, Section 124.13.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 125, and nays 0, as follows:

Those who voted in the affirmative were:

Adams, J.	Dieterich	Johnson, R.	Miller, M.	Samuelson
Andersen, R.	Dirlam	Jopp	Moe	Sarna
Anderson, D.	Eckstein	Jude	Munger	Savelkoul
Anderson, G.	Eken	Kahn	Myrah	Schreiber
Anderson, I.	Enebo	Kelly	Nelson	Schulz
Becklin	Erdahl	Kempe	Newcome	Searle
Belisle	Erickson	Knickerbocker	Niehaus	Sherwood
Bell	Esau	Knoll	Norton	Sieben, H.
Bennett	Faricy	Kostohryz	Ohnstad	Sieben, M.
Berg	Ferderer	Kvam	Ojala	Skaar
Berglin	Fjoslien	Laidig	Parish	Smith
Biersdorf	Fudro	Larson	Patton	Spanish
Braun	Fugina	LaVoy	Pavlak, R.	Stanton
Brinkman	Graba	Lemke	Pavlak, R. L.	Swanson
Carlson, A.	Graw	Lindstrom, E.	Pehler	Tomlinson
Carlson, B.	Growe	Lindstrom, J.	Peterson	Ulland
Carlson, D.	Hagedorn	Lombardi	Pieper	Vanasek
Carlson, L.	Hanson	Mann	Pleasant	Vento
Casserly	Haugerud	McArthur	Prahl	Voss
Clifford	Heinitz	McCarron	Quirin	Weaver
Connors	Hook	McCauley	Resner	Wenzel
Culhane	Jacobs	McEachern	Rice	Wigley
Cummiskey	Jaros	McMillan	Ryan	Wohlwend
Dahl	Johnson, D.	Menke	St. Onge	Wolcott
DeGroat	Johnson, J.	Miller, D.	Salchert	Mr. Speaker

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

## MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

H. F. No. 3512, A bill for an act relating to the city of St. Paul; increasing the maximum amount of severance pay; increasing

the authorized tax levy for severance pay; amending Laws 1959, Chapter 690, Sections 2 and 3, as amended.

The Senate has appointed as such committee Messrs. Chenoweth, Kirchner and Gearty.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, I., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

#### MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee, consisting of 5 members of the Senate, on the amendments adopted by the Senate to the following House File:

H. F. No. 3707, A bill for an act relating to taxation; providing for the taxation of oleomargarine and liquor; amending Minnesota Statutes 1971, Section 33.10, Subdivision 1 and by adding a subdivision; and Minnesota Statutes, 1973 Supplement, Section 340.47, Subdivision 1.

The Senate has appointed as such committee Messrs. Coleman; Conzemius; Borden; Olson, A. G.; and Frederick.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Anderson, I., for the Committee on Rules and Legislative Administration, designated the following bill as a Special Order for immediate action by the House: S. F. No. 67.

#### SPECIAL ORDERS

S. F. No. 67 was reported to the House.

Pavlak, R., moved to amend S. F. No. 67 as follows:

Strike everything after the enacting clause and insert in lieu thereof:

"Section 1. Minnesota Statutes, 1973 Supplement, Section 85.015, is amended by adding a subdivision to read:

*Subd. 12. Heartland Trail, Hubbard and Cass counties.*

*(a) The trail shall originate at mile post 90.92 at Park Rapids in Hubbard county and shall extend in an easterly direction along the Burlington Northern Railroad right-of-way to the south line of Oak Avenue in Walker in Cass county. The trail shall then continue from the section line between sections 9 and 16, Township 142 North, Range 31 West, in a northerly direction along the Burlington Northern Railroad right-of-way to mile post 137.78, approximately 2 miles south of Cass Lake in Cass county, and there terminate.*

*(b) The trail shall be developed primarily for riding and hiking.*

*(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Heartland Trail may be acquired by eminent domain. Before acquiring any land or interest in land by eminent domain the commissioner of administration shall obtain the approval of the governor. The governor shall consult with the legislative advisory committee before granting his approval. Recommendations of the legislative advisory committee shall be advisory only. Failure or refusal of the committee to make a recommendation shall be deemed a negative recommendation.*

