

STATE OF MINNESOTA

SEVENTY-FIRST SESSION - 1980

EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 26, 1980

The House of Representatives convened at 10:30 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:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Eken | Kaley | Niehaus | Sherwood |
| Ainley | Elioff | Kalis | Norman | Sieben, H. |
| Albrecht | Ellingson | Kelly | Novak | Sieben, M. |
| Anderson, B. | Erickson | Kempe | Nysether | Simoneau |
| Anderson, D. | Esau | Knickerbocker | Olsen | Stadum |
| Anderson, G. | Evans | Kostohryz | Onnen | Stoa |
| Anderson, I. | Ewald | Kroening | Osthoff | Stowell |
| Anderson, R. | Faricy | Kvam | Otis | Sviggum |
| Battaglia | Fjoslien | Laidig | Patton | Swanson |
| Begich | Forsythe | Lehto | Pehler | Thiede |
| Berglin | Friedrich | Levi | Peterson, B. | Tomlinson |
| Berkelman | Fritz | Long | Peterson, D. | Valan |
| Biersdorf | Fudro | Ludeman | Piepho | Valento |
| Blatz | Greenfield | Luknic | Pleasant | Vanasek |
| Brinkman | Halberg | Mann | Prahl | Voss |
| Byrne | Haukoos | McCarron | Redalen | Waldorf |
| Carlson, D. | Heap | McDonald | Reding | Weaver |
| Carlson, L. | Heinitz | McEachern | Rees | Welch |
| Casserly | Hoberg | Mehrkens | Reif | Welker |
| Clark | Hokanson | Metzen | Rice | Wenzel |
| Clawson | Jacobs | Minne | Rodriguez | Wieser |
| Corbid | Jaros | Moe | Rose | Wigley |
| Crandall | Jennings | Munger | Rothenberg | Wynia |
| Dean | Johnson, C. | Murphy | Sarna | Zubay |
| Dempsey | Johnson, D. | Nelsen, B. | Schreiber | Spkr. Norton |
| Den Ouden | Jude | Nelsen, M. | Searle | |
| Drew | Kahn | Nelson | Searles | |

A quorum was present.

Adams was excused until 2:00 p.m.

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1047, 1710, 1655, 2090, 2045, 2211 and 2353 and S. F. Nos. 2044, 2092, 1618, 1655, 210, 1021, 1235, 1962, 1805, 1861, 2172 and 1415 have been placed in the members' files.

S. F. No. 1415 and H. F. No. 1255, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Casserly moved that the rules be so far suspended that S. F. No. 1415 be substituted for H. F. No. 1255 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1618 and H. F. No. 1678, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Valan moved that the rules be so far suspended that S. F. No. 1618 be substituted for H. F. No. 1678 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

March 18, 1980

The Honorable Fred C. Norton
Speaker of the House
State of Minnesota

Dear Speaker Norton:

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

H. F. No. 455, relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state

board of education after consultation with the commissioner of human rights to promulgate certain rules; providing for the rights of certain parties in the case of certain sex discrimination charges; requiring the Minnesota state high school league to transact business in an open meeting; amending Minnesota Statutes 1978, Sections 126.21; 129.121, by adding a subdivision; and 363.02, Subdivision 3.

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

March 24, 1980

The Honorable Fred C. Norton
Speaker of the House
State of Minnesota

Dear Speaker Norton:

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

H. F. No. 2110, relating to motor vehicles; authorizing the identification of certain tax exempt vehicles by use of removable plates or placards; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

H. F. No. 1488, relating to St. Louis County; providing authority to negotiate public employees wages.

Sincerely,

ALBERT H. QUIE
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

March 25, 1980

The Honorable Fred C. Norton
Speaker of the House
State of Minnesota

Dear Speaker Norton:

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

H. F. No. 1932, relating to Independent School District No. 535, Rochester; providing that its school board may organize at a time other than the time required for the organization of the board of an independent district;

H. F. No. 2012, relating to motor vehicles; authorizing personalized license plates bearing radio or television station call signals or letters;

H. F. No. 1656, relating to motor vehicles; providing for delivery of motor vehicle certificates of title to owners upon satisfaction of a security interest;

H. F. No. 1666, relating to transportation; repealing a certain administrative rule of the department of transportation enforcing parallel parking on certain streets and highways.

Sincerely,

ALBERT H. QUIE
Governor

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

March 25, 1980

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| <i>S.F. No.</i> | <i>H.F. No.</i> | <i>Session Laws Chapter No.</i> | <i>Date Approved 1980</i> | <i>Date Filed 1980</i> |
|---------------------|---------------------|-------------------------------------|-------------------------------|----------------------------|
| | 2110 | 364 | March 24 | March 24 |
| | 1488 | 365 | March 24 | March 24 |
| 1755 | | 366 | March 24 | March 24 |
| 1296 | | 367 | March 24 | March 24 |

| <i>S.F. No.</i> | <i>H.F. No.</i> | <i>Session Laws Chapter No.</i> | <i>Date Approved 1980</i> | <i>Date Filed 1980</i> |
|---------------------|---------------------|-------------------------------------|-------------------------------|----------------------------|
| 920 | | 368 | March 24 | March 24 |
| | 1656 | 369 | March 25 | March 25 |
| | 1666 | 370 | March 25 | March 25 |
| | 1932 | 371 | March 25 | March 25 |
| | 2012 | 372 | March 25 | March 25 |
| 273 | | 373 | March 25 | March 25 |
| 759 | | 374 | March 25 | March 25 |
| 1609 | | 375 | March 25 | March 25 |

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 1415 and 1618 were read for the second time.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 1962, A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; imposing certain duties on the registrar of motor vehicles; amending Minnesota Statutes 1978, Sections 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 1962 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1962, A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; amending Minnesota Statutes 1978, Sections 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17.

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

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

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|------------|--------------|--------------|
| Aasness | Eken | Kaley | Niehaus | Simoneau |
| Ainley | Elioff | Kalis | Novak | Stadum |
| Albrecht | Erickson | Kelly | Nysether | Stoa |
| Anderson, B. | Esau | Kempe | Olsen | Stowell |
| Anderson, D. | Evans | Kostohryz | Onnen | Sviggun |
| Anderson, G. | Ewald | Kroening | Otis | Swanson |
| Anderson, I. | Faricy | Kvam | Patton | Thiede |
| Anderson, R. | Fjoslien | Laidig | Pehler | Tomlinson |
| Battaglia | Forsythe | Lehto | Peterson, B. | Valan |
| Begich | Friedrich | Levi | Peterson, D. | Valento |
| Berkelman | Fritz | Long | Piepho | Vanasek |
| Biersdorf | Fudro | Ludeman | Pleasant | Voss |
| Blatz | Greenfield | Luknic | Prahl | Waldorf |
| Brinkman | Halberg | Mann | Redalen | Weaver |
| Byrne | Haukoos | McCarron | Reding | Welch |
| Carlson, D. | Heap | McDonald | Rees | Welker |
| Carlson, L. | Heinitz | McEachern | Reif | Wenzel |
| Casserly | Hoberg | Mehrkins | Rice | Wieser |
| Clark | Hokanson | Metzen | Rodriguez | Wigley |
| Clawson | Jacobs | Minne | Rose | Wynia |
| Corbid | Jaros | Moe | Sarna | Zubay |
| Crandall | Jennings | Munger | Searle | Spkr. Norton |
| Dean | Johnson, C. | Murphy | Searles | |
| Dempsey | Johnson, D. | Nelsen, B. | Sherwood | |
| Den Ouden | Jude | Nelsen, M. | Sieben, H. | |
| Drew | Kahn | Nelson | Sieben, M. | |

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. Nos. 1763, 2045, 1655 and 2353.

H. F. No. 1763, A bill for an act relating to education; increasing the bonding authority of the higher education coordinat-

ing board; amending Minnesota Statutes, 1979 Supplement, Section 136A.171.

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

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

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Elioff | Kelly | Niehaus | Searles |
| Ainley | Ellingson | Kempe | Novak | Sherwood |
| Albrecht | Erickson | Knickerbocker | Nysether | Sieben, M. |
| Anderson, B. | Esau | Kostohryz | Olsen | Simoneau |
| Anderson, D. | Evans | Kroening | Onnen | Stadum |
| Anderson, G. | Ewald | Kvam | Osthoff | Stoa |
| Anderson, I. | Faricy | Laidig | Otis | Stowell |
| Anderson, R. | Fjoslien | Lehto | Patton | Sviggum |
| Battaglia | Forsythe | Levi | Pehler | Swanson |
| Begich | Friedrich | Long | Peterson, B. | Thiede |
| Berkelman | Fritz | Ludeman | Peterson, D. | Tomlinson |
| Biersdorf | Fudro | Luknic | Piepho | Valan |
| Blatz | Greenfield | Mann | Pleasant | Valento |
| Brinkman | Halberg | McCarron | Prahl | Vanasek |
| Byrne | Haukoos | McDonald | Redalen | Voss |
| Carlson, D. | Heap | McEachern | Reding | Waldorf |
| Carlson, L. | Heinitz | Mehrkins | Rees | Weaver |
| Clark | Hoberg | Metzen | Reif | Welch |
| Clawson | Hokanson | Minne | Rice | Welker |
| Crandall | Jacobs | Moe | Rodriguez | Wenzel |
| Dean | Jennings | Munger | Rose | Wieser |
| Dempsey | Johnson, C. | Murphy | Rothenberg | Wigley |
| Den Ouden | Johnson, D. | Nelsen, B. | Sarna | Wynia |
| Drew | Kaley | Nelsen, M. | Schreiber | Zubay |
| Eken | Kalis | Nelson | Searle | Sprk. Norton |

The bill was passed and its title agreed to.

H. F. No. 2045 was reported to the House.

Anderson, G., moved to amend H. F. No. 2045 as follows:

Page 2, line 11, after "Minnesota" insert ", especially in areas of declining population"

Page 2, line 17, after "citizens," insert "especially in areas of declining population,"

Page 7, after line 3, insert a new subdivision to read:

"Subd. 6. Wherever possible in making and committing to make or purchase loans under this section, the agency shall give priority to loans in areas of declining population, as determined by the department of economic development. Such determinations shall be made on the basis of federal census and state demographic studies."

Renumber the remaining subdivision

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 54 yeas and 72 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|------------|-------------|------------|-----------|
| Albrecht | Clawson | Jaros | Minne | Reif |
| Anderson, B. | Dempsey | Johnson, C. | Murphy | Rice |
| Anderson, D. | Den Ouden | Johnson, D. | Nelsen, M. | Rodriguez |
| Anderson, G. | Eken | Kahn | Nelson | Valan |
| Anderson, I. | Elioff | Kalis | Niehaus | Vanasek |
| Battaglia | Ellingson | Kelly | Novak | Voss |
| Begich | Erickson | Kroening | Nysether | Waldorf |
| Berglin | Esau | Kvam | Otis | Wenzel |
| Carlson, D. | Fjoslien | Long | Frahl | Wieser |
| Casserly | Friedrich | Mann | Redalen | Wynia |
| Clark | Greenfield | Metzen | Reding | |

Those who voted in the negative were:

| | | | | |
|--------------|---------------|--------------|------------|--------------|
| Aasness | Halberg | Ludeman | Piepho | Stowell |
| Ainley | Haukoos | Luknic | Pleasant | Sviggum |
| Anderson, R. | Heap | McDonald | Rees | Swanson |
| Berkelman | Heinitz | McEachern | Rose | Thiede |
| Biersdorf | Hoberg | Mehrkens | Rothenberg | Tomlinson |
| Blatz | Hokanson | Moe | Sarna | Valento |
| Brinkman | Jacobs | Nelsen, B. | Schreiber | Weaver |
| Carlson, L. | Jennings | Norman | Searle | Welch |
| Crandall | Jude | Olsen | Searles | Welker |
| Dean | Kaley | Onnen | Sherwood | Wigley |
| Evans | Kempe | Osthoff | Sieben, H. | Zubay |
| Ewald | Knickerbocker | Patton | Sieben, M. | Spkr. Norton |
| Forsythe | Kostohryz | Pehler | Simoneau | |
| Fritz | Laidig | Peterson, B. | Stadum | |
| Fudro | Levi | Peterson, D. | Stoa | |

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

Otis was excused from 11:15 a.m. to 3:00 p.m.

Berglin moved to amend H. F. No. 2045 as follows:

Page 10, line 17, after "development" insert "with the approval of the executive council"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 38 yeas and 89 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|--------------|--------------|-----------|--------|
| Anderson, D. | Anderson, G. | Anderson, I. | Battaglia | Begich |
|--------------|--------------|--------------|-----------|--------|

| | | | | |
|-----------|------------|----------|------------|---------|
| Berglin | Greenfield | Kempe | Nelson | Valan |
| Berkelman | Haukoos | Kroening | Rice | Vanasek |
| Byrne | Jacobs | Kvam | Rodriguez | Voss |
| Casserly | Jaros | Long | Sieben, H. | Wenzel |
| Clark | Jennings | Ludeman | Stoa | Wynia |
| Corbid | Kahn | Mann | Swanson | |
| Eken | Kelly | Moe | Tomlinson | |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Erickson | Kaley | Nysether | Searle |
| Ainley | Esau | Kalis | Olsen | Searles |
| Albrecht | Evans | Knickerbocker | Onnen | Sherwood |
| Anderson, B. | Ewald | Kostohryz | Osthoff | Sieben, M. |
| Anderson, R. | Faricy | Laidig | Patton | Simoneau |
| Biersdorf | Fjoslien | Lehto | Pehler | Stadum |
| Blatz | Forsythe | Levi | Peterson, B. | Stowell |
| Brinkman | Friedrich | Luknic | Peterson, D. | Sviggum |
| Carlson, D. | Fritz | McDonald | Piepho | Thiede |
| Carlson, L. | Fudro | McEachern | Pleasant | Valento |
| Clawson | Halberg | Mehrkens | Prahl | Weaver |
| Crandall | Heap | Munger | Redalen | Welch |
| Dean | Heinitz | Murphy | Reding | Welker |
| Dempsey | Hoberg | Nelsen, B. | Rees | Wieser |
| Den Ouden | Hokanson | Nelsen, M. | Reif | Wigley |
| Drew | Johnson, C. | Niehaus | Rothenberg | Zubay |
| Elioff | Johnson, D. | Norman | Sarna | Spkr. Norton |
| Ellingson | Jude | Novak | Schreiber | |

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

Anderson, G., moved that H. F. No. 2045 be re-referred to the Committee on Taxes.

A roll call was requested and properly seconded.

The question was taken on the motion to re-refer and the roll was called. There were 18 yeas and 108 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|----------|---------|---------|--------|
| Ainley | Fjoslien | Kvam | Stoa | Wenzel |
| Anderson, G. | Fritz | Ludeman | Sviggum | Wynia |
| Anderson, R. | Hoberg | Onnen | Valento | |
| Den Ouden | Kahn | Reif | Welker | |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|------------|-------------|---------------|
| Aasness | Byrne | Elioff | Halberg | Kaley |
| Albrecht | Carlson, D. | Ellingson | Haukoos | Kalis |
| Anderson, B. | Carlson, L. | Erickson | Heap | Kelly |
| Anderson, D. | Casserly | Esau | Heinitz | Kempe |
| Anderson, I. | Clark | Evans | Hokanson | Knickerbocker |
| Battaglia | Clawson | Ewald | Jacobs | Kostohryz |
| Begich | Crandall | Faricy | Jaros | Kroening |
| Berkelman | Dean | Forsythe | Jennings | Laidig |
| Biersdorf | Dempsey | Friedrich | Johnson, C. | Lehto |
| Blatz | Drew | Fudro | Johnson, D. | Levi |
| Brinkman | Eken | Greenfield | Jude | Luknic |

| | | | | |
|------------|--------------|------------|------------|--------------|
| Mann | Nelson | Pleasant | Searle | Vanasek |
| McDonald | Niehaus | Prahl | Sherwood | Voss |
| McEachern | Norman | Redalen | Sieben, H. | Waldorf |
| Mehrkens | Novak | Reding | Sieben, M. | Weaver |
| Metzen | Nysether | Rees | Simoneau | Welch |
| Minne | Olsen | Rice | Stadum | Wieser |
| Moe | Patton | Rodriguez | Stowell | Wigley |
| Munger | Pehler | Rose | Swanson | Zubay |
| Murphy | Peterson, B. | Rothenberg | Thiede | Spkr. Norton |
| Nelsen, B. | Peterson, D. | Sarna | Tomlinson | |
| Nelsen, M. | Piepho | Schreiber | Valan | |

The motion did not prevail.

H. F. No. 2045, A bill for an act relating to economic development; creating a small business finance agency with authority to sell tax exempt revenue bonds to provide loans for small business projects; appropriating money.

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

The question was taken on the passage of the bill and the roll was called. There were 103 yeas and 26 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Dempsey | Kelly | Novak | Sherwood |
| Albrecht | Elioff | Kempe | Olsen | Sieben, H. |
| Anderson, B. | Ellingson | Knickerbocker | Osthoff | Sieben, M. |
| Anderson, D. | Erickson | Kostohryz | Patton | Simoneau |
| Anderson, I. | Esau | Kroening | Pehler | Stadum |
| Anderson, R. | Evans | Laidig | Peterson, B. | Stowell |
| Battaglia | Ewald | Lehto | Peterson, D. | Sviggun |
| Begich | Fjoslien | Levi | Piepho | Swanson |
| Berglin | Forsythe | Long | Pleasant | Thiede |
| Berkelman | Friedrich | Luknic | Prahl | Tomlinson |
| Biersdorf | Fudro | Mann | Redalen | Valan |
| Blatz | Greenfield | McEachern | Reding | Vanasek |
| Brinkman | Heap | Mehrkens | Rees | Voss |
| Byrne | Heinitz | Metzen | Reif | Waldorf |
| Carlson, D. | Hokanson | Minne | Rice | Welch |
| Carlson, L. | Jacobs | Moe | Rodriguez | Wenzel |
| Casserly | Johnson, C. | Munger | Rose | Wieser |
| Clark | Johnson, D. | Murphy | Rothenberg | Zubay |
| Clawson | Jude | Nelsen, M. | Sarna | Spkr. Norton |
| Crandall | Kaley | Nelson | Schreiber | |
| Dean | Kalis | Niehaus | Searles | |

Those who voted in the negative were:

| | | | | |
|--------------|----------|------------|---------|--------|
| Ainley | Faricy | Kvam | Onnen | Wigley |
| Anderson, G. | Fritz | Ludeman | Searle | Wynia |
| Corbid | Halberg | McDonald | Stoa | |
| Den Ouden | Hoberg | Nelsen, B. | Valento | |
| Drew | Jennings | Norman | Weaver | |
| Eken | Kahn | Nysether | Welker | |

The bill was passed and its title agreed to.

H. F. No. 1655, A bill for an act relating to pollution; recognizing the extent and severity of the problem of acid precipitation; appropriating funds and designating state agencies and departments to conduct activities designed to identify, control and abate acid precipitation.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Ellingson | Kalis | Niehaus | Sherwood |
| Anderson, B. | Erickson | Kelly | Norman | Sieben, H. |
| Anderson, D. | Esau | Kempe | Novak | Sieben, M. |
| Anderson, G. | Evans | Knickerbocker | Nysether | Simoneau |
| Anderson, I. | Ewald | Kostohryz | Olsen | Stadum |
| Anderson, R. | Faricy | Kroening | Onnen | Stoa |
| Battaglia | Fjoslien | Kvam | Osthoff | Stowell |
| Begich | Forsythe | Laidig | Patton | Sviggun |
| Berglin | Friedrich | Lehto | Pehler | Swanson |
| Berkelman | Fritz | Levi | Peterson, B. | Thiede |
| Biersdorf | Fudro | Long | Peterson, D. | Tomlinson |
| Blatz | Greenfield | Ludeman | Piepho | Valan |
| Brinkman | Halberg | Luknie | Pleasant | Valento |
| Byrne | Haukoos | Mann | Prahl | Vanasek |
| Carlson, D. | Heap | McCarron | Redalen | Voss |
| Carlson, L. | Heinitz | McDonald | Reding | Waldorf |
| Casserly | Hoberg | McEachern | Rees | Weaver |
| Clark | Hokanson | Mehrkens | Reif | Weich |
| Clawson | Jacobs | Metzen | Rice | Welker |
| Crandall | Jaros | Minne | Rodriguez | Wenzel |
| Dean | Jennings | Moe | Rose | Wieser |
| Dempsey | Johnson, C. | Munger | Rothenberg | Wigley |
| Den Ouden | Johnson, D. | Murphy | Sarna | Wynia |
| Drew | Jude | Nelsen, B. | Schreiber | Zubay |
| Eken | Kahn | Nelsen, M. | Searle | Spkr. Norton |
| Elloff | Kaley | Nelson | Searles | |

The bill was passed and its title agreed to.

H. F. No. 2353 was reported to the House.

Ludeman moved that H. F. No. 2353 be re-referred to the Committee on Governmental Operations.

A roll call was requested and properly seconded.

The question was taken on the motion to re-refer and the roll was called. There were 21 yeas and 107 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|-----------|----------|---------|
| Aasness | Brinkman | Erickson | Halberg | Kaley |
| Ainley | Carlson, D. | Friedrich | Haukoos | Ludeman |
| Anderson, R. | Den Ouden | Fritz | Jennings | Redalen |

Reif
Svigum

Thiede

Valento

Welker

Wieser

Those who voted in the negative were:

| | | | | |
|--------------|---------------|------------|--------------|--------------|
| Albrecht | Elioff | Kostohryz | Norman | Sieben, H. |
| Anderson, B. | Ellingson | Kroening | Novak | Sieben, M. |
| Anderson, D. | Esau | Kvam | Nysether | Simoneau |
| Anderson, G. | Evans | Laidig | Olsen | Stadum |
| Anderson, I. | Ewald | Lehto | Onnen | Stoa |
| Battaglia | Faricy | Levi | Osthoff | Stowell |
| Begich | Fjoslien | Long | Patton | Swanson |
| Berglin | Forsythe | Luknic | Pehler | Tomlinson |
| Berkelman | Fudro | Mann | Peterson, B. | Valan |
| Biersdorf | Greenfield | McCarron | Peterson, D. | Vanasek |
| Blatz | Heap | McDonald | Piepho | Voss |
| Byrne | Hoberg | McEachern | Pleasant | Waldorf |
| Carlson, L. | Hokanson | Mehrkins | Prahl | Weaver |
| Casserly | Jacobs | Metzen | Reding | Welch |
| Clark | Johnson, C. | Minne | Rees | Wenzel |
| Clawson | Johnson, D. | Moe | Rice | Wigley |
| Corbid | Jude | Munger | Rodriguez | Wynia |
| Crandall | Kahn | Murphy | Rothenberg | Zubay |
| Dean | Kalis | Nelsen, B. | Sarna | Spkr. Norton |
| Dempsey | Kelly | Nelsen, M. | Schreiber | |
| Drew | Kempe | Nelson | Searle | |
| Eken | Knickerbocker | Niehaus | Sherwood | |

The motion did not prevail.

H. F. No. 2353, A bill for an act relating to water resources; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 26 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|------------|---------------|------------|--------------|
| Anderson, B. | Crandall | Jaros | Mann | Onnen |
| Anderson, D. | Dean | Johnson, C. | McCarron | Osthoff |
| Anderson, G. | Dempsey | Johnson, D. | McDonald | Patton |
| Anderson, I. | Eken | Jude | McEachern | Pehler |
| Battaglia | Elioff | Kahn | Mehrkins | Peterson, B. |
| Begich | Ellingson | Kaley | Metzen | Peterson, D. |
| Berglin | Evans | Kalis | Minne | Piepho |
| Berkelman | Ewald | Kelly | Moe | Prahl |
| Biersdorf | Faricy | Kempe | Munger | Reding |
| Blatz | Forsythe | Knickerbocker | Murphy | Rees |
| Byrne | Fudro | Kostohryz | Nelsen, B. | Rice |
| Carlson, D. | Greenfield | Kroening | Nelsen, M. | Rodriguez |
| Carlson, L. | Halberg | Laidig | Nelson | Rose |
| Casserly | Haukoos | Lehto | Norman | Rothenberg |
| Clark | Heap | Levi | Novak | Sarna |
| Clawson | Hokanson | Long | Nysether | Schreiber |
| Corbid | Jacobs | Luknic | Olsen | Searle |

| | | | | |
|------------|---------|-----------|---------|--------------|
| Sherwood | Stadum | Tomlinson | Waldorf | Wynia |
| Sieben, H. | Stoa | Valan | Welch | Zubay |
| Sieben, M. | Stowell | Vanasek | Wenzel | Spkr. Norton |
| Simoneau | Swanson | Voss | Wigley | |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|----------|---------|--------|
| Aasness | Drew | Hoberg | Redalen | Welker |
| Ainley | Erickson | Jennings | Reif | Wieser |
| Albrecht | Esau | Kvam | Searles | |
| Anderson, R. | Fjoslien | Ludeman | Sviggum | |
| Brinkman | Friedrich | Niehaus | Thiede | |
| Den Ouden | Fritz | Pleasant | Valento | |

The bill was passed and its title agreed to.

Sieben, H., 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1169:

Weaver, Schreiber, and Begich.

There being no objection the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Begich introduced:

H. F. No. 2479, A bill for an act relating to solid waste pollution; requiring beverage containers to have certain refund values after a certain date; establishing and regulating local redemption centers; providing penalties.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Vanasek introduced:

H. F. No. 2480, A bill for an act relating to crimes; delaying implementation of sentencing guidelines; amending Minnesota Statutes 1978, Sections 244.04, Subdivision 2; 244.08, Subdivision 1; 244.09, Subdivision 12, and by adding a subdivision; and Laws 1978, Chapter 723, Article I, Section 20, Subdivision 2.

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

Faricy, by request, introduced:

H. F. No. 2481, A bill for an act relating to labor; eliminating certain procedures and restrictions on wage rates for state projects and highway construction; repealing Minnesota Statutes 1978, Sections 177.41, 177.42, 177.43 and 177.44.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. No. 2023.

H. F. No. 2023 was reported to the House.

Casserly and Sviggum moved to amend H. F. No. 2023 as follows:

Page 16, line 30, after "*controls*," insert "*the protection of agricultural and natural resources*,"

Page 26, line 11, delete "*the*" and insert "*agricultural and*"

Page 26, line 11, delete "*environment*,"

Page 26, line 11, delete everything after "*resources*"

Page 26, line 12, delete everything through "*values*,"

Page 41, line 28, after "*on*" delete "*the*" and insert "*agricultural and*"

Page 41, delete line 29

Page 41, line 30, delete "*aesthetic, and recreational values*," and insert "*resources*"

Page 45, line 18, after "on" delete "the" and insert "agricultural and"

Page 45, delete line 19

Page 45, line 20, delete "aesthetic, and recreational values," and insert "resources"

Page 94, line 27, after "controls," insert "the protection of agricultural and natural resources,"

Page 103, line 2, after "controls," insert "the protection of agricultural and natural resources,"

Page 114, line 32, after "on" insert "agricultural and"

The motion prevailed and the amendment was adopted.

Rees moved to amend H. F. No. 2023 as follows:

Page 146, after line 13, insert:

"Sec. 5. [SEWAGE SLUDGE DEMONSTRATION PROGRAM.] For the fiscal year ending June 30, 1981, the sum of \$150,000 is appropriated to the pollution control agency, for a demonstration project to be conducted in consultation with the commissioner of natural resources which will evaluate the effects of the application of municipal sewage sludge to state-owned forest land. The project shall include economic and scientific analyses relating to tree growth, ecological effects, net energy impact, and the economic feasibility of large scale projects of a similar nature.

By January 15, 1984, the director of the pollution control agency shall submit a written report to the legislature containing these analyses and any other pertinent information.

The complement of the department of natural resources is increased by one position in the unclassified service for this project, contingent upon the availability of money from the appropriation in this section. When the appropriation has been expended, this position shall be cancelled and the approved complement of the department reduced accordingly."

Amend the title as follows:

Page 1, line 12, after "facilities;" insert "authorizing a certain demonstration program related to municipal sewage sludge;"

The question was taken on the amendment and the roll was called. There were 36 yeas and 82 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|----------|--------------|------------|---------|
| Albrecht | Hoberg | Munger | Reif | Thiede |
| Anderson, D. | Jaros | Niehaus | Rothenberg | Valan |
| Biersdorf | Jennings | Nysether | Schreiber | Waldorf |
| Carlson, D. | Kaley | Olsen | Searle | Weaver |
| Dempsey | Kempe | Peterson, B. | Searles | |
| Esau | Kvam | Pleasant | Sherwood | |
| Evans | Ludeman | Redalen | Stadum | |
| Fritz | Mehrkens | Rees | Sviggun | |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|-----------|--------------|--------------|
| Aasness | Crandall | Jude | Nelsen, B. | Simoneau |
| Adams | Dean | Kahn | Nelson | Stoa |
| Ainley | Den Ouden | Kalis | Norman | Stowell |
| Anderson, G. | Eken | Kelly | Novak | Swanson |
| Anderson, I. | Elioff | Kostohryz | Onnen | Tomlinson |
| Anderson, R. | Ewald | Kroening | Osthoff | Vanasek |
| Battaglia | Faricy | Laidig | Patton | Voss |
| Begich | Fjoslien | Levi | Pehler | Welch |
| Berglin | Forsythe | Luknic | Peterson, D. | Welker |
| Berkelman | Fudro | Mann | Piepho | Wenzel |
| Blatz | Greenfield | McCarron | Prahl | Wieser |
| Brinkman | Halberg | McDonald | Reding | Wigley |
| Byrne | Haukoos | McEachern | Rice | Wynia |
| Carlson, L. | Hokanson | Metzen | Rodriguez | Spkr. Norton |
| Casserly | Jacobs | Minne | Sarna | |
| Clark | Johnson, C. | Moe | Sieben, H. | |
| Corbid | Johnson, D. | Murphy | Sieben, M. | |

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

Pehler moved to amend H. F. No. 2023 as follows:

Delete "agency" and insert "board" in the following places:

Page 12, line 3; Page 19, line 15; Page 19, line 27; Page 19, line 28; Page 20, line 13; Page 49, line 10; Page 49, line 13; Page 49, line 30; Page 49, line 31; Page 49, line 33; Page 50, line 2; Page 50, line 5; Page 51, line 17; Page 52, line 17; Page 52, line 18; Page 52, line 21; Page 52, line 24; Page 52, line 29; Page 52, line 31; Page 53, line 6; Page 53, line 13; Page 53, line 26; Page 54, line 31; Page 55, line 4; Page 55, line 26; Page 56, line 22; Page 61, line 9; Page 62, line 20; Page 62, line 26; Page 62, line 33; Page 63, line 9; Page 63, line 12; Page 63, line 20; Page 63, line 23; Page 64, line 18; Page 64, line 29; Page 64, line 31; Page 65, line 14; Page 65, line 18; Page 65, line 25; Page 65, line 26; Page 65, line 32; Page 66, line 8; Page 66, line 12; Page 66, line 14; Page 66, line 25; Page 67, line 2; Page 67, line 7; Page 67, line 8; Page 67, line 11; Page 67, line 13; Page 67, line 16; Page 67, line 18; Page 67, line 25; Page 67, line 28; Page 76, line 15; Page 78, line 21; Page 85, line 29; Page 85, line 30; Page 120, line 12; Page 120, line 13; Page 144, line 30; Page 144, line 32

Page 20, line 12, delete "or agency"

Page 20, line 22, delete "or agency"

Page 57, line 26, delete "agency or"

Page 57, line 27, delete "agency or"

Page 58, line 1, delete "agency or"

Page 58, line 13, delete "agency or"

Page 144, after "AGENCY" insert "; WASTE MANAGEMENT BOARD"

Page 145, line 26, delete "14" and insert "eight"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 60 yeas and 64 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|-------------|--------------|------------|
| Anderson, G. | Eken | Johnson, D. | Nysether | Searles |
| Anderson, R. | Ellingson | Kahn | Onnen | Sieben, H. |
| Berglin | Esau | Kaley | Osthoff | Sieben, M. |
| Berkelman | Evans | Kelly | Otis | Sviggum |
| Blatz | Ewald | Kempe | Pehler | Swanson |
| Brinkman | Faricy | Levi | Peterson, D. | Tomlinson |
| Byrne | Forsythe | Long | Pleasant | Valento |
| Casserly | Greenfield | Metzen | Prahl | Voss |
| Clark | Haukoos | Moe | Reding | Waldorf |
| Corbid | Heinitz | Nelson | Reif | Wieser |
| Dean | Hokanson | Norman | Schreiber | Wynia |
| Drew | Johnson, C. | Novak | Searle | Zubay |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|---------------|--------------|------------|
| Aasness | Den Ouden | Knickerbocker | Munger | Rothenberg |
| Adams | Elioff | Kostohryz | Murphy | Sherwood |
| Ainley | Erickson | Kroening | Nelsen, B. | Simoneau |
| Albrecht | Fjoslien | Kvam | Niehaus | Stadum |
| Anderson, D. | Friedrich | Laidig | Olsen | Stowell |
| Battaglia | Fritz | Lehto | Pattin | Thiede |
| Begich | Fudro | Ludeman | Peterson, B. | Valan |
| Biersdorf | Heap | Luknic | Piepho | Weaver |
| Carlson, D. | Hoberg | Mann | Redalen | Welch |
| Carlson, L. | Jacobs | McDonald | Rees | Welker |
| Clawson | Jaros | McEachern | Rice | Wenzel |
| Crandall | Jennings | Mehrkens | Rodriguez | Wigley |
| Dempsey | Jude | Minne | Rose | |

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

Sieben, M., moved to amend H. F. No. 2023 as follows:

Page 8, line 1, delete "six"

Page 26, line 23, delete "CANDIDATE"

Page 26, lines 24 and 25, delete "six locations" and insert "a location"

Page 26, line 25, delete "candidate sites" and insert "a site"

Page 26, line 26, after the period insert "*Following the issuance of its certification of need pursuant to section 9, the board may select such additional sites for commercial hazardous waste disposal facilities as the certification may require. In selecting and reviewing such additional sites, the board and agency shall follow the procedures specified in sections 3, 5, 6, 7, 10, 11, 12, and 13.*"

Page 26, line 27, delete "candidate"

Page 26, line 32, delete "candidate"

Page 27, line 1, delete "on July 1, 1981,"

Page 27, line 2, delete "candidate"

Page 27, line 13, delete "candidate sites" and insert "a site"

Page 27, line 18, delete "candidate sites" and insert "a site"

Page 27, line 22, delete "candidate sites" and insert "a site"

Page 27, line 26, delete "candidate sites" and insert "a site"

Page 27, line 27, delete "candidate"

Page 28, line 1, delete "candidate sites" and insert "a site"

Page 28, line 6, delete "candidate"

Page 28, line 22, after the comma insert "*and, for the first site,*"

Page 28, line 25, delete "each candidate" and insert "the"

Page 28, line 29, delete "candidate"

Page 28, line 32, delete "a candidate" and insert "*being considered as a*"

Page 29, line 4, delete "each" and insert "the"

Page 29, line 13, delete "*each*" and insert "*the*"

Page 30, line 15, delete "*each of the candidate*" and insert "*the*"

Page 30, line 18, delete "*each*" and insert "*the*"

Page 30, line 26, delete "*committees*" and insert "*committee*"

Page 30, line 30, delete "*committees*" and insert "*committee*"

Page 30, line 33, delete "*each*" and insert "*the*"

Page 30, line 33, delete "*a candidate*" and insert "*the*"

Page 32, lines 20 and 21, delete "*each candidate*" and insert "*the*"

Page 32, line 31, delete "*candidate sites*" and insert "*site*"

Page 33, line 17, delete "*committees*" and insert "*committee*"

Page 33, line 17, delete "*names*" and insert "*name*"

Page 33, line 18, delete "*representatives*" and insert "*representative*"

Page 33, line 27, delete "*each*" and insert "*the*"

Page 33, line 27, delete "*candidate*"

Page 33, line 32, delete "*Each*" and insert "*The*"

Page 34, lines 11 and 12, delete "*each candidate*" and insert "*the*"

Page 34 delete line 21

Page 34, line 22, delete "*and*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 42 yeas and 71 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|----------|--------|---------------|-----------|
| Anderson, G. | Crandall | Esau | Johnson, D. | Kroening |
| Anderson, I. | Eken | Ewald | Jude | Laidig |
| Begich | Elioff | Hoberg | Kelly | Mann |
| Brinkman | Erickson | Jacobs | Knickerbocker | McEachern |

| | | | | |
|----------|--------------|------------|-----------|--------|
| Mehrkens | Onnen | Redalen | Svigum | Wenzel |
| Metzen | Osthoff | Reding | Swanson | Wieser |
| Minne | Patton | Sherwood | Tomlinson | |
| Murphy | Peterson, D. | Sieben, H. | Valan | |
| Niehaus | Prahl | Sieben, M. | Welch | |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|------------|--------------|--------------|
| Aasness | Dempsey | Kempe | Olsen | Stadum |
| Ainley | Den Ouden | Kostohryz | Otis | Stoa |
| Albrecht | Drew | Kvam | Pehler | Stowell |
| Anderson, D. | Faricy | Lehto | Peterson, B. | Thiede |
| Battaglia | Fjoslien | Levi | Piepho | Valento |
| Berglin | Forsythe | Long | Pleasant | Weaver |
| Berkelman | Fudro | Luknic | Rees | Welker |
| Biersdorf | Greenfield | McDonald | Reif | Wigley |
| Blatz | Heap | Moe | Rice | Wynia |
| Byrne | Heinitz | Munger | Rodriguez | Zubay |
| Carlson, L. | Hokanson | Nelsen, B. | Rothenberg | Spkr. Norton |
| Casserly | Jennings | Nelson | Schreiber | |
| Clark | Johnson, C. | Norman | Searle | |
| Corbid | Kahn | Novak | Searles | |
| Dean | Kaley | Nysether | Simoneau | |

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

Jude moved to amend H. F. No. 2023 as follows:

Page 17, line 7, after the period insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable.*"

Page 26, line 19, after the period insert "*Land which is predominantly comprised of Class I or II land according to the Land Capability Classification system of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable.*"

Page 42, after line 13, insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable.*"

Page 45, after line 29, insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable.*"

Page 87, line 25, after the period insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Ser-*

vice shall be used only as a last resort after all alternatives have been examined and found to be unreasonable."