Sec. 2. Minnesota Statutes, 1973 Supplement, Section 85.015, is amended by adding a subdivision to read:

*Subd. 13. Taconite Trail, St. Louis and Itasca counties.*

*(a) The trail shall originate at Ely in St. Louis county and extend southwesterly to Tower in St. Louis county, thence westerly to McCarthy Beach state park in St. Louis county, thence southerly crossing state trunk highway number 169 at O'Brien creek between Keewatin and Nashwauk in Itasca county, thence southwesterly to Blackberry in Itasca county and there terminate.*

*(b) The trail shall be developed primarily for riding and hiking.*

*(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Taconite Trail may be ac-*



*quired by eminent domain. Before acquiring any land or interest in land by eminent domain the commissioner of administration shall obtain the approval of the governor. The governor shall consult with the legislative advisory committee before granting his approval. Recommendations of the legislative advisory committee shall be advisory only. Failure or refusal of the committee to make a recommendation shall be deemed a negative recommendation."*

Strike the title and insert in lieu thereof:

"A bill for an act relating to natural resources; authorizing the establishment of additional state trails; amending Minnesota Statutes, 1973 Supplement, Section 85.015, by adding subdivisions."

The motion prevailed and the amendment was adopted.

S. F. No. 67, A bill for an act relating to natural resources; authorizing the commissioner of administration to acquire by eminent domain, under certain conditions, land or interests in land being acquired for natural resource purposes; amending Minnesota Statutes 1971, Sections 85.012, Subdivision 1; 85.013, Subdivision 1.

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

The question being taken on the passage of the bill and the roll being called, there were yeas 93, and nays 6, as follows:

Those who voted in the affirmative were:

Adams, J.	Eken	Kelly	Nelson	Sarna
Andersen, R.	Enebo	Kempe	Newcome	Schulz
Anderson, I.	Faricy	Knickerbocker	Norton	Searle
Belisle	Ferderer	Knoll	Ojala	Sherwood
Bell	Forsythe	Kostohryz	Parish	Sieben, H.
Bennett	Fudro	Laidig	Patton	Skaar
Berg	Fugina	Larson	Pavlak, R.	Smith
Berglin	Graba	LaVoy	Pavlak, R. L.	Stanton
Biersdorf	Graw	Lindstrom, E.	Pehler	Swanson
Braun	Growe	Lombardi	Peterson	Tomlinson
Brinkman	Hanson	Mann	Pieper	Vanasek
Carlson, A.	Haugerud	McArthur	Pleasant	Vento
Carlson, B.	Hook	McCarron	Prahl	Voss
Carlson, L.	Johnson, D.	McEachern	Quirin	Weaver
Casserly	Johnson, J.	McMillan	Resner	Wigley
Connors	Johnson, R.	Menke	Ryan	Wolcott
Dahl	Jopp	Miller, D.	St. Onge	Mr. Speaker
Dieterich	Jude	Moe	Salchert	
Dirlam	Kahn	Munger	Samuelson	

Those who voted in the negative were:

Erdahl	Miller, M.	Myrah	Niehaus	Wenzel
Erickson				

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

### CONSIDERATION UNDER RULE 72

Pursuant to Rule 72, Pavlak, R., requested immediate consideration of S. F. No. 3213.

S. F. No. 3213, A bill for an act relating to the distribution of taxes accruing to the statutory city of Cooley under Minnesota Statutes, Sections 298.24 and 298.32.

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

The question being taken on the passage of the bill and the roll being called, there were yeas 117, and nays 0, as follows:

Those who voted in the affirmative were:

Adams, J.	Eckstein	Kahn	Myrah	Saveikoul
Andersen, R.	Eken	Kelly	Nelson	Schreiber
Anderson, D.	Enebo	Kempe	Newcome	Schulz
Anderson, G.	Erdahl	Knickerbocker	Niehaus	Searle
Anderson, I.	Erickson	Knoll	Norton	Sherwood
Becklin	Faricy	Kostohryz	Ohnstad	Sieben, H.
Belisle	Ferderer	Kvam	Ojala	Sieben, M.
Bell	Fjoslien	Laidig	Parish	Skaar
Bennett	Forsythe	Larson	Patton	Smith
Berg	Fudro	LaVoy	Pavlak, R.	Stanton
Berglin	Fugina	Lemke	Pavlak, R. L.	Swanson
Biersdorf	Graba	Lindstrom, E.	Pehler	Tomlinson
Braun	Graw	Lombardi	Peterson	Ulland
Brinkman	Growe	Mann	Pieper	Vanasek
Carlson, A.	Hanson	McArthur	Pleasant	Vento
Carlson, B.	Haugerud	McCarron	Prahl	Voss
Carlson, D.	Hook	McCauley	Quirin	Weaver
Carlson, L.	Jacobs	McEachern	Resner	Wenzel
Casserly	Jaros	McMillan	Rice	Wigley
Connors	Johnson, D.	Menke	Ryan	Wolcott
Culhane	Johnson, J.	Miller, D.	St. Onge	Mr. Speaker
Dahl	Johnson, R.	Miller, M.	Salchert	
Dieterich	Jopp	Moe	Samuelson	
Dirlam	Jude	Munger	Sarna	

The bill was passed and its title agreed to.

### MESSAGES FROM THE SENATE, Continued

Mr. Speaker:

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

H. F. No. 568, A bill for an act proposing an amendment to the Minnesota Constitution, repealing Article IV, Section 32(a);

providing that changes from gross earnings taxation of railroads may be made without referendum.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Pavlak, R., moved that the House concur in the Senate amendments to H. F. No. 568 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 568, A bill for an act proposing an amendment to the Minnesota Constitution, repealing Article IV, Section 32 (a), or Article X, Section 7, of the proposed revised constitution; permitting the legislature to establish the rate and method of taxing railroads.

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

The question being taken on the repassage of the bill and the roll being called, there were yeas 118, and nays 0, as follows:

Those who voted in the affirmative were:

Adams, J.	Dirlam	Johnson, R.	Moe	Sarna
Andersen, R.	Eckstein	Jopp	Munger	Savelkoul
Anderson, D.	Eken	Jude	Myrah	Schreiber
Anderson, G.	Enebo	Kahn	Nelson	Schulz
Anderson, I.	Erdahl	Kelly	Newcome	Searle
Becklin	Erickson	Kempe	Niehaus	Sherwood
Belisle	Esau	Knickerbocker	Norton	Sieben, H.
Bell	Faricy	Knoll	Ohnstad	Sieben, M.
Bennett	Ferderer	Kostohryz	Ojala	Skaar
Berg	Fjoslien	Kvam	Parish	Smith
Berglin	Forsythe	Laidig	Patton	Stanton
Biersdorf	Fudro	Larson	Pavlak, R.	Swanson
Braun	Fugina	LaVoy	Pavlak, R. L.	Tomlinson
Brinkman	Graba	Lemke	Pehler	Ulland
Carlson, A.	Graw	Lindstrom, E.	Peterson	Vanasek
Carlson, B.	Growe	Lombardi	Pieper	Vento
Carlson, D.	Hanson	Mann	Pleasant	Voss
Carlson, L.	Haugerud	McArthur	Prahl	Weaver
Casserly	Heinitz	McCarron	Quirin	Wenzel
Clifford	Hook	McCauley	Resner	Wigley
Connors	Jacobs	McEachern	Rice	Wolcott
Culhane	Jaros	Menke	Ryan	Mr. Speaker
Dahl	Johnson, D.	Miller, D.	St. Onge	
Dieterich	Johnson, J.	Miller, M.	Salchert	

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

## ADJOURNMENT

Mr. Anderson, I., moved that when the House adjourns today it adjourn until 9:00 a.m., Thursday, March 28, 1974. The motion prevailed.

Mr. Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Thursday, March 28, 1974.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