Page 95, line 11, after the period insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable."*

Page 103, line 1, after the period insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable."*

Page 115, after line 11, insert "*Land which is predominately comprised of Class I or II land according to the Land Capability Classification System of the Soil Conservation Service shall be used only as a last resort after all alternatives have been examined and found to be unreasonable."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 53 yeas and 63 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|---------|
| Aasness | Dempsey | Jude | Onnen | Stadum |
| Adams | Den Ouden | Knickerbocker | Osthoff | Stowell |
| Albrecht | Eken | Ludeman | Peterson, D. | Svigum |
| Anderson, B. | Esau | Luknic | Piepho | Thiede |
| Anderson, G. | Evans | Mann | Redalen | Welch |
| Anderson, R. | Ewald | McDonald | Sarna | Welker |
| Blatz | Fjoslien | McEachern | Schreiber | Wenzel |
| Brinkman | Friedrich | Metzen | Searle | Wieser |
| Byrne | Fudro | Nelsen, B. | Sherwood | Zubay |
| Carlson, D. | Hoberg | Niehaus | Sieben, H. | |
| Crandall | Johnson, D. | Nysether | Sieben, M. | |

Those who voted in the negative were:

| | | | | |
|--------------|------------|----------|--------------|--------------|
| Anderson, D. | Fritz | Kvam | Otis | Stoa |
| Battaglia | Greenfield | Laidig | Patton | Swanson |
| Begich | Heap | Levi | Pehler | Valan |
| Berkelman | Heinitz | Long | Peterson, B. | Valento |
| Carlson, L. | Hokanson | McCarron | Pleasant | Vanasek |
| Casserly | Jacobs | Mehrrens | Prahl | Voss |
| Clark | Jennings | Minne | Rees | Waldorf |
| Corbid | Kahn | Moe | Rice | Weaver |
| Dean | Kaley | Murphy | Rodriguez | Wigley |
| Drew | Kelly | Nelson | Rose | Wynia |
| Elioff | Kempe | Norman | Rothenberg | Spkr. Norton |
| Faricy | Kostohryz | Novak | Searles | |
| Forsythe | Kroening | Olsen | Simoneau | |

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

Jude moved to amend H. F. No. 2023 as follows:

Page 35, delete lines 1 to 15

Page 46, delete lines 18 to 32

Renumber the following sections

Page 83, line 4, delete "*The county*"

Page 83, delete lines 5 to 13

Page 83, line 14, delete everything before "*No*"

Page 84, lines 18 to 28, delete the added language

Page 98, line 28, delete "*, but*"

Page 98, delete lines 29 to 33

Page 99, delete lines 1 to 5 and insert a period

Page 110, lines 4 to 14, delete the added language

Page 113, line 4, to page 116, line 1, delete section 10

Renumber the following sections

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 35 yeas and 82 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|------------|----------|
| Adams | Esau | Jude | Metzen | Stadum |
| Anderson, B. | Evans | Kalis | Nelsen, M. | Stowell |
| Anderson, I. | Fjoslien | Kempe | Niehaus | Sviggunn |
| Biersdorf | Fudro | Knickerbocker | Nysether | Welch |
| Carlson, D. | Jacobs | Ludeman | Onnen | Welker |
| Den Ouden | Jennings | Luknic | Redalen | Wenzel |
| Erickson | Johnson, D. | McEachern | Sieben, H. | Wigley |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|------------|-------------|-----------|
| Ainley | Carlson, L. | Eken | Haukoos | Kostohryz |
| Albrecht | Casserly | Ellioff | Heinitz | Kroening |
| Anderson, D. | Clark | Ellingson | Hoberg | Kvam |
| Anderson, G. | Clawson | Ewald | Hokanson | Laidig |
| Battaglia | Corbid | Faricy | Jaros | Lehto |
| Begich | Crandall | Forsythe | Johnson, C. | Levi |
| Berglin | Dean | Fritz | Kahn | Long |
| Berkelman | Dempsey | Greenfield | Kaley | Mann |
| Blatz | Drew | Halberg | Kelly | McCarron |

| | | | | |
|------------|--------------|------------|-----------|--------------|
| Mehrkens | Olsen | Reif | Simoneau | Waldorf |
| Minne | Otis | Rice | Stoa | Wieser |
| Munger | Patton | Rodriguez | Swanson | Wynia |
| Murphy | Pehler | Rothenberg | Tomlinson | Zubay |
| Nelsen, B. | Peterson, D. | Schreiber | Valan | Spkr. Norton |
| Nelson | Piepho | Searle | Valento | |
| Norman | Reding | Searles | Vanasek | |
| Novak | Rees | Sieben, M. | Voss | |

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

CALL OF THE HOUSE

On the motion of Dean and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Den Ouden | Johnson, D. | Murphy | Sarna |
| Adams | Drew | Jude | Nelsen, B. | Searle |
| Ainley | Eken | Kahn | Nelsen, M. | Searles |
| Albrecht | Ellingson | Kaley | Nelson | Sherwood |
| Anderson, B. | Erickson | Kalis | Niehaus | Sieben, H. |
| Anderson, D. | Esau | Kelly | Norman | Simoneau |
| Anderson, G. | Evans | Kempe | Novak | Stadium |
| Anderson, I. | Ewald | Knickerbocker | Nysether | Stoa |
| Battaglia | Faricy | Kostohryz | Olsen | Stowell |
| Berglin | Fjoslien | Laidig | Onnen | Sviggum |
| Berkelman | Forsythe | Lehto | Osthoff | Tomlinson |
| Biersdorf | Friedrich | Levi | Otis | Valan |
| Blatz | Fritz | Long | Patton | Valento |
| Brinkman | Fudro | Ludeman | Pehler | Vanasek |
| Byrne | Greenfield | Luknic | Peterson, D. | Voss |
| Carlson, D. | Halberg | Mann | Piepho | Waldorf |
| Carlson, L. | Haukoos | McCarron | Prahl | Weaver |
| Casserly | Heap | McDonald | Redalen | Welch |
| Clark | Heinitz | McEachern | Reding | Welker |
| Clawson | Hokanson | Mehrkens | Rees | Wenzel |
| Corbid | Jacobs | Metzen | Reif | Wieser |
| Crandall | Jaros | Minne | Rice | Wigley |
| Dean | Jennings | Moe | Rodriguez | Zubay |
| Dempsey | Johnson, C. | Munger | Rothenberg | Spkr. Norton |

Sieben, H., moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Dean moved to amend H. F. No. 2023 as follows:

Page 142, after line 28, insert a new article to read as follows:

"ARTICLE XII

WASTE REDUCTION

Section 1. After July 1, 1981, no filled beverage container containing beer, soda water or other carbonated soft drink in liquid form sold in this state shall have a refund value of less

than 15 cents. The pollution control agency is directed to promulgate rules implementing this section by January 1, 1981."

Renumber the subsequent articles accordingly.

A roll call was requested and properly seconded.

POINTS OF ORDER

Carlson, D., raised a point of order pursuant to rule 5.8 that the amendment was not in order. Speaker pro tem Faricy ruled the point of order not well taken and the amendment in order.

Begich raised a point of order pursuant to rule 3.10 that the amendment was not in order. Speaker pro tem Faricy ruled the point of order not well taken and the amendment in order.

Biersdorf raised a point of order pursuant to rule 3.9 that the amendment was not in order. Speaker pro tem Faricy ruled the point of order not well taken and the amendment in order.

Begich appealed the decision of the chair.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker pro tem stand as the judgment of the House?" and the roll was called.

Sieben, H., moved that those not voting be excused from voting. The motion prevailed.

There were 116 yeas and 15 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|------------|---------------|--------------|------------|
| Aasness | Dempsey | Jacobs | Mann | Pleasant |
| Adams | Den Ouden | Jaros | McCarron | Redalen |
| Ainley | Eken | Jennings | McDonald | Reding |
| Anderson, B. | Ellingson | Johnson, C. | McEachern | Rees |
| Anderson, D. | Erickson | Johnson, D. | Mehrkens | Reif |
| Anderson, G. | Esau | Jude | Munger | Rice |
| Anderson, R. | Evans | Kahn | Nelsen, B. | Rodriguez |
| Berglin | Ewald | Kaley | Nelson | Rothenberg |
| Berkelman | Faricy | Kalis | Niehaus | Sarna |
| Blatz | Fjoslien | Kelly | Norman | Schreiber |
| Brinkman | Forsythe | Kempe | Novak | Searle |
| Byrne | Friedrich | Knickerbocker | Nysether | Searles |
| Carlson, D. | Fudro | Kostohryz | Olsen | Sherwood |
| Carlson, L. | Greenfield | Kvam | Onnen | Sieben, H. |
| Casserly | Halberg | Laidig | Otis | Sieben, M. |
| Clark | Haukoos | Lehto | Patton | Simoneau |
| Clawson | Heap | Levi | Pehler | Stadum |
| Corbid | Heinitz | Long | Peterson, B. | Stoa |
| Crandall | Hoberg | Ludeman | Peterson, D. | Stowell |
| Dean | Hokanson | Luknic | Piepho | Swiggum |

| | | | | |
|-----------|---------|--------|--------|--------------|
| Swanson | Valento | Welch | Wigley | Zubay |
| Thiede | Vanasek | Welker | Wynia | Spkr. Norton |
| Tomlinson | Waldorf | Wenzel | | |
| Valan | Weaver | Wieser | | |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|----------|--------|------------|
| Albrecht | Begich | Elioff | Metzen | Nelsen, M. |
| Anderson, I. | Biersdorf | Fritz | Minne | Osthoff |
| Battaglia | Drew | Kroening | Murphy | Prahl |

So it was the judgment of the House that the decision of the Speaker pro tem should stand and that the amendment was in order.

Kostohryz moved to amend the Dean amendment to H. F. No. 2023, as follows:

After "containing" insert "milk, mineral water"

Delete "or other" and after "carbonated" insert "or noncarbonated"

A roll call was requested and properly seconded.

The question was taken on the Kostohryz amendment to the Dean amendment and the roll was called.

Sieben, H., moved that those not voting be excused from voting. The motion prevailed.

There were 32 yeas and 89 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------|----------|-----------|-----------|--------------|
| Battaglia | Haukoos | Kostohryz | Piepho | Waldorf |
| Begich | Jaros | Lehto | Prahl | Wenzel |
| Berkelman | Jennings | Long | Reif | Wigley |
| Byrne | Jude | Metzen | Rodriguez | Spkr. Norton |
| Dempsey | Kalis | Minne | Searle | |
| Elioff | Kelly | Murphy | Simoneau | |
| Fudro | Kempe | Osthoff | Swanson | |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|------------|---------------|------------|
| Aasness | Carlson, L. | Esau | Hokanson | Luknic |
| Adams | Casserly | Evans | Jacobs | Mann |
| Ainley | Clark | Ewald | Johnson, C. | McCarron |
| Albrecht | Clawson | Fjoslien | Johnson, D. | McDonald |
| Anderson, B. | Corbid | Forsythe | Kahn | McEachern |
| Anderson, D. | Crandall | Friedrich | Kaley | Mehrkens |
| Anderson, I. | Dean | Fritz | Knickerbocker | Munger |
| Berglin | Den Ouden | Greenfield | Kroening | Nelsen, B. |
| Blatz | Drew | Heap | Kvam | Nelsen, M. |
| Brinkman | Ellingson | Heinitz | Laidig | Nelson |
| Carlson, D. | Erickson | Hoberg | Ludeman | Niehaus |

| | | | | |
|----------|--------------|------------|---------|---------|
| Norman | Pehler | Rothenberg | Stadum | Vanasek |
| Novak | Peterson, B. | Sarna | Stoa | Weich |
| Nysether | Peterson, D. | Schreiber | Stowell | Welker |
| Olsen | Pleasant | Searles | Sviggum | Wieser |
| Onnen | Redalen | Sherwood | Thiede | Wynia |
| Otis | Rees | Sieben, H. | Valan | Zubay |
| Patton | Rice | Sieben, M. | Valento | |

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

The question recurred on the Dean amendment and the roll was called.

Sieben, H., moved that those not voting be excused from voting. The motion prevailed.

There were 40 yeas and 90 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-----------|---------------|--------|--------------|
| Aasness | Crandall | Greenfield | Long | Peterson, B. |
| Adams | Dean | Heinitz | Munger | Peterson, D. |
| Anderson, B. | Den Ouden | Jaros | Nelson | Rothenberg |
| Anderson, D. | Ellingson | Jude | Norman | Sherwood |
| Anderson, G. | Ewald | Kahn | Novak | Stoa |
| Berglin | Faricy | Kempe | Olsen | Vanasek |
| Carlson, L. | Fjoslien | Knickerbocker | Otis | Weich |
| Clark | Forsythe | Lehto | Pehler | Wynia |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|------------|------------|------------|
| Ainley | Erickson | Kostohryz | Nysether | Sieben, M. |
| Albrecht | Esau | Kroening | Onnen | Simoneau |
| Anderson, I. | Evans | Kvam | Osthoff | Stadum |
| Anderson, R. | Friedrich | Laidig | Patton | Stowell |
| Battaglia | Fritz | Levi | Piepho | Sviggum |
| Begich | Fudro | Ludeman | Pleasant | Swanson |
| Berkelman | Halberg | Luknic | Prahl | Thiede |
| Biersdorf | Haukoos | Mann | Redalen | Tomlinson |
| Blatz | Heap | McCarron | Reding | Valan |
| Brinkman | Hoberg | McDonald | Rees | Valento |
| Byrne | Hokanson | McEachern | Reif | Voss |
| Carlson, D. | Jacobs | Mehrkins | Rice | Waldorf |
| Clawson | Jennings | Metzen | Rodriguez | Weaver |
| Corbid | Johnson, C. | Minne | Sarna | Welker |
| Dempsey | Johnson, D. | Murphy | Schreiber | Wenzel |
| Drew | Kaley | Nelsen, B. | Searle | Wieser |
| Eken | Kalis | Neisen, M. | Searles | Wigley |
| Elioff | Kelly | Niehaus | Sieben, H. | Zubay |

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

Sviggum moved to amend H. F. No. 2023, as follows:

Page 26, line 25, after "state" insert ", no more than one site per county,"

The motion prevailed and the amendment was adopted.

H. F. No. 2023, A bill for an act relating to waste management; establishing a waste management board and a legislative commission; establishing a state government resource recovery program; establishing solid waste planning assistance and demonstration programs; providing for the issuance of state waste management bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding subdivisions; 116.081, Subdivision 1; 116.101; 116.41; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.801, Subdivision 1; 473.802; 473.803; 473.811; 473.813; 473.823, Subdivision 3, and by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Sections 116F.02, Subdivisions 3, 4, and 5; 116F.03; 116F.04; 116F.05, Subdivision 2; 400.03, Subdivisions 2 to 7; 473.121, Subdivisions 27 to 31c; 473.823, Subdivisions 1, 2, and 4; and Laws 1978, Chapter 72B, Section 7.

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

The question was taken on the passage of the bill and the roll was called.

Sieben, H., moved that those not voting be excused from voting. The motion prevailed.

There were 110 yeas and 18 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|------------|
| Aasness | Ellingson | Kahn | Nelsen, B. | Rodriguez |
| Adams | Evans | Kaley | Nelson | Rose |
| Albrecht | Ewald | Kelly | Norman | Rothenberg |
| Anderson, B. | Faricy | Kempe | Novak | Sarna |
| Anderson, D. | Fjoslien | Knickerbocker | Nysether | Schreiber |
| Berglin | Forsythe | Kostohryz | Olsen | Searle |
| Blatz | Friedrich | Kroening | Osthoff | Searles |
| Brinkman | Fritz | Kvam | Otis | Sherwood |
| Byrne | Fudro | Laidig | Patton | Sieben, H. |
| Carlson, D. | Greenfield | Lehto | Pehler | Sieben, M. |
| Carlson, L. | Halberg | Levi | Peterson, B. | Simoneau |
| Casserly | Haukoos | Long | Peterson, D. | Stadum |
| Clark | Heap | Luknic | Piepho | Stoa |
| Clawson | Heinitz | Mann | Pleasant | Stowell |
| Corbid | Hoberg | McCarron | Prahl | Sviggum |
| Crandall | Hokanson | McDonald | Redalen | Swanson |
| Dean | Jacobs | Mehrkens | Reding | Tomlinson |
| Dempsey | Jaros | Metzen | Rees | Valan |
| Den Ouden | Johnson, C. | Munger | Reif | Valento |
| Drew | Johnson, D. | Murphy | Rice | Vanasek |

Voss
Waldorf

Weaver
Welch

Wenzel
Wieser

Wigley
Wynia

Zubay
Spkr. Norton

Those who voted in the negative were:

Anderson, I.
Anderson, R.
Battaglia
Begich

Elioff
Erickson
Esau
Jennings

Jude
Kalis
Ludeman
McEachern

Minne
Nelsen, M.
Niehaus
Onnen

Thiede
Welker

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

CALL OF THE HOUSE LIFTED

Casserly moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

MOTION FOR RECONSIDERATION

Wenzel moved that the vote whereby H. F. No. 1878, as amended, was not passed on Special Orders for Tuesday, March 25, 1980, be now reconsidered. The motion prevailed.

H. F. No. 1878, as amended, was reported to the House.

H. F. No. 1878, A bill for an act relating to no-fault automobile insurance; coordinating benefits with medicare and workers' compensation; extending eligibility for the assigned claims plan; providing for mandatory uninsured motorist coverage; eliminating certain mandatory offers; amending Minnesota Statutes 1978, Sections 65B.46, Subdivision 2; 65B.49, by adding a subdivision; 65B.61, Subdivisions 1 and 2, and by adding subdivisions; 65B.64, Subdivision 1; repealing Minnesota Statutes 1978, Section 65B.49, Subdivisions 5 and 6.

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

The question was taken on the passage of the bill and the roll was called. There were 88 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Aasness
Adams
Ainley
Albrecht
Anderson, B.
Anderson, D.
Anderson, G.
Anderson, R.
Biersdorf
Blatz
Brinkman
Byrne

Carlson, D.
Carlson, L.
Dean
Dempsey
Den Ouden
Drew
Eken
Ellingson
Erickson
Esau
Evans
Ewald

Fjoslien
Forsythe
Friedrich
Fritz
Greenfield
Haukoos
Heap
Heinitz
Hokanson
Jennings
Johnson, C.
Johnson, D.

Kaley
Kalis
Kelly
Knickerbocker
Kostohryz
Kvam
Laidig
Levi
Ludeman
Luknic
Mann
McDonald

McEachern
Mehrkens
Munger
Nelsen, B.
Nelson
Niehaus
Norman
Novak
Nysether
Olsen
Onnen
Osthoff

| | | | | |
|--------------|-----------|----------|-----------|--------|
| Patton | Reif | Sherwood | Tomlinson | Welker |
| Peterson, B. | Rose | Stadum | Valan | Wenzel |
| Piepho | Sarna | Stowell | Valento | Wigley |
| Redalen | Schreiber | Sviggum | Voss | Zubay |
| Reding | Searle | Swanson | Waldorf | |
| Rees | Searles | Thiede | Weaver | |

Those who voted in the negative were:

| | | | | |
|--------------|---------|----------|--------------|--------------|
| Anderson, I. | Elioff | Kahn | Otis | Simoneau |
| Battaglia | Faricy | Kempe | Peterson, D. | Stoa |
| Begich | Fudro | Kroening | Pleasant | Vanasek |
| Berglin | Halberg | Long | Prahl | Wieser |
| Clawson | Jacobs | McCarron | Rice | Wynia |
| Corbid | Jaros | Metzen | Rodriguez | Spkr. Norton |
| Crandall | Jude | Minne | Sieben, M. | |

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Eken, from the Committee on Rules and Legislative Administration, pursuant to rule 1.9, designated the following bill as a Special Order to be acted upon immediately preceding Special Orders pending for Wednesday, March 26, 1980:

S. F. No. 919.

There being no objection the order of business reverted to Reports of Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 1962 and H. F. No. 2211, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pehler moved that the rules be so far suspended that S. F. No. 1962 be substituted for H. F. No. 2211 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. No. 1962 was read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Sieben, H., requested immediate consideration of S. F. Nos. 1764 and 1789; H. F. Nos. 2436 and 1612; and S. F. No. 1853.

S. F. No. 1764, A bill for an act relating to taxation; property tax; providing for uncontested hearings for property valuation; information to be included on valuation notices; clarifying the computation of agricultural aid credit; clarifying acreage available for homestead credit; prohibiting increases in valuation of property after appeals of market value; changing date for county board of equalization meeting and transfer of books to treasurer; changing penalty and interest rates; clarifying the role of administrative auditor in fiscal disparities; amending Minnesota Statutes 1978, Sections 270.11, Subdivision 6; 273.121; 273.13, Subdivision 6a; 273.135, Subdivision 1; 274.01, Subdivision 1; 274.13, Subdivision 1; 274.14; 276.01; 279.01; 279.37, Subdivision 2; 282.01, Subdivisions 1 and 4; 282.222, Subdivision 4; 282.261; and 473F.08, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.13, Subdivision 6; and 282.15; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34; 275.35; and 473F.08, Subdivisions 7 and 8.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Elioff | Kaley | Norman | Sieben, H. |
| Adams | Ellingson | Kalis | Novak | Sieben, M. |
| Ainley | Erickson | Kempe | Nysether | Simoneau |
| Anderson, B. | Esau | Knickerbocker | Olsen | Stadum |
| Anderson, D. | Evans | Kostohryz | Onnen | Stoa |
| Anderson, G. | Ewald | Kroening | Otis | Stowell |
| Anderson, I. | Faricy | Kvam | Patton | Svigum |
| Anderson, R. | Fjoslien | Laidig | Pehler | Swanson |
| Battaglia | Forsythe | Lehto | Peterson, B. | Thiede |
| Begich | Friedrich | Levi | Peterson, D. | Tomlinson |
| Berglin | Fritz | Long | Piepho | Valan |
| Biersdorf | Fudro | Ludeman | Pleasant | Valento |
| Brinkman | Greenfield | Luknic | Prahl | Vanasek |
| Byrne | Halberg | Mann | Redalen | Voss |
| Carlson, D. | Haukoos | McCarron | Reding | Waldorf |
| Carlson, L. | Heap | McDonald | Rees | Weaver |
| Casserly | Heinitz | McEachern | Reif | Welch |
| Clark | Hoberg | Mehrkins | Rice | Welker |
| Clawson | Hokanson | Metzen | Rodriguez | Wenzel |
| Corbid | Jacobs | Minne | Rose | Wieser |
| Crandall | Jaros | Moe | Rothenberg | Wigley |
| Dean | Jennings | Munger | Sarna | Wynia |
| Dempsey | Johnson, C. | Murphy | Schreiber | Zubay |
| Den Ouden | Johnson, D. | Nelsen, M. | Searle | Spkr. Norton |
| Drew | Jude | Nelson | Searles | |
| Eken | Kahn | Niehaus | Sherwood | |

The bill was passed and its title agreed to.

S. F. No. 1789, A bill for an act relating to taxation; estate tax; making technical adjustments and clarifying certain pro-

visions; amending Minnesota Statutes 1978, Sections 290.077, Subdivision 4; 291.07, Subdivision 3; 291.111, Subdivision 2; 291.15; 291.18; 291.32, Subdivision 1; 291.33, by adding a subdivision; 501.211, Subdivision 3, and by adding a subdivision; 524.3-505; 524.3-1003; 525.532, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; 290.14; 291.005, Subdivision 1; 291.01; 291.015; 291.03; 291.05; 291.051; 291.06; 291.07, Subdivision 1; 291.075; 291.09, Subdivisions 1a and 4a; 291.11, Subdivision 1; 291.132; 291.14; 291.215, Subdivision 1; 291.33, Subdivision 1; 291.48; 524.3-105; and 524.3-1001; repealing Minnesota Statutes 1978, Sections 291.17; 291.19, Subdivisions 1, 2 and 4; 291.20, Subdivision 4; and Minnesota Statutes, 1979 Supplement, Sections 291.111, Subdivision 1; and 291.19, Subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Eken | Kaley | Niehaus | Sieben, H. |
| Adams | Elioff | Kalis | Norman | Sieben, M. |
| Ainley | Ellingson | Kelly | Novak | Simoneau |
| Albrecht | Erickson | Kempe | Nysether | Stadum |
| Anderson, B. | Esau | Knickerbocker | Olsen | Stoa |
| Anderson, D. | Evans | Kostohryz | Onnen | Stowell |
| Anderson, G. | Ewald | Kroening | Osthoff | Svigum |
| Anderson, I. | Faricy | Kvam | Otis | Swanson |
| Anderson, R. | Fjoslien | Laidig | Patton | Thiede |
| Battaglia | Forsythe | Lehto | Pehler | Tomlinson |
| Begich | Friedrich | Levi | Peterson, B. | Valan |
| Berglin | Fritz | Long | Peterson, D. | Valento |
| Berkelman | Fudro | Ludeman | Piepho | Vanasek |
| Biersdorf | Greenfield | Luknic | Pleasant | Voss |
| Blatz | Halberg | Mann | Prahl | Waldorf |
| Brinkman | Haukoos | McCarron | Redalen | Weaver |
| Byrne | Heap | McDonald | Reding | Welch |
| Carlson, D. | Heinitz | McEachern | Rees | Welker |
| Carlson, L. | Hoberg | Mehrkens | Reif | Wenzel |
| Casserly | Hokanson | Metzen | Rice | Wieser |
| Clark | Jacobs | Minne | Rodriguez | Wigley |
| Corbid | Jaros | Moe | Rose | Wynia |
| Crandall | Jennings | Munger | Rothenberg | Zubay |
| Dean | Johnson, C. | Murphy | Sarna | Spkr. Norton |
| Dempsey | Johnson, D. | Nelsen, B. | Schreiber | |
| Den Ouden | Jude | Nelsen, M. | Searles | |
| Drew | Kahn | Nelson | Sherwood | |

The bill was passed and its title agreed to.

H. F. No. 2436, A bill for an act relating to the city of Duluth; providing for certain city tax revenues; repealing Laws 1973, Chapter 461, as amended; and Laws 1977, Chapter 438, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 108 yeas and 16 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|------------|
| Aasness | Esau | Kelly | Novak | Sherwood |
| Adams | Evans | Kempe | Nysether | Sieben, M. |
| Albrecht | Ewald | Knickerbocker | Olsen | Simoneau |
| Anderson, B. | Fjoslien | Kostohryz | Onnen | Stadum |
| Anderson, D. | Forsythe | Kroening | Otis | Stoa |
| Berglin | Friedrich | Kvam | Patton | Stowell |
| Berkelman | Fritz | Laidig | Pehler | Sviggunn |
| Biersdorf | Fudro | Lehto | Peterson, B. | Swanson |
| Blatz | Greenfield | Levi | Peterson, D. | Thiede |
| Brinkman | Haukoos | Long | Piepho | Tomlinson |
| Byrne | Heap | Luknic | Pleasant | Valan |
| Carlson, L. | Heimitz | Mann | Prahl | Vanasek |
| Clark | Hoberg | McCarron | Redalen | Waldorf |
| Clawson | Hokanson | McDonald | Reding | Weaver |
| Crandall | Jaros | Mehrkens | Rees | Welch |
| Dean | Jennings | Minne | Reif | Wenzel |
| Dempsey | Johnson, C. | Munger | Rice | Wieser |
| Drew | Johnson, D. | Murphy | Rodriguez | Wigley |
| Eken | Jude | Nelsen, B. | Rose | Wynia |
| Elioff | Kahn | Nelsen, M. | Rothenberg | Zubay |
| Ellingson | Kaley | Niehaus | Schreiber | |
| Erickson | Kalis | Norman | Searles | |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|-----------|---------|--------|
| Ainley | Begich | Jacobs | Sarna | Voss |
| Anderson, G. | Corbid | McEachern | Valento | Welker |
| Anderson, I. | Den Ouden | Metzen | | |
| Battaglia | Faricy | Osthoff | | |

The bill was passed and its title agreed to.

H. F. No. 1612, A bill for an act relating to metropolitan government; providing for metropolitan area agricultural preserves; providing property tax relief; excepting the conveyance of certain land from restrictions on the filing and recording of conveyances; modifying the policy statement for municipal planning and development; appropriating money; amending Minnesota Statutes 1978, Sections 462.351; and 462.358, Subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 93 yeas and 34 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-------|--------------|--------------|--------------|---------|
| Adams | Anderson, B. | Anderson, D. | Anderson, G. | Berglin |
|-------|--------------|--------------|--------------|---------|

| | | | | |
|--------------------|----------------------|-------------------|---------------------|---------------------|
| Blatz | Greenfield | Levi | Otis | Sherwood |
| Brinkman | Halberg | Long | Patton | Sieben, H. |
| Byrne | Haukoos | Luknic | Pehler | Sieben, M. |
| Carlson, D. | Heap | Mann | Peterson, B. | Simoneau |
| Carlson, L. | Heinitz | McCarron | Peterson, D. | Stadum |
| Casserly | Hoberg | Mehrkins | Piepho | Stoa |
| Clark | Hokanson | Metzen | Pleasant | Stowell |
| Corbid | Jaros | Minne | Prahl | Sviggum |
| Dean | Johnson, C. | Moe | Redalen | Swanson |
| Eken | Jude | Murphy | Reding | Valan |
| Elioff | Kahn | Nelsen, M. | Rees | Valento |
| Ellingson | Kaley | Nelson | Reif | Vanasek |
| Erickson | Kempe | Niehaus | Rodriguez | Voss |
| Ewald | Knickerbocker | Norman | Rose | Weaver |
| Faricy | Kostohryz | Novak | Rothenberg | Wynia |
| Forsythe | Kvam | Nysether | Sarna | Spkr. Norton |
| Friedrich | Laidig | Olsen | Schreiber | |
| Fudro | Lehto | Osthoff | Searle | |

Those who voted in the negative were:

| | | | | |
|---------------------|------------------|--------------------|-------------------|---------------|
| Aasness | Biersdorf | Fritz | McDonald | Welch |
| Ainley | Clawson | Jacobs | McEachern | Welker |
| Albrecht | Dempsey | Jennings | Nelsen, B. | Wenzel |
| Anderson, I. | Den Ouden | Johnson, D. | Onnen | Wieser |
| Battaglia | Drew | Kalis | Thiede | Wigley |
| Begich | Esau | Kroening | Tomlinson | Zubay |
| Berkelman | Fjoslien | Ludeman | Waldorf | |

The bill was passed and its title agreed to.

S. F. No. 1853 was reported to the House.

Jacobs moved to amend S. F. No. 1853, as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11, is amended to read:

Subd. 11. ((A)) In the calculation of adjusted assessed valuations for 1979 and each year thereafter, the committee shall not increase the adjusted assessed valuation of taxable property for any school district over the adjusted assessed valuation established and filed with the commissioner of education for the immediately preceding year by more than the greater of (1) 19 percent of the certified adjusted assessed valuation established and filed with the commissioner of education for the year immediately preceding, or (2) 40 percent of the difference between the district's total adjusted assessed valuation for the current year calculated without the application of this subdivision and the district's certified adjusted assessed valuation established and filed with the commissioner of education for the immediately preceding year.

((B) THE SALES RATIO STUDIES PUBLISHED BY THE DEPARTMENT OF REVENUE, OR ANY PART

THEREOF, OR ANY COPY OF THE SAME, OR RECORDS ACCUMULATED IN PREPARATION THEREOF, WHICH ARE PREPARED BY THE COMMISSIONER OF REVENUE FOR THE EQUALIZATION AID REVIEW COMMITTEE FOR USE IN DETERMINING SCHOOL AIDS PURSUANT TO THIS SECTION SHALL NOT BE ADMISSIBLE IN EVIDENCE IN ANY PROCEEDING, EXCEPT THAT THE SALES RATIO STUDIES SHALL BE ADMISSIBLE AS A PUBLIC RECORD WITHOUT THE LAYING OF A FOUNDATION IN (1) ACTIONS UNDER CHAPTER 278 IN THE CASE OF PROPERTY DESCRIBED IN SECTION 273.13, SUBDIVISIONS 6, 6A, 7, 7B, 10 OR 12; (2) ACTIONS BROUGHT IN THE SMALL CLAIMS DIVISION OF THE TAX COURT; OR (3) IN ACTIONS FOR REVIEW OF THE DETERMINATION OF THE SCHOOL AIDS PAYABLE UNDER THIS SECTION.)

Sec. 2. Minnesota Statutes 1978, Section 271.01, Subdivision 1, is amended to read:

271.01 [CREATION.] Subdivision 1. [MEMBERSHIP, APPOINTMENT, QUALIFICATIONS.] There is hereby created a tax court as an independent agency of the executive branch of the government. The tax court shall consist of three judges, each of whom shall be a citizen of the state, appointed by the governor, by and with the advice and consent of the senate, for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, subject to confirmation by the senate. The terms of the judges shall end on the first Monday in January. The terms of the judges shall be staggered. The initial three terms to be filled pursuant to Laws 1977, Chapter 307 will expire on the first Monday in January in the following years: 1979, 1981, and 1983. Judges may serve until their successors are appointed and qualify. They shall be *learned in the law and shall be* selected on the basis of their experience with and knowledge of taxation and tax laws. The judges of the tax court shall be subject to the provisions of the Minnesota Constitution, Article VI, Section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Sec. 3. Minnesota Statutes 1978, Section 278.01, Subdivision 1, is amended to read:

278.01 [DEFENSE OR OBJECTION TO TAX ON LAND; SERVICE AND FILING.] Subdivision 1. Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed *in comparison with other property in the city or county*, or that (SUCH) the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in

part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of (SUCH) service, in the office of the clerk of the district court before the first day of June of the year in which (SUCH) *the* tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A petition for determination under this section may be transferred by the district court to the tax court. *An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to June 1 of the year in which the taxes are payable.*

Sec. 4. Minnesota Statutes 1978, Section 278.05, is amended to read:

278.05 [TRIAL OF ISSUES.] *Subdivision 1. (SUCH) The petition, without any answer, return, or other pleading thereto, shall (STAND FOR TRIAL AT ANY GENERAL TERM IN SESSION WHEN THE SAME IS FILED; OR, IF THE COURT BE NOT THEN IN SESSION,) be tried at the next (GENERAL OR SPECIAL) term (APPOINTED TO BE HELD IN THE COUNTY; AND, IF NO SUCH TERM BE APPOINTED TO BE HELD WITHIN 30 DAYS THEREAFTER, THE SAME SHALL BE BROUGHT TO TRIAL AT ANY GENERAL TERM APPOINTED TO BE HELD WITHIN THE JUDICIAL DISTRICT UPON TEN DAYS NOTICE) of court. The court shall without delay summarily hear and determine the claims, objections or defenses made by the petition and shall direct judgment accordingly, and the trial shall disregard technicalities and matters of form not affecting the merits.*

Subd. 2. If the property on which the taxes have been levied is located in a home rule charter or statutory city or town which employs its own certified assessor, the attorney for that governmental unit may, within 20 days after receipt by the governmental unit of the copy of the petition forwarded by the county auditor, give notice to the county attorney and to the petitioner or his attorney that the home rule charter or statutory city or town is taking charge of and prosecuting the proceeding. If the attorney for the home rule charter or statutory city or town does not give (SUCH) notice, the attorney of the county in which these taxes are levied shall take charge of and prosecute (SUCH) the proceedings, but the county board may employ any other attorney to assist him. (AT THE TERM AT WHICH SUCH PETITION COMES ON FOR TRIAL IT SHALL TAKE

PRECEDENCE OF ALL OTHER BUSINESS BEFORE THE COURT. THE COURT SHALL WITHOUT DELAY SUMMARILY HEAR AND DETERMINE THE CLAIMS, OBJECTIONS, OR DEFENSES MADE BY THE PETITION AND SHALL DIRECT JUDGMENT ACCORDINGLY, AND THE TRIAL THEREOF SHALL DISREGARD ALL TECHNICALITIES AND MATTERS OF FORM NOT AFFECTING THE SUBSTANTIAL MERITS.)

Subd. 3. Assessor's records, including certificates of real estate value, assessor's field cards and property appraisal cards shall be made available to the petitioner for inspection and copying and may be offered at the trial subject to the applicable rules of evidence and rules governing pre-trial discovery and shall not be excluded from discovery or admissible evidence on the grounds that the documents and the information recorded thereon are confidential or classified as private data on individuals. Evidence of comparable sales of other property shall, within the discretion of the court, be admitted at the trial.

Subd. 4. The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation.

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that (SUCH) the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, (SHALL GIVE) gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file (SAME) the offer with proof of (SUCH) notice, and (THEREUPON) the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, (IF) unless a lower valuation than specified in the offer (BE NOT) is found by the court, no costs or disburse-

ments shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of (SUCH) *the* offer from and after the first day of November of the year (SUCH) *the* taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the first day of November of the year in which (SUCH) *the* taxes were payable, in which event interest shall not be taxable.

Sec. 5. Minnesota Statutes 1978, Section 278.08, is amended to read:

278.08 [INTEREST.] If the tax (BE) *is* sustained in full as levied, the judgment shall include any (PENALTIES OR) interest which (HAVE) *has* then accrued thereon for failure to pay the same, or any part thereof, at the time required by law. If the tax (BE) *is* reduced, no penalties and interest shall be included in the judgment because of the failure to pay (SUCH) *the* reduced tax prior to the entry thereof. The judgment shall be subject to (SUCH) interest or penalties as would under the law attach to the tax embraced therein after the entry thereof.

Sec. 6. *This act is effective the day after final enactment."*

Further amend by striking the title and inserting:

"A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that property tax court judges shall be learned in the law; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 271.01, Subdivision 1; 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11."

The motion prevailed and the amendment was adopted.

Anderson, I., moved to amend S. F. No. 1853, as amended, as follows:

Delete section 2 and renumber subsequent sections accordingly.

Further amend the title:

Lines 3, 4 and 5 delete "providing that property tax court judges shall be learned in the law;"

The motion prevailed and the amendment was adopted.

S. F. No. 1853, A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that property tax court judges shall be learned in the law; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 271.01, Subdivision 1; 272.70; 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Drew | Jude | Nelsen, B. | Sarna |
| Adams | Eken | Kahn | Nelsen, M. | Searle |
| Ainley | Elioff | Kaley | Nelson | Sherwood |
| Albrecht | Ellingson | Kalis | Niehaus | Sieben, H. |
| Anderson, B. | Erickson | Kelly | Norman | Sieben, M. |
| Anderson, D. | Esau | Kempe | Novak | Simoneau |
| Anderson, G. | Evans | Knickerbocker | Nysether | Stadum |
| Anderson, I. | Ewald | Kostohryz | Olsen | Stoa |
| Anderson, R. | Faricy | Kroening | Onnen | Stowell |
| Battaglia | Fjoslien | Kvam | Osthoff | Sviggun |
| Begich | Forsythe | Laidig | Otis | Swanson |
| Berkelman | Friedrich | Lehto | Patton | Thiede |
| Biersdorf | Fritz | Levi | Pehler | Tomlinson |
| Blatz | Fudro | Long | Peterson, B. | Valan |
| Brinkman | Greenfield | Ludeman | Peterson, D. | Vanasek |
| Byrne | Halberg | Luknic | Piepho | Voss |
| Carlson, D. | Haukoos | Mann | Pleasant | Waldorf |
| Carlson, L. | Heap | McCarron | Prahl | Weaver |
| Casserly | Heinitz | McDonald | Redalen | Welch |
| Clark | Hoberg | McEachern | Reding | Welker |
| Clawson | Hokanson | Mehrkens | Rees | Wenzel |
| Corbid | Jacobs | Metzen | Reif | Wieser |
| Crandall | Jaros | Minne | Rice | Wigley |
| Dean | Jennings | Moe | Rodriguez | Wynia |
| Dempsey | Johnson, C. | Munger | Rose | Zubay |
| Den Ouden | Johnson, D. | Murphy | Rothenberg | Spkr. Norton |

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

SPECIAL ORDERS

S. F. No. 919 was reported to the House.

Jennings moved to amend S. F. No. 919, the unofficial engrossment, as follows:

Page 2, line 13, after "may" insert "only"

Page 2, line 15, delete the period and insert: "and, if: (a) the town is situated in a county which has not repealed the code; or (b) a majority of the voters of the town approve the employment of a building official at an election held on the issue. Notwithstanding any law to the contrary, the issue shall be placed on the ballot for the voters of the town pursuant to clause (b), only after a petition requesting the employment of a building official has been filed with the town board, which petition has been validly signed by eligible voters in the town totalling at least eight percent of the total number of votes cast in the town for all candidates for governor at the last gubernatorial election."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 35 yeas and 87 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|-----------|----------|----------|------------|---------|
| Aasness | Esau | Heinitz | Mehrkens | Stadum |
| Ainley | Evans | Hoberg | Nysether | Sviggum |
| Albrecht | Ewald | Jennings | Olsen | Thiede |
| Biersdorf | Fjoslien | Kaley | Piepho | Valan |
| Dempsey | Forsythe | Levi | Pleasant | Valento |
| Den Ouden | Fritz | Ludeman | Rees | Welker |
| Drew | Haukoos | McDonald | Rothenberg | Wigley |

Those who voted in the negative were:

| | | | | |
|--------------|-------------|------------|--------------|--------------|
| Adams | Dean | Kelly | Niehaus | Simoneau |
| Anderson, B. | Eken | Kempe | Norman | Stoa |
| Anderson, D. | Elioff | Kostohryz | Novak | Stowell |
| Anderson, G. | Ellingson | Kroening | Onnen | Swanson |
| Anderson, I. | Erickson | Kvam | Osthoff | Tomlinson |
| Anderson, R. | Faricy | Laidig | Otis | Vanasek |
| Battaglia | Fudro | Lehto | Patton | Voss |
| Begich | Greenfield | Long | Pehler | Waldorf |
| Berglin | Halberg | Luknic | Peterson, B. | Weaver |
| Berkelman | Heap | Mann | Peterson, D. | Welch |
| Blatz | Hokanson | McCarron | Reding | Wenzel |
| Brinkman | Jacobs | McEachern | Rice | Wieser |
| Byrne | Jaros | Metzen | Rodriguez | Wynia |
| Carlson, L. | Johnson, C. | Minne | Rose | Zubay |
| Casserly | Johnson, D. | Munger | Sarna | Spkr. Norton |
| Clark | Jude | Murphy | Sherwood | |
| Clawson | Kahn | Nelsen, M. | Sieben, H. | |
| Corbid | Kalis | Nelson | Sieben, M. | |

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

Ludeman moved to amend S. F. No. 919, the unofficial engrossment, as follows:

Page 2, after line 18, insert:

"Sec. 2. Minnesota Statutes 1978, Chapter 16, is amended by adding a section to read:

[16.869] [REFERENDA ON STATE BUILDING CODE IN NON-METROPOLITAN CITIES AND TOWNS.] *Notwithstanding any contrary provision of law, a home rule charter or statutory city, or a town as defined in section 368.01, subdivision 1, which has 7,500 or fewer inhabitants and is not in a metropolitan county as defined in section 473.121, subdivision 4, whether or not the city or town adopted the state building code prior to January 1, 1977, may provide, by a vote of the majority of its electors, that no portion of the state building code except the building requirements for handicapped persons shall apply within its jurisdiction.*

The governing body may, and upon petition therefor signed by voters equal in number to at least five percent of those voting in the last general election shall submit to the voters at a regular or special election the question of adopting the building code. The question on the ballot shall be stated substantially as follows: "Shall the state building code be adopted in?"

If the majority of the votes cast on the proposition is in the negative, the state building code shall not apply in the city or town, except the building requirements for handicapped persons shall apply."

Renumber the remaining sections

Page 4, line 6, delete "Section 1 is" and insert "Sections 1 and 2 are"

Page 4, line 7, delete "2, 3, and 4" and insert "3, 4, and 5"

Further amend the title as follows:

Page 1, line 5 after the semicolon insert "providing for certain referenda on the state building code;"

Page 1, line 9, before the period insert "and Chapter 16, by adding a section"

A roll call was requested and properly seconded.

Carlson, D., and Nelson were excused for the remainder of today's session.

CALL OF THE HOUSE

On the motion of Vanasek and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

| | | | | |
|--------------|-------------|---------------|--------------|--------------|
| Aasness | Elioff | Kaley | Norman | Sieben, H. |
| Adams | Ellingson | Kalis | Novak | Sieben, M. |
| Ainley | Erickson | Kelly | Nysether | Simoneau |
| Albrecht | Esau | Kempe | Olsen | Stadum |
| Anderson, B. | Ewald | Knickerbocker | Onnen | Stoa |
| Anderson, D. | Faricy | Kostohryz | Osthoff | Stowell |
| Anderson, G. | Fjoslien | Kroening | Otis | Sviggum |
| Anderson, I. | Forsythe | Kvam | Patton | Swanson |
| Battaglia | Friedrich | Laidig | Pehler | Thiede |
| Begich | Fritz | Lehto | Peterson, B. | Tomlinson |
| Berglin | Fudro | Levi | Peterson, D. | Valan |
| Berkelman | Greenfield | Long | Piepho | Valento |
| Biersdorf | Halberg | Ludeman | Pleasant | Vanasek |
| Blatz | Haukoos | Luknic | Prahl | Voss |
| Brinkman | Heap | Mann | Redalen | Waldorf |
| Carlson, L. | Heinitz | McCarron | Reding | Weaver |
| Casserly | Hoberg | McEachern | Rees | Welch |
| Clark | Hokanson | Mehrkens | Reif | Welker |
| Clawson | Jacobs | Minne | Rice | Wenzel |
| Corbid | Jaros | Moe | Rodriguez | Wieser |
| Crandall | Jennings | Munger | Rose | Wigley |
| Dean | Johnson, C. | Murphy | Rothenberg | Wynia |
| Den Ouden | Johnson, D. | Nelsen, B. | Sarna | Zubay |
| Drew | Jude | Nelsen, M. | Searle | Spkr. Norton |
| Eken | Kahn | Niehaus | Sherwood | |

Vanasek moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Corbid moved to amend the Ludeman amendment to S. F. No. 919, as follows:

Page 1, line 10, delete "7,500" insert "1,000,000"

Page 1, line 10, after "*inhabitants*" insert a period and strike the balance of the line

Page 1, delete line 11

Page 1, line 12, delete "*subdivision 4,*"

A roll call was requested and properly seconded.

The question was taken on the Corbid amendment to the Ludeman amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

| | | | | |
|--------------|-------------|------------|------------|------------|
| Adams | Eken | Kroening | Nysether | Sieben, M. |
| Anderson, B. | Ellingson | Lehto | Olsen | Simoneau |
| Anderson, G. | Fudro | Long | Osthoff | Stadum |
| Anderson, I. | Greenfield | Luknic | Otis | Stoa |
| Berglin | Hoberg | Mann | Patton | Stowell |
| Berkelman | Hokanson | McCarron | Pehler | Vanasek |
| Brinkman | Jaros | McEachern | Prahl | Welch |
| Byrne | Johnson, C. | Metzen | Reding | Wieser |
| Cassery | Jude | Moe | Rice | Wynia |
| Clark | Kahn | Munger | Rodriguez | |
| Clawson | Kalis | Nelsen, M. | Sarna | |
| Corbid | Kempe | Nelson | Sherwood | |
| Dean | Kostohryz | Novak | Sieben, H. | |

Those who voted in the negative were:

| | | | | |
|--------------|-----------|---------------|--------------|-----------|
| Aasness | Elioff | Jennings | Norman | Swanson |
| Ainley | Erickson | Johnson, D. | Onnen | Thiede |
| Albrecht | Esau | Kaley | Peterson, B. | Tomlinson |
| Anderson, D. | Ewald | Kelly | Peterson, D. | Valan |
| Anderson, R. | Faricy | Knickerbocker | Piepho | Valento |
| Battaglia | Fjoslien | Kvam | Pleasant | Voss |
| Begich | Forsythe | Laidig | Redalen | Waldorf |
| Biersdorf | Friedrich | Levi | Rees | Weaver |
| Blatz | Fritz | Ludeman | Reif | Welker |
| Carlson, L. | Halberg | McDonald | Rose | Wenzel |
| Crandall | Haukoos | Mehrkens | Rothenberg | Wigley |
| Dempsey | Heap | Minne | Searle | Zubay |
| Den Ouden | Heinitz | Nelsen, B. | Searles | |
| Drew | Jacobs | Niehaus | Svigum | |

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

Kahn moved to amend the Ludeman amendment to S. F. No. 919 as follows:

At the end of the Ludeman amendment add:

"Sec. 3. No emergency residential heating grants or emergency conservation grants shall be expended in any area of the state that has repealed the state building code."

Renumber remaining sections

A roll call was requested and properly seconded.

Sieben, H., moved that the bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Sieben, H., moved that the bills on General Orders for today be continued one day. The motion prevailed.

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

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Appropriations to which was referred:

H. F. No. 160, A bill for an act relating to welfare; changing income disregard provisions for certain medical assistance recipients and certain supplemental aid recipients; amending Minnesota Statutes 1978, Sections 256B.06, Subdivision 1; and 256D.37, Subdivisions 1 and 2; repealing Minnesota Statutes 1978, Section 256B.36.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 256B.06, Subdivision 1, is amended to read:

256B.06 [ELIGIBILITY REQUIREMENTS.] Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. Real estate not used

as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price; and

(8) Who, if single, does not have more than \$2,000 in cash or liquid assets, plus \$150 for each additional legal dependent or, if married, whose cash or liquid assets do not exceed \$10,000, except that the value of the homestead and one automobile shall be disregarded; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (man and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall, beginning in July 1979, disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act. *In assessing income, the income disregard available to disabled persons who are not residents of long term care facilities in determining eligibility for supplemental aid under Minnesota Statutes, Section 256D.37, Subdivision 1, shall be applied to disabled persons who are not residents of long term care facilities under this section.* In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred.

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs

of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 256D.37, Subdivision 1, is amended to read:

256D.37 [NEW APPLICANTS AND RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID.] Subdivision 1. For all applicants for or recipients of supplemental security income who did not receive aid pursuant to any categorical aid program referred to in section 256D.36 during December, 1973, and who make application to the appropriate local agency, the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program. In computing the amount of supplemental aid under this section, the local agency shall deduct from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program, *except that the earned income disregard for disabled persons who are residents of long term care facilities shall be the same as the earned income disregard available to disabled persons in the supplemental security income program and all actual work expenses shall be deducted when determining the amount of income of the individual.* From and after the first of the month in which an effective application is filed, the state and the county shall share responsibility for the payment of the supplemental aid to which the individual is entitled under this section as provided in section 256D.36.

Sec. 3. Minnesota Statutes 1978, Section 256D.37, Subdivision 2, is amended to read:

Subd. 2. The eligibility criteria for supplemental aid under this section shall be those in effect December 31, 1973 for the categorical aid programs of old age assistance, aid to the blind, and aid to the disabled *except that in determining eligibility for disabled individuals who are not residents of long term care facilities all actual work expenses shall be disregarded and the earned income disregard shall be the same as the earned income disregard used to determine eligibility for disabled individuals in the supplemental security income program, and except that net equity of \$25,000 in one home used as a residence, one auto-*

mobile the market value of which does not exceed \$1,650, and real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price, are to be disregarded in determining eligibility. The commissioner of public welfare shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2. The local agency shall apply the relevant criteria to each application. The local agency in its discretion may permit eligibility of an applicant having assets in excess of the amount prescribed in this section if liquidation of the assets would cause undue loss or hardship.

Sec. 4. [APPROPRIATIONS.] *The sum of \$80,500 is appropriated from the general fund to the commissioner of public welfare for the purposes of this act."*

Delete the title in its entirety and insert:

"A bill for an act relating to welfare; changing income disregard provisions for certain medical assistance recipients and certain supplemental aid recipients; appropriating money; amending Minnesota Statutes 1978, Section 256D.37, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 256B.06, Subdivision 1; and 256D.37, Subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 729, A bill for an act relating to public welfare; increasing personal needs allowance for residents of certain facilities; restricting the use of allowances by third parties; providing for a civil action and damages; providing a penalty; amending Minnesota Statutes 1978, Section 256B.35.

Reported the same back with the following amendments:

Page 1, line 19, delete "\$50" and insert "\$33"

Page 1, delete lines 20 to 23

Page 2, delete lines 1 to 7

Page 3, after line 25, add two sections to read:

"Sec. 2. [EFFECTIVE DATE.] *The amendment made to Minnesota Statutes 1978, Section 256B.35, by section 1, subdivision 1, is effective January 1, 1981.*

Sec. 3. [APPROPRIATION.] *The sum of \$540,000 is appropriated from the general fund to the commissioner of public welfare for purposes of section 1, subdivision 1. This appropriation is available until June 30, 1981."*

Further, amend the title as follows:

Page 1, line 6, before the second semicolon insert "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 902, A bill for an act relating to pollution; establishing noise limits for motorboats; appropriating money; amending Minnesota Statutes 1978, Section 361.17.

Reported the same back with the following amendments:

Page 3, delete lines 9 to 16

Re-number remaining section

Page 3, line 17, delete "Sections 1 and 2 are" and insert "This act is"

Further amend the title as follows:

Page 1, line 3, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1138, A bill for an act relating to local government; authorizing local governmental units to establish training programs for local government officials in conjunction with certain organizations; appropriating money; amending Minnesota Statutes 1978, Section 471.59, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 5, at the end of the line delete ","

Page 2, line 6, delete "*the private college council*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1201, A bill for an act relating to waters; providing for watercraft licensing and safe operation; altering certain definitions; changing license fees; authorizing a temporary certificate; stating the evidentiary effect of certain blood tests; altering certain safety requirements and motor noise limits; providing an outline for distributing water safety enforcement funds; amending Minnesota Statutes 1978, Sections 361.02, by adding subdivisions; 361.03, Subdivisions 3 and 12, and by adding a subdivision; 361.10; 361.12; 361.13, Subdivision 1; 361.141, Subdivision 1; 361.15, Subdivision 1; 361.16, Subdivision 1; 361.18; 361.20; 361.21, Subdivision 2, and by adding a subdivision; 361.215; 361.24; 361.27, Subdivision 1; and 361.29, Subdivision 4; repealing Minnesota Statutes 1978, Section 361.15, Subdivision 2.

Reported the same back with the following amendments:

Page 3, line 3, after "*sailboats*" insert "*, sailboards*"

Page 3, line 4, delete "\$6" and insert "\$7.50"

Page 3, line 5, delete "\$8" and insert "\$10"

Page 4, line 22, after "*sailboats,*" insert "*sailboards,*"

Page 4, line 27, after the period delete the new language

Page 4, delete line 28 and insert "*The information contained on the capacity plate shall, at a minimum, comply with the established standards and*"

Page 11, line 10, after "*resources*" delete "*for the purposes of*" and insert "*or to political subdivisions within the county, including lake conservation districts in part or in whole within the county, that the commissioner determines will provide watercraft safety enforcement, supervision, marking, regulation, search and rescue, and information on waters wholly or partially within their boundaries*"

Page 11, line 11, delete "*watercraft safety*"

Page 12, delete lines 10 to 33

Page 13, delete lines 1 to 10

Page 13, line 17, after the period delete the remainder of the line

Page 13, line 18, delete the new language and strike the old language

Page 13, line 19, strike "of boat and water safety."

Page 13, line 32, after "Counties" insert "and other political subdivisions"

Page 14, line 10, after the period insert a new section to read:

"Sec. 19. [APPROPRIATION.] *The sum of \$30,000 is appropriated from the general fund to the Minnesota department of natural resources for the purposes of purchasing motorboat noise monitoring equipment, training department personnel and county sheriff's departments in the use of the equipment, and general enforcement of motorboat noise limits by the department, and shall be available until expended.*"

Renumber remaining sections accordingly

Page 14, line 14, before the period insert "*, except section 19 shall be effective the day following final enactment*"

Further, amend the title as follows:

Page 1, line 9, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1603, A bill for an act relating to welfare; clarifying certain provisions of the general assistance medical care program; authorizing higher general assistance payments for persons determined to be unemployable; making various other changes in the general assistance program; amending Minnesota Statutes 1978, Sections 256D.01; 256D.02, Subdivisions 4, 9, 10, 11, 12, and by adding a subdivision; 256D.03, Subdivisions 1 and 3; 256D.04; 256D.05, Subdivision 1; 256D.06, Subdivisions 1 and 2, and by adding a subdivision; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.10; 256D.11, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9; 256D.13, Subdivision 1; 256D.16; and 256D.18, Subdivisions 2 and 4; and Minnesota Statutes, 1979 Supplement,

Sections 256D.03, Subdivision 2; 256D.07, and by adding a subdivision; and 256D.08, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 25, delete "256D.18" and insert "256D.21"

Page 2, lines 3 to 8, delete the new language

Page 2, line 13, delete "256D.18" and insert "256D.21"

Page 2, lines 20 to 33, reinstate the stricken language

Page 2, line 33, after the period insert "*The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement.*"

Page 3, lines 1 to 9, reinstate the stricken language

Page 3, lines 3 and 4, strike "Laws 1973, Chapter 650, Article 21" and insert "*sections 256D.01 to 256D.21*"

Page 3, line 10, reinstate "a principal consideration in the administration of"

Page 3, line 10, after "of" insert "*sections 256D.01 to 256D.21*"

Page 3, line 11, reinstate "and all general assistance"

Page 3, lines 12 and 13, reinstate the stricken language

Page 3, line 15, delete "256D.18" and insert "256D.21"

Page 3, lines 23 to 25, reinstate the stricken language

Page 5, line 18, delete "256D.18" and insert "256D.21"

Page 5, line 30, reinstate "256D.01" and delete "256D.05"

Page 6, lines 1 and 2, reinstate the stricken language

Page 7, line 14, delete "256D.18" and insert "256D.21"

Page 7, line 18, delete "256D.18" and insert "256D.21"

Page 8, line 3, delete "256D.18" and insert "256D.21"

Pages 8 and 9, delete section 12

Pages 10 and 11, delete section 15

Page 11, line 4, delete "Subdivision 1."

Page 11, line 10, delete "256D.05 and 256D.06" and insert "256D.01 to 256D.21"

Page 11, delete lines 32 and 33

Page 12, delete lines 1 and 2

Page 13, line 5, delete "256D.18" and insert "256D.21"

Page 17, line 1, after "paid" insert "during that period"

Page 18, line 11, delete "256D.18" and insert "256D.21"

Page 19, after line 25, insert new sections to read:

"Sec. 31. *Sections 1 to 11, 13, 14, and 16 to 30 of this act are effective July 1, 1980. Sections 12 and 15 of this act are effective January 1, 1981.*

Sec. 32. [APPROPRIATIONS.] *The sum of \$226,000 is appropriated from the general fund to the commissioner of public welfare for purposes of sections 12 and 15 of this act. This appropriation is available until June 30, 1981 and shall be expended only if federal general revenue sharing is received in the approximate amount of \$34,000,000 in the federal fiscal year 1981."*

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, delete line 4 and insert "establishing an earned income disregard work incentive in the general assistance program"

Page 1, line 5, delete "persons determined to be unemployable"

Page 1, line 7, after the semicolon insert "appropriating money;"

Page 1, line 10, delete "256D.05,"

Page 1, line 11, delete "Subdivision 1;"

Page 1, line 11, delete ", and"

Page 1, line 12, delete "by adding a subdivision"

Page 1, line 17, delete ", and by"

Page 1, line 18, delete "adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1813, A bill for an act relating to public finance; authorizing the issuance of Minnesota state railroad assistance bonds; appropriating money; amending Minnesota Statutes 1978, Chapter 222, by adding a section.

Reported the same back with the following amendments:

Page 5, line 15, delete "\$53,000,000" and insert "\$10,000,000"

Page 5, line 23, delete "\$53,000,000" and insert "\$10,000,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1842, A bill for an act relating to nuclear safety; providing for a nuclear power plant emergency response plan; providing for assessment of costs to nuclear power plants; requiring the departments of public safety and health to monitor, provide training, and prepare plans for nuclear power plant incidents; requiring a study; appropriating money; amending Minnesota Statutes 1978, Chapter 12, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 12.03, Subdivision 4; and 12.21, Subdivision 1.

Reported the same back with the following amendments:

Page 4, line 10 delete "\$350,000" and insert "\$250,000"

Page 4, line 14, delete "\$700,000" and insert "\$500,000"

Page 4, line 15, delete "director" and insert "department"

Page 4, line 16, delete "emergency services" and insert "public safety"

Page 4, line 32, delete "two" and insert "one"

Page 4, line 33, delete "positions" and insert "position"

Page 5, delete lines 1 to 2

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1847, A bill for an act relating to public welfare; providing for a study of revisions to the nursing home rate reimbursement formula; directing the commissioner of public welfare to promulgate certain rules; appropriating money; amending Minnesota Statutes 1978, Section 256B.47, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, delete lines 15 to 32

Page 2, line 33, in the blank insert "40,000"

Renumber the remaining sections

Delete the underscoring from the remainder of the bill

Further, amend the title as follows:

Page 1, line 4, delete "directing the commissioner"

Page 1, delete line 5

Page 1, lines 6 and 7, delete "; amending Minnesota Statutes 1978, Section 256B.47, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Moe from the Committee on Governmental Operations to which was referred:

H. F. No. 1915, A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.15 to 11.28; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [11A.01] [STATEMENT OF PURPOSE.] *The purpose of sections 1 to 23 is to establish standards which will insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.*

Sec. 2. [11A.02] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 1 to 23, the terms defined in this section shall have the meanings given them.*

Subd. 2. "Board" means the Minnesota state board of investment created by Article XI, Section 8 of the constitution of the state of Minnesota.

Subd. 3. "Council" means the investment advisory council created by section 6.

Subd. 4. "Fund" means any of the individual funds, including but not limited to the permanent school fund, general fund of the state, retirement funds and other funds and accounts for which the board has investment responsibilities.

Subd. 5. "Director" means the executive director of the board.

Subd. 6. "Management" means the performance or delegation of general management duties relating to any fund established pursuant to this chapter.

Sec. 3. [11A.03] [MEMBERSHIP, ORGANIZATION.] *Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, the board shall be composed of the governor, state auditor, state treasurer, secretary of state and attorney general. The governor shall serve as ex officio chairman of the board.*

Sec. 4. [11A.04] [DUTIES AND POWERS.] *The board shall:*

(1) *Act as trustees for each fund for which it invests or manages moneys in accordance with the standard of care set forth in section 7.*

(2) *Formulate policies and procedures deemed necessary and appropriate to carry out its functions.*

(3) *Employ an executive director as provided in section 5 as well as such consultants as it deems necessary.*

(4) *Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.*

(5) *Maintain a record of its proceedings.*

(6) *As it deems necessary, establish advisory committees subject to the provisions of Minnesota Statutes, Section 15.059 to assist the board in carrying out its duties.*

(7) *Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or his agent.*

(8) *Direct the state treasurer to sell property other than money which has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property shall be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.*

(9) *Undertake any other activities necessary to implement the duties and powers set forth in this section.*

Sec. 5. [11A.05] [EXECUTIVE DIRECTOR.] *Subdivision 1. [QUALIFICATIONS.] The director of the board shall be a chartered financial analyst or a person of equivalent qualifications. He shall be well qualified by training to administer and invest the money available for investment and possess experience in the management of institutional investment portfolios. The director shall be in the unclassified state service and serve at the pleasure of the board.*

Subd. 2. [CONFIRMATION.] *The employment of the director shall be subject to the advice and consent of the senate in the same manner as the appointment of executive officers is confirmed by the senate.*

Subd. 3. [DUTIES AND POWERS.] *The director shall:*

(1) *Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the board.*

(2) *Employ such professional and clerical staff as is necessary within the complement limits established by the legislature. These employees shall be in the unclassified service of the state.*

(3) *Report to the board on all operations under his control and supervision.*

(4) *Maintain accurate and complete records of securities transactions and official activities.*

(5) *Purchase and sell all securities on the basis of competitive offerings or bids received from at least two firms known to specialize in the securities being traded and likely to position these securities in relevant quantities. Competitive bidding shall*

not be required when the securities to be traded are: listed or traded on a major United States exchange, bound by underwriting restrictions or classified as private placements and offered only to a limited number of institutional investors.

(6) *Cause all securities acquired to be kept in the custody of the state treasurer or such other depositories as the board deems appropriate.*

(7) *Prepare and file with the director of the legislative reference library on or before November 15 of each year, a report summarizing the activities of the board, the council and the director during the preceding fiscal year. The report shall be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return and the yield to the state treasury and to each of the funds whose assets are invested by the board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers and brokerage organizations. This report shall contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles.*

(8) *Require state officials from any department or agency to produce and provide access to any financial documents the board deems necessary in the conduct of its investment activities.*

(9) *Receive and expend legislative appropriations.*

(10) *Undertake any other activities necessary to implement the duties and powers set forth in this subdivision.*

Sec. 6. [11A.06] [INVESTMENT ADVISORY COUNCIL.] Subdivision 1. [MEMBERSHIP.] *There is created an investment advisory council consisting of ten members who are experienced in general investment matters and who shall be appointed by the board, the commissioner of finance and the executive directors of the Minnesota state retirement system, the public employees retirement association and the teachers retirement association.*

Subd. 2. [DUTIES AND POWERS.] *The council shall:*

(1) *Advise the board and its director on general policy matters relating to investments;*

(2) *Advise the board and its director in respect to all proposed transactions, except those relating to individual securities, which would have a significant impact on the character, size or quality of the state's investment portfolio;*

(3) Advise the board and its director on methods to improve the rate of return on invested money while insuring adequate security for that money;

(4) Advise the board and its director on the form and content of the board's report required by section 5, subdivision 3, clause (7), so that the report clearly and objectively discloses the investment activities of the board and its director;

(5) Perform other tasks of an advisory nature as requested by the board.

Subd. 3. [OFFICERS; MEETINGS.] The council shall annually elect a chairman and vice chairman from among its members, and may elect other officers as necessary. The council shall meet at least every other month and upon the call of the chairman of the council or the chairman of the board.

Subd. 4. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] The membership terms, compensation and removal of members appointed by the board, and filling of vacancies of such members shall be as provided in Minnesota Statutes, Section 15.059 except that council members shall not receive a per diem.

Subd. 5. [LIABILITY; INDEMNIFICATION.] A member of the council shall be indemnified and held harmless by the state for any reasonable costs or expenses incurred as a result of any actual or threatened litigation or administrative proceedings arising out of the performance of the member's duties, except an action brought by the state or agency thereof arising from the failure of a council member to perform duties in the manner prescribed in section 7.

Subd. 6. [CONFLICT OF INTEREST; ECONOMIC INTEREST STATEMENT.] No member of the council may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to the member. Additionally, no member of the council appointed by the board may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to his employer. Members of the council shall file with the board of ethical practices an economic interest statement in a manner as prescribed by Minnesota Statutes, Section 10A.09, Subdivisions 5 and 6.

Sec. 7. [11A.07] [STANDARD OF CARE.] In the discharge of their respective duties, the members of the board, director, board staff, members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 1 to 23 shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, dis-

cretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.

Sec. 8. [11A.08] [DUTIES OF OTHER OFFICIALS.] Subdivision 1. [CUSTODY OF SECURITIES.] *The state treasurer and other custodians of securities belonging to the various funds shall provide the board and its delegates with reasonable access thereto. Each security shall be held as an asset of the fund from which the investment expenditure was made.*

Subd. 2. [ESCHEATED PROPERTY.] *The commissioner of finance shall report immediately to the board all personal property other than money received by the state of Minnesota as escheated property. If the board elects to sell escheated property, all moneys received from the sale shall be credited to the general fund of the state.*

Subd. 3. [AUDITS.] *State audits of the activities of the board and its delegates shall be conducted by the legislative auditor.*

Subd. 4. [OFFICE SPACE.] *The commissioner of administration shall provide the director and staff with suitable office and storage space in the state capitol complex as near as practicable to the office of the state treasurer.*

Sec. 9. [11A.09] [INVESTMENT AND EXPENSE APPROPRIATION.] *There is appropriated to the board annually, and from time to time, such moneys as are available for investment in the various funds, for the purposes of the purchase, sale, exchange and lending of securities, reinvestment activities, payment of the execution expenses of securities transactions, amortization of premiums or accumulation of discounts, and contribution and redemption of participation in the various funds.*

Sec. 10. [11A.10] [GAINS AND LOSSES.] Subdivision 1. [DISPOSITION OF GAINS AND LOSSES.] *All interest and profit accruing from and all losses incurred by investment activity shall be credited to or borne by the fund from which the investment was made.*

Sec. 11. [11A.11] [ASSETS AND DOCUMENTATION.] Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] *Legal title to the assets of the funds to be invested by the board shall be in the state of Minnesota, or its nominee, as trustees for any person having a beneficial interest in the applicable fund subject to the rights of the particular funds maintaining shares in the accounts to their credit.*

Subd. 2. [RIGHTS OF EMPLOYEES; VALIDITY OF DOCUMENTATION.] *The rights of any public employee to any as-*

sets in the retirement funds shall be as fixed by the law or laws authorizing or requiring a retirement fund to purchase or order the redemption of shares investment participation or units on behalf of the public employee. The board may rely on the documents, forms and applications of the various retirement funds which accompany money for investment or orders to redeem assets as being made in concert with the applicable law and with the rights of the public employees concerned. Accordingly, the board need not inquire into the legality or validity of any documents, forms and applications.

Sec. 12. [11A.12] [MINNESOTA COMBINED INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.] There is hereby established a Minnesota combined investment fund for the purpose of providing an investment vehicle for assets of the participating funds. The combined fund shall consist of the following investment accounts: a cash management account and an equity account.

Subd. 2. [ASSETS.] The assets of the combined investment fund shall consist of the moneys certified to and received by the board from participating retirement plans and funds which shall be used to purchase investment shares in the appropriate investment accounts. Each participating fund shall own an undivided participation in all the assets of the combined fund. As of any date, the total claim of a participating fund on the assets in each account shall be equal to the ratio of units owned by a fund in each account to the total issued units then outstanding.

Subd. 3. [MANAGEMENT.] The combined investment fund shall be managed by the board.

Subd. 4. [INVESTMENTS.] The assets of the combined investment fund shall be invested by the board subject to the provisions of section 22 with the following exceptions:

(a) The cash management account shall be invested in fixed-income obligations with maturities of less than three years.

(b) The equity account may be completely invested in corporate stocks.

Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] The following public retirement plans and funds shall participate in the Minnesota combined investment fund:

(1) State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;

(2) Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;

(3) Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;

(4) Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;

(5) Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;

(6) Teachers retirement fund established pursuant to Minnesota Statutes, Chapter 354;

(7) Judges retirement fund established pursuant to Minnesota Statutes, Chapter 490; and

(8) Any other fund required by law to participate.

Subd. 6. [INITIAL TRANSFER OF ASSETS.] As of July 1, 1980, or a later date as determined by the board, the participating funds shall transfer to the combined investment fund all appropriate securities then held together with cash necessary for the purchase of even units in the combined fund accounts.

Subd. 7. [INITIAL VALUATION OF ASSETS AND UNITS.] All assets transferred to the Minnesota combined investment fund shall be valued at their current market value as determined by the board, including accrued interest. The initial value of each account unit shall be \$1,000 with each participating fund allocated units in the various accounts of the Minnesota combined investment fund in the same proportion as their assets are to the total assets in each account.

Subd. 8. [UNREALIZED APPRECIATION (DEPRECIATION) ACCOUNT.] Any unrealized gains or losses in the value of investments incurred by a transferring fund shall be recorded in an unrealized appreciation (depreciation) account which is hereby created. Any future unrealized gains or losses shall also be recorded in this account at the close of each fiscal year.

Subd. 9. [VALUATION OF UNITS.] (1) Valuation of units for the equity account in the Minnesota combined investment fund shall be performed as of the last business day of each month, or more frequently should the board determine that additional valuation dates are necessary. Valuation of units for the cash management account in the Minnesota combined investment fund shall be performed daily for every business day.

(2) The value of a unit for each account shall be determined by the following procedure:

(a) As of the close of business on the valuation date the board shall determine the fair market value of each asset in each account, using the references, pricing services, consultants, or other methods as the board deems appropriate.

(b) The sum total of the market value of all securities plus cash, less the value of undistributed income in each account, shall be divided by the number of units issued and outstanding for the account to determine the value per account unit.

Subd. 10. [PURCHASE AND REDEMPTION OF UNITS.] Purchase and redemption of units shall be on the first business day following the valuation date. All transactions shall be at the unit value as established on the immediately preceding valuation date. Except for the initial purchase of units by an authorized participant, all purchases and redemptions shall be made in cash unless the board determines that an exception is necessary.

Subd. 11. [EARNINGS DEFINED.] Investment earnings shall be the sum total of the following of each account:

(1) Dividends receivable on securities trading ex-dividend up to and including the valuation date.

(2) Cash dividends received to and including the valuation date that were not accounted for on a previous valuation date.

(3) Accrued interest to and including the valuation date.

(4) Interest received which had not been accrued and accounted for on a prior valuation date.

(5) Proceeds from the sale of options, rights, warrants, or security lending.

(6) Other income received to and including the valuation date.

Subd. 12. [DISTRIBUTION OF EARNINGS.] At least once each month the board shall distribute to each participant net earnings determined proportionately in accordance with their average unit holdings in each account during the period. Unless otherwise directed by the participating fund, any distributions shall be used to purchase additional units in the accounts.

Subd. 13. [RECORDS REQUIRED.] The executive director of the stateboard of investment shall keep accounting records. The records shall reflect the number of units in the Minnesota combined investment fund owned by each participating fund. No certificates or other evidence of ownership shall be required.

Subd. 14. [REPORTS REQUIRED.] As of each valuation date the board shall inform each participant of the number of units owned and the current value of the units. Annually, the board shall provide to each participant, financial statements prepared in accordance with generally accepted accounting principles.

Sec. 13. [11A.13] [STATE BOND FUND.] *Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 7, of the constitution of the state of Minnesota, there is hereby established a state bond fund for the purpose of the timely payment of principal and interest on bonds for which the full faith and credit of the state has been pledged. The state bond fund shall be a continuation of the state bond fund in existence on January 1, 1980.*

Subd. 2. [ASSETS.] Any money appropriated to the state bond fund, any income arising from the invested assets of the state bond fund which is not immediately required to pay the principal or interest on state bonds and any proceeds arising from the sale of any securities in the state bond fund shall constitute the assets of the state bond fund.

Subd. 3. [MANAGEMENT.] The state bond fund shall be managed by the state treasurer who shall, from time to time, certify to the board those portions of the state bond fund which in the judgment of the state treasurer are not required for immediate use.

Subd. 4. [INVESTMENT.] The board shall invest assets of the state bond fund subject to the provisions of section 23.

Subd. 5. [WITHDRAWAL OF ASSETS.] Securities sufficient to equal the amount of money certified by the state treasurer as necessary to pay the principal or interest due on state bonds in excess of any cash on hand shall be sold at the request of the state treasurer and the certified amount of money shall be transferred to the state treasurer.

Subd. 6. [CREDIT OF INCOME TOWARDS SUBSEQUENT APPROPRIATIONS.] Notwithstanding provisions of section 10, the net income of the state bond fund after the recovery of any losses from the sale of securities shall be deducted from the amount of any subsequent appropriations for the payment of principal and interest of state bonds.

Sec. 14. [11A.14] [PERMANENT SCHOOL FUND.] *Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, there is hereby established a permanent school fund which shall be a continuation of the permanent school fund in existence on January 1, 1980.*

Subd. 2. [ASSETS.] *The permanent school fund shall consist of the proceeds derived from the school lands, the swamp lands and the internal improvement lands granted to the state and all cash and investments credited to the permanent school fund, to the swamp land fund and to the internal improvement land fund.*

Subd. 3. [MANAGEMENT.] *The permanent school fund shall be managed by the commissioner of finance.*

Subd. 4. [INVESTMENT.] *The permanent school fund shall be invested by the board in the following securities as directed by Article XI, Section 8 of the constitution of the state of Minnesota:*

(a) *Interest bearing fixed income securities of the United States and its agencies, including securities fully guaranteed by the United States, bonds of Minnesota or its political subdivisions or agencies, or of other states but not more than 50 percent of any issue by a political subdivision;*

(b) *Stocks of corporations with cash dividends paid from earnings for the five consecutive years prior to purchase, but not more than 20 percent of the fund shall be invested therein nor more than one percent in stock of any one corporation, nor more than five percent of the voting stock of any one corporation shall be owned;*

(c) *Bonds of corporations whose earnings have been at least three times the interest requirements on outstanding bonds for five consecutive years or longer immediately prior to purchase, but not more than 40 percent of the fund shall be so invested;*

(d) *The percentages referred to above shall be computed using the cost price of the stocks or bonds.*

Subd. 5. [CALCULATION OF INCOME.] *As of the end of each fiscal year, the board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities and dividends on equity securities. If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from interest and dividend income in equal installments over a period equal to (a) the average period prior to maturity remaining on the debt securities which were sold if the sale of debt securities results in the loss, or (b) over a period of five years if the sale of equity securities resulted in the loss unless there is a net gain in the sale of securities sufficient to eliminate the amount of the loss prior to the end of the period. In any fiscal year in which gains on the sale of securities exceed the losses on the sales of securities, the excess shall be added to the principal of the fund.*

Subd. 6. [DISPOSITION OF INCOME.] Notwithstanding provisions of section 10, the income of the permanent school fund as calculated pursuant to subdivision 5, shall be credited to the permanent school fund, and transferred to the school endowment fund as needed for payments made pursuant to Minnesota Statutes, Section 124.08.

Sec. 15. [11A.15] [MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.] There is hereby established a supplemental retirement investment fund for the purpose of providing an investment vehicle for the assets of various public retirement plans and funds. This fund shall consist of three investment accounts: an income share account, a growth share account, and a fixed-return account. The supplemental retirement investment fund shall be a continuation of the supplemental retirement fund in existence on January 1, 1980.

Subd. 2. [ASSETS.] The assets of the supplemental retirement investment fund shall consist of the moneys certified and transmitted to the board from the participating public retirement plans and funds and shall be used to purchase investment shares in the investment accounts specified by the plan or fund.

Subd. 3. [MANAGEMENT.] The supplemental retirement investment fund shall be managed by the board.

Subd. 4. [INVESTMENT.] The assets of the supplemental retirement investment fund shall be invested by the board subject to the provisions of section 22; provided, however, that the fixed-return account shall be invested entirely in debt obligations and the growth share account shall be invested as follows:

(a) Up to 100 percent of the book value may be invested in corporate stocks;

(b) Up to six percent of the book value may be invested in the stock of any one corporation;

(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22, subdivision 5, clause (d).

Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] Any public retirement plan or fund authorized or required by law to invest its assets in the supplemental retirement investment fund may from time to time as provided by law certify moneys to the board for the purchase of investment shares in the investment accounts of the supplemental retirement investment account. The board shall credit each purchase of investment shares to the appropriate participating public retirement plan or fund and shall confirm each purchase in writing to the appropriate plan or fund. Each participating

public retirement plan or fund shall maintain adequate records to account for moneys certified to the supplemental retirement investment fund.

Subd. 6. [PARTICIPATION IN FUND.] Each public retirement plan or fund which has certified moneys to the board for investment in the supplemental retirement investment fund shall have a participation in each investment account of the fund in which it has moneys invested. The participation shall be determined by the ratio of the number of shares credited to the public retirement plan or fund to the total number of shares in that account.

Subd. 7. [PURCHASE OF SHARES.] The board shall allocate shares in the investment account or accounts at least monthly following the receipt of the funds for purchase of shares from the public retirement plan or fund as specified in the certification. The purchase price for shares shall be determined using the procedure specified in subdivision 9.

Subd. 8. [REDEMPTION OF SHARES.] The board shall redeem shares in the investment account or accounts on the first business day after the valuation date next following the receipt of the request for redemption of shares from the public retirement plan or fund. The redemption value for shares shall be determined using the procedure specified in subdivision 9. Moneys representing the value of the redeemed shares shall be transmitted to the public retirement plan or fund making the request.

Subd. 9. [VALUATION OF INVESTMENT SHARES.] The value of investment shares in the income share investment account or in the growth share investment account shall be determined by dividing the total market value of the securities constituting the respective account by the total number of shares then outstanding in the investment account. Whenever the value of investment shares of an investment account has exceeded \$10 per share for a period of six consecutive months, each investment share in the investment account may be split at the direction of the board on a two new shares for one prior share basis. The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the board. Notwithstanding provisions of section 10, the investment income earned by the fixed-return investment account shall be used to purchase additional shares on behalf of each participating public retirement plan or fund.

Subd. 10. [CERTIFICATIONS FOR INVESTMENT AND REQUESTS FOR REDEMPTION.] *The board may specify the required forms for certifications of moneys for investment and requests for redemption of investment shares and may require the filing of any other documents which it deems necessary.*

Subd. 11. [PROSPECTUS.] *Annually, on or before July 1, the board shall prepare and shall issue a prospectus for the supplemental retirement investment fund with separate exhibits for each investment account. The exhibit for each account shall list for each security representing the current assets of the account the following items, whichever are applicable:*

- (1) The purchase price of the security;*
- (2) The current market value of the security;*
- (3) The current dividend or interest rate of the security;*
- (4) The rating of a debt security issued by a nationally recognized rating agency if it is other than a security issued or guaranteed by the United States government.*

The prospectus shall set forth the statutory provisions governing the supplemental retirement investment account.

Sufficient copies of the prospectus shall be transmitted to each public retirement plan or fund participating in the supplemental retirement investment account to meet the plan or fund's distribution requirements. Ten copies of the prospectus shall be filed with the director of the legislative reference library.

Subd. 12. [RATE OF INTEREST FOR FIXED RETURN.] *At the beginning of each fiscal year, the board shall set an assumed interest rate for moneys invested in such account during that year, with the rate applicable to all sums invested during that 12 month period. At the end of the 12 months, the board may determine the period over which an assumed rate is to apply to funds so invested, depending on the average yield and maturity of the securities purchased. Any earnings accrued to the account above the rate earlier indicated may be used to purchase additional shares on behalf of each participating public retirement plan or fund at fiscal year end after necessary reserves are established.*

Sec. 16. [11A.16] [MINNESOTA ADJUSTABLE FIXED BENEFIT FUND.] **Subdivision 1. [ESTABLISHMENT.]** *There is hereby established an adjustable fixed benefit fund for the purpose of providing an investment vehicle for the reserves of various retirement annuities and benefits payable by the participating retirement funds and plans. The adjustable fixed benefit fund shall be a continuation of the Minnesota adjustable fixed benefit fund in existence on January 1, 1980.*

Subd. 2. [ASSETS.] *The assets of the adjustable fixed benefit fund shall consist of the moneys representing the reserves for various retirement annuities and benefits payable by participating retirement funds and plans which have been certified to and received by the board from the participating public retirement funds and plans.*

Subd. 3. [MANAGEMENT.] *The adjustable fixed benefit fund shall be managed by the board.*

Subd. 4. [INVESTMENT.] *The assets of the adjustable fixed benefit fund shall be invested by the board subject to the provisions of section 22.*

Subd. 5. [PARTICIPATING PUBLIC RETIREMENT FUNDS OR PLANS.] *Any public retirement fund or plan authorized by law to participate in the adjustable fixed benefit fund shall from time to time as provided by law certify and transfer to the board moneys equal to the actuarially determined reserves required for those retirement annuities and benefits which are payable by the public retirement fund or plan and which are specified in law to be included in the participation in the fund. The board shall confirm in writing each certification and transfer of moneys made by a participating public retirement fund or plan. Each participating public retirement fund or plan shall maintain adequate records to account for moneys transferred to the adjustable fixed benefit fund.*

Subd. 6. [PARTICIPATION IN FUND.] *Any public retirement organization authorized to participate in the Minnesota adjustable fixed benefit fund may own an undivided participation in all the assets of the fund. The extent of annual participation shall be determined by the ratio of each organization's contribution to the total contributions of all participating organizations. The ratio shall be determined monthly. Contributions and withdrawals may be certified at any time, but notification of contributions must reach the state board of investment by the twenty-fifth day of any month in order for the contributions to be included in calculations determining the monthly ratio. At the end of each fiscal year, the 12 ratios for the year, beginning with that of the previous July 31, shall be averaged. The average ratio shall determine the distribution of the difference between the admitted value and the balances of contributions of the respective organizations at year end to determine the respective amounts of participation. The interpretation and administration of all calculations affecting the fund shall be made in a manner to achieve the most uniform and equitable treatment possible for all participating organizations.*

Subd. 7. [BOOK VALUE.] *Book value as of any date of assets other than corporate stocks and all other equity investments means amortized cost computed from the date the asset was first acquired by the participating retirement association.*

Book value as of any date of corporate stocks and all other equity investments transferred to the Minnesota adjustable fixed benefit fund means the closing market value of the stocks as of the last business day prior to the transfer. Book value as of any date of corporate stocks and all other equity investments first acquired by the Minnesota adjustable fixed benefit fund means the cost of the stocks.

Subd. 8. [RECOGNIZED VALUE, DEFERRED YIELD ADJUSTMENT ACCOUNT.] *Recognized value as of any date of assets other than corporate stocks and all other equity investments shall be the book value of those assets as of that date. The recognized value as of any date of corporate stocks and all other equity investments, including convertible securities, shall be the market value at closing on that particular date as determined by the state board of investment.*

There is hereby established a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless the amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in the recognized value of assets other than corporate stocks and all other equity investments. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.

Subd. 9. [RATIO OF RECOGNIZED VALUE TO BOOK VALUE.] *During each fiscal year beginning with 1971, there shall be determined the ratio of recognized value to book value of the assets of the Minnesota adjustable fixed benefit fund as of the last days of August, October, December, February, April and June. In computing such a ratio, the total book value shall be adjusted for any realized profit or loss due to the sale or disposition of securities.*

Subd. 10. [AVERAGE RECOGNIZED VALUE TO BOOK VALUE RATIO.] *The average recognized value to book value ratio for any fiscal year means the sum of the 12 recognized value to book value ratios determined for the fiscal year and the immediately preceding year, divided by 12. For fiscal 1971, the ratio means the sum of the six recognized value to book value ratios determined for the fiscal year plus six assumed ratios of 100, the total of which is divided by 12.*

Subd. 11. [ADMITTED VALUE OF MINNESOTA ADJUSTABLE FIXED BENEFIT FUND.] *The admitted value of the Minnesota adjustable fixed benefit fund as of June 30 of*

any fiscal year beginning with 1971 shall be equal to the book value of the assets of the Minnesota adjustable fixed benefit fund as of that date, including accrued income, with adjustments for realized gains and losses, multiplied by the average recognized value to book value ratio for the fiscal year. Prior to fiscal 1971, the admitted value of the assets shall be the cost of the assets to the Minnesota adjustable fixed benefit fund.

Subd. 12. [ACTUARIALLY DETERMINED RESERVE.] The actuarially determined reserve for any participating fund as of any date means the present value, computed in accordance with the interest and mortality assumptions in effect for the particular fund as of the date of determination, of the retirement annuities authorized and in effect on the date.

Subd. 13. [TRANSFER OF ASSETS.] As of the beginning of any fiscal year, assets representing the actuarially determined reserves of any public retirement organization newly authorized by law to participate in the Minnesota adjustable fixed benefit fund shall be transferred from such participating retirement funds to the Minnesota adjustable fixed benefit fund.

The state board of investment may purchase any securities owned by a retirement organization up to the total amount of the participation of the fund, insofar as the securities meet the quality standards and requirements of the board. The state board of investment may require the participating organization to sell the securities and transfer cash if this appears desirable in achieving appropriate portfolio balance. All securities shall be valued as of the last business day of June, or one business day before the actual participation of the new retirement organization in the Minnesota adjustable fixed benefit fund.

The assets to be transferred and the values to be used for transfers shall be approved by the state board of investment.

Subd. 14. [TRANSFER AND WITHDRAWAL OF FUNDS.] All money necessary to meet the requirements of certification of withdrawal by funds authorized to participate in the Minnesota adjustable fixed benefit fund are hereby annually, and from time to time, appropriated from the Minnesota adjustable fixed benefit fund to the participating pension funds involved. Withdrawals for pensions are limited to those pensions for which reserves have been transferred to the Minnesota adjustable fixed benefit fund.

Subd. 15. [ADJUSTMENT IN ANNUITY PAYMENTS.] Annually as of July 1 of each fiscal year the annuity payments made from each retirement fund or organization participating in the Minnesota adjustable fixed benefit fund during the next calendar year shall be determined in accordance with the following procedures. Any adjustment in the amount of annuity payments shall become effective with the first payment falling

due after December 31 next succeeding the July 1 as of which the adjustment was determined.

(a) Annually, after June 30 of each year, the state board of investment shall:

(1) Based upon the admitted value as determined pursuant to subdivision 11, determine the actual rate of return and the accumulation factor on the assets of the Minnesota adjustable fixed benefit fund. The accumulation factor shall be 1.00 plus or minus the actual rate of return.

(2) Calculate the benefit adjustment factor, which shall be the ratio of the accumulation factor determined pursuant to (1) to the valuation accumulation factor. The valuation accumulation factor shall be 1.00 plus the interest rate assumed for actuarial valuations.

(3) Calculate the actual benefit adjustment factor in accordance with the provisions of clause (f) and subdivision 16.

(4) Determine for each pension fund the amount of participation of the fund in the Minnesota adjustable fixed benefit fund, excluding any portion of the annuity stabilization reserve.

(5) Determine a preliminary amount for the current annuity stabilization reserve by multiplying the final amount of the previous year's annuity stabilization reserve by the accumulation factor determined pursuant to (1).

(b) Each participating pension fund shall determine the amount of the reserve required for the level of benefit in effect during the year preceding the valuation date. This total reserve shall be separated into two portions, one for participants who are eligible for an adjustment in benefits and the other for participants who are not eligible for a benefit adjustment.

(c) Each participating pension fund shall determine its adjusted participation in the Minnesota adjustable fixed benefit fund in the following manner.

(1) Determine the expected reserve on the current valuation date in accordance with the mortality and interest assumptions used for actuarial valuations. This shall be done separately for those participants who are eligible for an adjustment in benefits and those participants who are not eligible for an adjustment in benefits.

(2) Determine the difference between the expected reserve calculated pursuant to clause (c)(1) and the reserve calculated pursuant to clause (b). This difference shall be calculated separately for participants who are eligible for a benefit adjustment

and for participants who are not eligible for a benefit adjustment.

(3) For the participants who are entitled to a benefit adjustment, multiply the difference obtained pursuant to clause (c)(2) by the actual benefit adjustment factor and combine the result with the difference calculated pursuant to clause (c)(2) associated with participants not eligible for a benefit adjustment.

(4) If the result obtained pursuant to clause (c)(3) is positive, the amount thus determined is due to a mortality gain, and the pension fund shall be credited with the amount thus determined by deducting the amount from the fund's total participation. If the result obtained pursuant to clause (c)(3) is negative, the amount thus determined is due to a mortality loss, and the pension fund shall pay to the Minnesota adjustable fixed benefit fund the amount thus determined which amount shall be added to the pension fund's participation. In either case, the resulting participation is the pension fund's adjusted participation in the Minnesota adjustable fixed benefit fund.

(d) The actual benefit adjustment factor shall be applied to the reserve determined pursuant to clause (b) for participants who are entitled to a benefit adjustment and the result shall be combined with the reserve determined pursuant to clause (b) for participants not eligible for a benefit adjustment. The resulting sum is the pension fund's reserve requirement.

(e) The difference between a pension fund's adjusted participation in the Minnesota adjustable fixed benefit fund determined pursuant to clause (c)(4) and the pension fund's reserve requirement determined pursuant to clause (d) shall be calculated. If the result is positive, the amount shall be added to the annuity stabilization reserve and deducted from the pension fund's adjusted participation in the Minnesota adjustable fixed benefit fund. If the result is negative, the amount shall be deducted from the annuity stabilization reserve and added to the pension fund's adjusted participation in the Minnesota adjustable fixed benefit fund.

(f) Subject to the limitations set forth in subdivision 16, the actual benefit adjustment factor shall be determined as follows:

(1) As of June 30, 1977, and each anniversary thereafter, a potential benefit adjustment factor shall be determined by multiplying the benefit adjustment factor calculated pursuant to clause (a)(2) by the ratio of the potential adjustment factor for the anniversary immediately preceding the current anniversary to the actual benefit adjustment factor for that same prior anniversary, which ratio for June 30, 1976, shall be equal to one.

(2) If the potential benefit adjustment factor for the current anniversary obtained pursuant to clause (f)(1) is greater than 98 percent but less than 102 percent, no adjustment of annuities shall be made.

(3) If the potential benefit adjustment factor for the current anniversary obtained pursuant to clause (f)(1) is less than or equal to 98 percent or greater than or equal to 102 percent, the actual benefit adjustment factor shall be obtained from the potential benefit adjustment factor by rounding to the next lower one-half of one percent.

(4) If no adjustment of annuities is to be made, then the actual benefit adjustment factor is one.

(g) The actual annuity adjustment factor shall be applied to the annuity payments for the twelve month period beginning with the first payment due after December 31 next succeeding the valuation date, except that persons who retired during the fiscal year preceding the July 1 valuation date shall not be entitled to an adjustment.

(h) If the application of the actual annuity adjustment factor to the annuity benefit of any annuitant produces a benefit smaller than the amount determined on the date of retirement or on July 1, 1976, whichever is later, the benefit for the annuitant shall be adjusted to or maintained at the amount determined on the date of retirement or on July 1, 1976, for the twelve month period beginning with the first payment due after December 31 next succeeding the valuation date.

Subd. 16. [ANNUITY STABILIZATION RESERVE.] An annuity stabilization reserve shall be attached to the Minnesota adjustable fixed benefit fund for the purposes of (1) eliminating any surplus or deficiency so that the assets of the fund will equal the reserves supporting benefits being paid; and, (2) precluding or lessening any downward adjustment in annuity payments below the previous calendar year's payment rate.

(a) Upward adjustments of annuity payments to each annuitant shall be limited to four percent of the previous year's payment rate until the accumulation in the annuity stabilization reserve from withholding has reached an amount equal to 15 percent of the immediate past fiscal year's total annuity payments. So long as the annuity stabilization reserve totals an amount equal to 15 percent of the immediate past fiscal year's total annuity payments, an increase up to six percent of the previous calendar year's payment rate shall be paid to each annuitant entitled to an increase. The amount of any increase above six percent of the previous calendar year's payment rate shall be added to the annuity stabilization reserve until the reserve totals an amount equal to 25 percent of the total pensions paid during the previous fiscal year. Upward adjustments of the annuity pay-

ments to each annuitant shall be limited to eight percent of the previous year's payment rate with any excess being added to the annuity stabilization reserve even though the reserve may then exceed 25 percent of the immediate past fiscal year's total annuity payments.

(b) If the annuity stabilization reserve should become negative as a result of the guarantee set forth in subdivision 15, clause (h), the amount of subsequent benefit increases after January 1, 1978, shall be limited to amounts which will cause the annuity stabilization reserve to be restored again to a positive level.

Subd. 17. Effective January 1, 1973, each retirement fund participating in the Minnesota adjustable fixed benefit fund shall make an upward adjustment of four and one-half percent to each annuitant retiring prior to July 1, 1971. Subsequent adjustments will be in accordance with subdivisions 15 and 16, except that in the event the assets transferred to the annuity stabilization reserve result in a stabilization reserve of less than an amount equal to 15 percent of the immediate past fiscal year's total annuity payments, the deficiency shall be made up before the next annual adjustment is made.

Subd. 18. Upon taking effect of Laws 1973, Chapter 7, the calculations required by subdivisions 15 and 16, as amended by Laws 1973, Chapter 7 shall be determined as of July 1, 1972. Any participating pension fund that has previously announced an increase adjustment in excess of four and one-half percent, and the fund is entitled to a credit or refund due to mortality gain determined in accordance with subdivision 15, clauses (b), (c), (d) and (e), and the credit or refund exceeds the reserves required to further increase the benefits of those eligible for the four and one-half percent adjustment by an additional one percent, the fund may pay to the fund's participation the reserves required for the additional one percent increase in benefit adjustment. The adjustments provided by Laws 1973, Chapter 7 shall apply to the accrual of benefits commencing with January 1, 1973. In case any actual disbursements of benefits have or do vary from the amounts herein provided, the participating pension fund or funds so involved shall adjust to the amounts herein provided.

Subd. 19. All assets in the annuity stabilization reserve shall be credited proportionately to the individual retirement funds' participation in the Minnesota adjustable fixed benefit fund, except that the share attributable to the municipal employees retirement fund of Minneapolis shall be used to increase benefits or may at the discretion of its board of trustees be returned to the fund.

Effective January 1, 1974 each participating fund in the Minnesota adjustable fixed benefit fund, except the municipal em-

ployees retirement fund of Minneapolis, shall increase the benefits in effect on June 30, 1973 by an amount that when added to the interest assumption increase granted to benefits effective July 1, 1973, equals 25 percent. The increase shall apply to the accrual of benefits commencing January 1, 1974 and shall be in lieu of the adjustment provided by subdivisions 15 and 16 scheduled to take effect January 1, 1974.

The actuary for each participating fund, except the municipal employees retirement fund of Minneapolis, shall calculate the reserve required to support the benefits in effect on June 30, 1973 as increased July 1, 1973 and herein. As of December 31, 1973, each participating fund shall transfer to or from the Minnesota adjustable fixed benefit fund assets so that its participation equals the total of the required reserve and the reserve for benefits authorized on or after July 1, 1973.

The increased benefits accruing as of January 1, 1974 shall be considered the "originally determined benefits" for the purpose of future adjustments.

Notwithstanding section 356.18, increases in payments pursuant to this section will be made automatically unless the intended recipient files written notice with the public employees retirement association requesting that the increase shall not be made.

Sec. 17. [11A.17] [VARIABLE ANNUITY INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.] There is hereby established a variable annuity investment fund for the purpose of providing an investment vehicle for the assets of the variable annuity program of the teachers retirement association. The variable annuity investment fund shall be a continuation of the variable annuity fund in existence on January 1, 1980.

Subd. 2. [ASSETS.] The assets of the variable annuity investment fund shall consist of all cash and investments credited to the variable annuity program of the teachers retirement association.

Subd. 3. [MANAGEMENT.] The variable annuity investment fund shall be managed by the board.

Subd. 4. [INVESTMENT.] The assets of the variable annuity investment fund shall be invested by the board subject to the provisions of section 22 except that:

(a) Up to 100 percent of the book value may be invested in corporate stocks;

(b) Up to six percent of the book value may be invested in the stock of any one corporation;

(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22, subdivision 5, clause (d).

Subd. 5. [VALUATION OF FUND.] *The variable annuity investment fund shall be valued by the board bimonthly, using the closing market prices of the last business days of August, October, December, February, April and June of each fiscal year. The ratio of the total market value of investments to the admitted value of investments at the end of the preceding fiscal year, plus the cost of investments acquired, less the net receipts from investments sold during the fiscal year, shall be determined for each valuation date. The admitted value of the investments of the variable annuity investment fund at the end of each fiscal year shall be the book value of all investments held at such date multiplied by the average of the ratios at the 12 bimonthly valuation dates for the fiscal year and the immediately preceding fiscal year. The book value of investments during any fiscal year shall be the admitted value at the end of the preceding fiscal year or the cost of such investments if acquired during the fiscal year.*

Subd. 6 [ACCOUNTING PROCEDURES.] *Notwithstanding provisions of section 10, the following procedures shall be employed by the board:*

(1) *The earnings from the investments of the variable annuity investment fund shall consist of dividends, interest and all other income derived from the investments and shall be determined on an accrual basis as of each bimonthly valuation date. The income shall be attributed to those funds in the account at the beginning of the bimonthly period. Earnings from investments shall not include changes in the admitted values of investments.*

(2) *Any realized gain or loss shall be recorded in a realized appreciation account, and shall consist of the amount received on sale less the cost of the security. Unrealized gains or losses for any fiscal year shall be determined as provided in subdivision 5.*

Subd. 7. [TOTAL ANNUAL INCREMENT OR DECREMENT.] *The total annual increment or decrement for any one year shall be the sum of (a) the six bimonthly computations of earnings as computed under subdivision 6, clause (1); (b) total realized gains or losses for the fiscal year as computed under subdivision 6, clause (2), after adjusting for the approximate unrealized gain or loss evidenced for such securities in the admitted value; and (c) total unrealized gains or losses for the fiscal year as computed under subdivision 6, clause (2)*

Subd. 8. [RATE OF RETURN.] *The total annual increment or decrement divided by the admitted value of the assets*

of the Minnesota variable annuity fund, as computed pursuant to subdivision 5, shall be defined as the rate of return for the fiscal year. The rate of return is to be used as the percentage of increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.

Sec. 18. [11A.18] [INVESTMENT OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] *Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] The state treasurer shall make a report to the commissioner of finance daily or at such other times as the commissioner of finance shall determine of the funds in the state treasury together with any other information which the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has advised the treasurer is currently needed, the state treasurer shall certify to the state board of investment the amount thereof.*

Subd. 2. [INVESTMENT.] The certified amount of state treasury funds not currently needed shall be invested by the board subject to the provisions of section 23.

Subd. 3. [CREDITING OF INVESTMENT INCOME.] Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of state treasury funds not currently needed shall be credited to the general fund.

Sec. 19. [11A.19] [INVESTMENT OF HIGHWAY FUNDS.] *Subdivision 1. [CERTIFICATION OF HIGHWAY FUNDS.] The commissioner of transportation shall certify to the board those portions of the trunk highway fund established pursuant to Article XIV, Section 6 of the constitution of the state of Minnesota, the county state-aid highway fund established pursuant to Article XIV, Section 7 of the constitution of the state of Minnesota and the municipal state-aid street fund established pursuant to Article XIV, Section 8 of the constitution of the state of Minnesota which in the judgment of the commissioner are not required for immediate use.*

Subd. 2. [INVESTMENT.] The certified amount of highway funds not currently needed shall be invested by the board subject to the provisions of section 23.

Sec. 20. [11A.20] [STATE ZOOLOGICAL GARDEN OPERATING RECEIPTS INVESTMENT ACCOUNT.] *Subdivision 1. [ESTABLISHMENT.] There is hereby established a zoological garden operating receipts investment account for the purpose of investing funds not required for immediate use.*

Subd. 2. [CERTIFICATION OF RECEIPTS.] The state zoological garden board shall, from time to time, certify to the board the amount of funds available for investment.

Subd. 3. [INVESTMENT.] Amounts certified to the state zoological garden operating receipts investment account shall be invested by the board subject to the provisions of section 23.

Subd. 4. [CREDITING OF INVESTMENT INCOME.] Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of the account shall be credited to or borne by the state zoological garden general account.

Subd. 5. [WITHDRAWAL OF FUNDS.] Upon certification by the state zoological garden board that moneys in the state zoological garden operating receipts investment account are needed for current purposes, the board shall sell sufficient securities to equal the amount of moneys certified as needed and shall order the transfer of the moneys to the state zoological garden general account.

Sec. 21. [11A.21] [INVESTMENT OF RETIREMENT FUNDS AND PLANS.] *Subdivision 1. [CERTIFICATION OF ASSETS NOT NEEDED FOR IMMEDIATE USE.] Each executive director administering a retirement fund or plan enumerated in subdivision 4 shall, from time to time, certify to the board for investment those portions of the assets of the retirement fund or plan which in the judgment of the executive director are not required for immediate use. Assets of the fund or plan required for participation in the Minnesota adjustable fixed benefit fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be transferred to those funds as provided by sections 1 to 23.*

Subd. 2. [INVESTMENT.] Retirement fund assets certified to the board pursuant to subdivision 1 shall be invested by the board subject to the provisions of section 22. Retirement fund assets transferred to the Minnesota adjustable fixed benefit fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be invested by the board as part of those funds.

Subd. 3. [WITHDRAWAL OF ASSETS.] When an executive director administering a retirement fund or plan enumerated in subdivision 4, certifies to the board that invested assets of the fund or plan are required for immediate use, the board shall sell securities to equal the amount of assets certified as required and shall order the transfer of the assets to the appropriate executive director.

Subd. 4. [COVERED RETIREMENT FUNDS AND PLANS.] The provisions of this section shall apply to the following retirement funds and plans:

(1) *State university and state community college supplemental retirement plan established pursuant to Minnesota Statutes, Section 136.80 to 136.87;*

(2) *State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;*

(3) *Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;*

(4) *Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;*

(5) *Unclassified employees retirement plan established pursuant to Minnesota Statutes, Chapter 352D;*

(6) *Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;*

(7) *Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;*

(8) *Teachers' retirement fund established pursuant to Minnesota Statutes, Chapter 354;*

(9) *Judges' retirement fund established pursuant to Minnesota Statutes, Chapter 490; and*

(10) *Any other funds required by law to be invested by the board.*

Sec. 22. [11A.22] [AUTHORIZED INVESTMENTS.]
Subdivision 1. [SECURITIES GENERALLY.] *The board shall have the authority to purchase, sell, lend or exchange the following securities for funds or accounts specifically made subject to this section including the writing of covered call options.*

Subd. 2. [GOVERNMENT OBLIGATIONS.] *The board may invest funds in governmental bonds, notes, bills, mortgages and other fixed obligations, including guaranteed or insured issues of (a) the United States, its agencies or its instrumentalities, including financial contracts traded upon a contract market designated and regulated by a federal agency; (b) Canada and its provinces, provided the principal and interest is payable in United States dollars; (c) the states and their municipalities, political subdivisions, agencies or instrumentalities, where backed by the state's full faith and credit or if the issuer has not been in default in payments of principal or interest within the past ten years or in the case of revenue bonds the obligor has been completely self-supporting for the five prior years; (d) the International Bank for Reconstruction and development, the Inter-American Development Bank, the Asian development*

Bank, or any other United States Government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars and the issues are rated in the highest quality category by a nationally recognized rating agency.

Subd. 3. [CORPORATE OBLIGATIONS.] The board may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(a) The principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof shall be payable in United States dollars;

(b) The consolidated net pretax earnings of corporations other than finance corporations shall have been on average for the preceding five years at least 1.5 times the annual interest charges on total funded debt applicable to that period;

(c) The consolidated net pretax earnings of banks and finance corporations shall have been on average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period;

(d) Obligations shall be rated among the top three quality categories by a nationally recognized rating agency or if unrated, then the corporation shall have other comparably secured issues similarly rated or the consolidated net pretax earnings of the corporation shall have been on average for the preceding five fiscal years at least twice the ratios required in clauses (b) and (c).

Subd. 4. [OTHER OBLIGATIONS.] The board may invest funds in bankers acceptances, certificates of deposit, commercial paper, participating interests in mortgage pools, repurchase agreements and reverse repurchase agreements and savings accounts if they conform to the following provisions:

(a) Bankers acceptances of United States banks shall be limited to those eligible for purchase by the Federal Reserve System;

(b) Certificates of deposit shall be limited to those issued by banks and savings institutions that meet the collateral requirements established in Minnesota Statutes, Section 9.031, unless sufficient volume is unavailable at competitive interest rates. In that event, noncollateralized certificates of deposit may be purchased from United States banks and savings institutions

that are rated in the highest quality category by a nationally recognized rating agency;

(c) Commercial paper shall be limited to those issued by United States corporations or their Canadian subsidiaries, shall be of the highest quality and mature in 270 days or less;

(d) Participating interests in pools of loans represented by notes or bonds secured by first mortgages or trust deeds on improved real estate located in the United States issued by one or more bank or savings institution, where, in the event of a default of any note or bond, there is a guarantee of replacement by a note or bond of the same value and of security comparable to other notes or bonds in the pool, and where the loan to value ratio for each loan does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of Minnesota Statutes, Section 61A.28, Subdivision 3.

(e) Repurchase agreements and reverse repurchase agreements shall be limited to one of the securities described in subdivision 2a;

(f) Savings accounts shall be limited to those fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Subd. 5. [CORPORATE STOCKS.] The board may invest funds in preferred stocks, common stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof if they conform to the following provisions:

(a) The aggregate value of corporate stock investments, as adjusted for realized profits and losses, shall not exceed 50 percent of the book value of a fund;

(b) Investments in any one corporation shall not exceed three percent of the book value of a fund;

(c) Investments shall not exceed five percent of the total outstanding shares of any one corporation;

(d) Cash dividends on corporate stock investments shall have been earned and paid for the preceding five years;

(e) Investments which do not conform to the dividend standard contained in clause (d) may be held but the total amount of these securities shall not exceed five percent of the book value of a fund.

Sec. 23. [11A.23] [ADDITIONAL INVESTMENT PROVISIONS.] *When investing assets of any funds or accounts*

specifically made subject to this section or not otherwise referred to in sections 1 to 23, all securities shall be debt obligations maturing within three years of the date of purchase and shall conform to the applicable provisions of section 22.

Sec. 24. Minnesota Statutes, 1979 Supplement, Section 15A.081, Subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.] Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

| | Salary or Range | |
|-----------------------------------------------------|-----------------|-----------------|
| | Effective | Effective |
| | July 1, 1979 | July 1, 1980 |
| Administration, department of commissioner | \$44,000 | \$47,000 |
| Agriculture, department of commissioner | 38,000 | 40,000 |
| Commerce, department of commissioner of banks | 34,000 | 36,500 |
| commissioner of insurance | 34,000 | 36,500 |
| commissioner of securities | 34,000 | 36,500 |
| director of consumer services | 28,000 | 30,000 |
| Community college system chancellor | 44,000 | 46,000 |
| Corrections, department of commissioner | 42,000 | 45,000 |
| ombudsman | 33,000 | 35,000 |
| Crime control planning board, executive director | 33,000 | 35,000 |
| Economic development, department of commissioner | 34,000 | 36,000 |

| | 1979 | 1980 |
|------------------------------------------------------------------------|----------|----------|
| Economic security, department of commissioner | 43,000 | 45,000 |
| Education, department of commissioner | 43,000 | 45,000 |
| Energy agency director | 38,000 | 40,000 |
| Finance, department of commissioner | 48,000 | 50,000 |
| Health, department of commissioner | 47,000 | 49,000 |
| Hearing examiners office chief hearing examiner | 38,000 | 40,000 |
| Higher education coordinating board executive director | 40,000 | 42,000 |
| Housing finance agency executive director | 39,000 | 41,000 |
| Human rights, department of commissioner | 31,000 | 33,000 |
| Indian affairs board executive director | 27,000 | 29,000 |
| (INVESTMENT, BOARD OF EXECUTIVE SECRETARY) | (42,000) | (44,000) |
| Iron range resources and rehabilitation board commissioner | 30,000 | 31,000 |
| Labor and industry, department of commissioner | 38,000 | 40,000 |
| Judge of the workers' compensation court of appeals | 38,000 | 40,000 |
| Mediation services, bureau of director | 36,000 | 38,000 |

| | 1979 | 1980 |
|-----------------------------------------------------------------------------------|--------|--------|
| Natural resources, department of commissioner | 44,000 | 47,000 |
| Personnel, department of commissioner | 44,000 | 47,000 |
| Planning agency director | 43,000 | 45,000 |
| Pollution control agency director | 38,000 | 40,000 |
| Public safety, department of commissioner | 38,000 | 41,000 |
| Public service, department of commissioner, public service commission | 34,000 | 36,000 |
| director | 34,000 | 36,000 |
| Public welfare, department of commissioner | 44,000 | 48,000 |
| Revenue, department of commissioner | 44,000 | 47,000 |
| State university system chancellor | 44,000 | 46,000 |
| Transportation, department of commissioner | 44,000 | 48,000 |
| Veterans affairs, department of commissioner | 31,000 | 33,000 |

Sec. 25. Minnesota Statutes, 1979 Supplement, Section 43.-064, is amended to read:

43.064 [OTHER SALARIES SET BY COMMISSIONER OF PERSONNEL.] Notwithstanding any other law to the contrary, compensation for all unclassified positions in the executive branch not enumerated in the listing described in section 15A.-081, shall be established by the commissioner except for the following: (1) positions listed in section 299D.03; (2) employees in the office of the governor whose salaries shall be determined by the governor; (3) employees in the office of the attorney general; (4) *employees of the state board of investment*; (5) posi-

tions in the state university system, the community college system, and in the higher education coordinating board whose primary duties consist of instructing and counseling students, directing academic programs of schools, divisions or departments of colleges and community colleges, or conducting research on academic subjects, or conducting academic support programs; and the positions of state university and community college presidents. Individual salaries for positions enumerated in clauses (3) (AND), (4) and (5) and for classified hearing examiners in the office of hearing examiners shall be determined by the attorney general, *the state board of investment*, the state university board, the state board for community colleges, the higher education coordinating board, and the chief hearing examiner, respectively, within the limits of salary plans which shall have been approved by the commissioner before becoming effective.

No provision of any subsequent law relating to salaries of state employees shall be construed as inconsistent with this section unless it is expressly provided in (SUCH) *the* subsequent act that the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 26. Minnesota Statutes 1978, Section 69.77, Subdivision 2, as amended by Laws 1980, Chapter 341, Section 1, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1981, a contribution for retirement and survivorship benefits of not less than eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that (SUCH) *the* contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements and minimum obligation of

the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of (SUCH) taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of (SUCH) the obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments (FOR FUNDS OF THE MINNESOTA STATE RETIREMENT SYSTEM) *pursuant to section 22*, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation (APPLICABLE TO THE MINNESOTA STATE RETIREMENT SYSTEM) *specified in section 22, subdivision 5, clause (b)* would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section (11.21) 15, provided that there be no share account (DESCRIBED IN SECTION 11.18, SUBDIVISION 2), or in the fixed-return account (DESCRIBED IN SECTION 11.18, SUBDIVISION 3A), and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement *investment* fund may be invested in the growth share account (DESCRIBED IN SECTION 11.18, SUBDIVISION 3).

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and

retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 27. Minnesota Statutes 1978, Section 69.775, is amended to read:

69.775 [INVESTMENTS.] The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments (FOR FUNDS OF THE MINNESOTA STATE RETIREMENT SYSTEM) *pursuant to section 22*, except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section (11.21) 15, provided that there be no limit to the amount which may be invested in the income share account (DESCRIBED IN SECTION 11.18, SUBDIVISION 2), or in the fixed-return account (DESCRIBED IN SECTION 11.18, SUBDIVISION 3A), and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account (DESCRIBED IN SECTION 11.18, SUBDIVISION 3).

Sec. 28. Minnesota Statutes 1978, Section 124.46, Subdivision 4, is amended to read:

Subd. 4. Bonds shall be issued pursuant to this section only when authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for (SUCH) *that* purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for (SUCH) *the* issue, and (SUCH) *the* bonds shall not be subject to the restrictions or limitations contained in any other law. Bonds issued pursuant hereto (MAY BE PURCHASED BY THE STATE BOARD OF INVESTMENT FOR THE PERMANENT SCHOOL FUND, SWAMP LAND FUND, INTERNAL IMPROVEMENT LAND FUND, OR ANY OTHER FUND FOR WHICH INVESTMENTS MAY BE MADE BY THE STATE BOARD OF INVESTMENT OR) may be sold (ELSEWHERE) at public or private sale and shall be deemed "authorized securities" within the provisions of section 50.14 and acts amendatory thereof or supplemental thereto.

Sec. 29. Minnesota Statutes 1978, Chapter 125, is amended by adding a section to read:

[125.031] [LICENSURE, AREA VOCATIONAL-TECHNICAL SCHOOL INSTRUCTORS TEACHING LESS THAN 20

HOURS A YEAR.] *Notwithstanding section 125.03, subdivision 1, a person who teaches in an area vocational-technical school less than 20 hours in a school year is exempt from a license requirement.*

Sec. 30. Minnesota Statutes 1978, Section 167.42, is amended to read:

167.42 [PLEDGE OF FULL FAITH AND CREDIT.] The full faith and credit of the state of Minnesota is hereby irrevocably pledged to the payment of the principal of and the interest on the bonds authorized by sections 167.39 to 167.45. (SUCH) *The* bonds shall be issued and sold on competitive bids after reasonable notice (, OR DIRECT TO THE STATE BOARD OF INVESTMENT WITHOUT BIDS AND THAT BOARD IS HEREBY AUTHORIZED TO INVEST ANY FUNDS UNDER ITS CONTROL OR DISCRETION IN ANY OF THESE BONDS, NOTWITHSTANDING ANY LIMITATIONS IMPOSED BY SECTION 11.10 OR ANY OTHER PROVISIONS OF LAW). (SUCH) *The* bonds shall be issued and sold by the state auditor under (SUCH) rules (AND REGULATIONS) and in (SUCH) *the* form and denominations as he shall determine and shall be attested by the secretary of state. (SUCH) *The* rules may provide for the maturity, registration, conversion and exchange of the bonds so issued; all bonds maturing more than three years after their date may be made redeemable at par at the expiration of (SUCH) *the* three years and on each interest payment date thereafter upon (SUCH) notice as (SUCH) *the* rules, made prior to the issuance of the bonds, may provide. All expenses incident to the printing and the sale of the bonds, including actual and necessary traveling expenses of state officers and employees for (SUCH) *the* purpose, shall be paid from the trunk highway fund and the amounts therefor are hereby appropriated from (SAID) *that* fund. The provisions of sections 15.041 to 15.044 shall not apply to the rules (AND REGULATIONS) promulgated pursuant hereto. The state auditor shall keep a record showing the number, date of issue and date of maturity of each (SUCH) bond.

Sec. 31. Minnesota Statutes 1978, Section 167.50, Subdivision 2, is amended to read:

Subd. 2. (SAID) *The* bonds shall be issued and sold upon sealed bids after two weeks' published notice (, OR THEY MAY BE SOLD DIRECTLY TO THE STATE BOARD OF INVESTMENT WITHOUT BIDS). They shall mature serially over a term not exceeding 20 years from their respective dates of issue, shall not be sold for less than par and accrued interest, and shall not bear interest at a greater rate than five percent per annum. Subject to the foregoing limitations, and subject to any other limitations stated in the acts authorizing (SUCH) *the* bonds and appropriating the proceeds thereof, but not subject to the provisions of sections 15.0411 to 15.0422, (SUCH) *the* bonds shall be issued and sold in (SUCH) *the* number of series, at

(SUCH) times, in (SUCH) *the* form and denominations, bearing interest at (SUCH) *the* rate or rates, maturing on (SUCH) dates, either without option of prior redemption or subject to prepayment upon (SUCH) notice and at (SUCH) *the* times and prices, payable at (SUCH) *the* bank or banks, within or without the state, with (SUCH) provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with (SUCH) further regulations, as the commissioner of finance may determine. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any bond, and their seals, and the signatures of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon.

Sec. 32. Minnesota Statutes 1978, Section 193.146, Subdivision 4, is amended to read:

Subd. 4 [SALE.] (SUCH) *The* bonds shall be sold by (SUCH) *the* corporation under (SUCH) notice and upon (SUCH) *the* terms and at (SUCH) times as the corporation shall deem best. (SUCH) *The* bonds shall not be deemed or construed to be debts of the state of Minnesota or of the county or municipality in which (SUCH) *the* armory is situated, nor to impose any personal liability upon any member of (SUCH) *the* corporation, but shall be payable solely out of the income to be received by (SUCH) *the* corporation as specified herein. Bonds legally issued pursuant hereto (MAY BE PURCHASED BY THE STATE BOARD OF INVESTMENT FOR THE PERMANENT SCHOOL FUND, PERMANENT UNIVERSITY FUND, SWAMP LAND FUND, INTERNAL IMPROVEMENT LAND FUND, OR ANY OTHER TRUST FUND OF THE STATE OF MINNESOTA, OR FOR ANY OTHER FUND ADMINISTERED BY SUCH BOARD, AND) shall be deemed authorized securities within the provisions of section 50.14, and laws supplemental thereto, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. (SUCH) *The* bonds shall be deemed and treated as instrumentalities of a public governmental agency, and as such shall be exempt from taxation.

Sec. 33. Minnesota Statutes 1978, Section 352.75, Subdivision 3, is amended to read:

Subd. 3. [EXISTING RETIRED MEMBERS AND BENEFIT RECIPIENTS.] As of the effective date of Laws 1978, Chapter 538, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active

employee benefits paid or payable by the metropolitan transit commission - transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission - transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to the effective date of Laws 1978, Chapter 538 and the required reserves for the increase in annuities and benefits provided pursuant to subdivision 6 shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on the effective date of Laws 1978, Chapter 538 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount in effect on the effective date of Laws 1978, Chapter 538, including the increase granted pursuant to subdivision 6, shall be considered the "originally determined benefit" for purposes of any adjustments made pursuant to section 11.25. IF AN ADJUSTMENT FROM THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND PURSUANT TO SECTION 11.25 IS PAYABLE AS OF JANUARY 1, 1979, ANY ANNUITANT OR BENEFIT RECIPIENT RECEIVING AN ANNUITY OR BENEFIT FROM THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND PURSUANT TO THIS SECTION SHALL BE ENTITLED TO RECEIVE THE ADJUSTMENT IF THE ANNUITANT OR RECIPIENT BEGAN RECEIVING THE ANNUITY OR BENEFIT FROM THE METROPOLITAN TRANSIT COMMISSION TRANSIT OPERATING DIVISION EMPLOYEES RETIREMENT FUND ON OR BEFORE JUNE 30, 1977, BUT THAT ADJUSTMENT SHALL NOT INCLUDE IN THE BASE FOR CALCULATION THE AMOUNT OF ANY INCREASE GRANTED PURSUANT TO SUBDIVISION 6. IF AN ADJUSTMENT FROM THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND PURSUANT TO SECTION 11.25 IS PAYABLE AS OF JANUARY 1, 1979, THE REQUIRED RESERVES FOR THE INCREASE DETERMINED USING A FIVE PERCENT INTEREST ASSUMPTION AND THE APPLICABLE MINNESOTA STATE RETIREMENT SYSTEM MORTALITY TABLE SHALL BE TRANSFERRED BY THE MINNESOTA STATE RETIREMENT SYSTEM TO THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND ON JANUARY 1, 1979) 16. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 34. Minnesota Statutes 1978, Section 352B.26, Subdivision 3, is amended to read:

Subd. 3. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) As of June 30, 1969, the present value of

all annuities, including joint and survivor annuities and qualified recipients of surviving spouse benefits, in force as of June 30, 1969, and as amended in accordance with Laws 1969, Chapter 977, shall be determined in accordance with the United States Life Tables, 1959-61, white males and white females, calculated with an interest assumption of three and one-half percent and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund, during a period of one year in accordance with procedures specified in *Minnesota Statutes 1969*, Section 11.25. The provisions of this clause apply to all annuities which are payable under this chapter.

(2) Effective July 1, 1969, for those employees commencing to receive annuities and qualified recipients of surviving spouse benefits, or joint and survivor annuities, pursuant to this chapter, and acts amendatory thereof, the required reserves as determined in accordance with this section shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue after June 30, 1969.

(3) Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

(4) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 35. Minnesota Statutes, 1979 Supplement, Section 353.01, Subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where (SUCH) *the* service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided (SUCH) *the* employment does not continue for a period in excess of 120 working days in

any calendar year. Immediately following the expiration of (SUCH) 120 working days if (SUCH) *the* employees continue in public service and earn in excess of \$250 in any one calendar month, the department heads must then report (ALL SUCH) *the* employees for membership and must cause employee contributions to be made on behalf of (SUCH) *the* employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part-time employees other than firefighters who receive monthly compensation not exceeding \$250, and part-time employees other than firefighters and elected officials whose annual compensation is stipulated in advance to be not more than \$3,000 (PER) *a* year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after March 1, 1978, the compensation for which does not exceed \$250 (PER) *a* month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person from contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full-time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no person employed full-time by a governmental subdivision shall be exempt under this paragraph.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, (AND) who were not members on June 30, 1971.

(p) Nothing in Laws 1973, Chapter 753 shall be interpreted to impair or revoke any option exercised under laws 1963, Chapter 793.

(q) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contributions in addition to the required employee contribution.

(r) Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$250 (PER) a month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(s) Volunteer firefighters as defined in subdivision 34.

(t) A person holding a part time adult supplementary vocational-technical school license who renders part-time teaching service in a vocational-technical school if the service is incidental to the person's regular nonteaching occupation and if the applicable vocational-technical school stipulates annually in advance that the part-time teaching service will not and the part-time teaching service actually does not exceed 200 hours in a fiscal year.

Sec. 36. Minnesota Statutes, 1979 Supplement, Section 353.023, is amended to read:

353.023 [TRANSFER OF PENSION COVERAGE OF MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND COORDINATED PROGRAM.] Notwithstanding any provisions of law to the contrary, as of July 1, 1979, all active members of the coordinated program of the Minneapolis municipal employees retirement fund established pursuant to Minnesota Statutes 1978, Sections 422A.30 to 422A.39, shall cease to be members of the program of that fund and shall cease to have any accrual of service credit, rights, or benefits under the benefit plan of that program. From and after July 1, 1979, all

active members of the coordinated program will have their retirement coverage transferred to the coordinated program of the public employees retirement association. The accrued liability for retirement coverage of these members to date shall be transferred to the coordinated program of the public employees retirement association and shall no longer be the liability of the Minneapolis municipal employees retirement fund. Within 30 days of July 1, 1979, the board of trustees of the Minneapolis municipal employees retirement fund shall transfer the entire assets attributable to the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association. The assets transferred shall be an amount equal in value to the amount of employee contributions made by coordinated program members since July 1, 1978, the amount of employer matching contributions made by an employing unit on behalf of a coordinated program member since July 1, 1978, an amount equal to the employer additional contribution for the members of the coordinated program, and an amount equal to the investment income earned by the fund on the invested assets of the program since July 1, 1978. The assets transferred to the public employees retirement fund shall only include securities which are proper investments pursuant to *Minnesota Statutes 1978*, Section 11.16. Within 30 days of July 1, 1979, the board of trustees and the actuary of the Minneapolis municipal employees retirement fund shall transfer to the public employees retirement association original copies of all records and documents which are in their possession relating to the coordinated program of the Minneapolis municipal employees retirement fund and any of its members and shall provide from time to time whatever additional relevant information which the board of trustees of the public employees retirement association may request. Upon the transfer of the assets, liabilities and records of the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association, the coordinated program of the Minneapolis municipal employees retirement fund shall terminate and shall cease to exist.

Sec. 37. *Minnesota Statutes 1978*, Section 353.661, Subdivision 3, is amended to read:

Subd. 3. [TRANSFER OF EXISTING RECIPIENTS OF PENSION AND OTHER RETIREMENT BENEFITS.] As of July 1, 1978, the accrued liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the university of Minnesota police department retirement plan and fund shall be transferred to the public employees police and fire fund and shall no longer be the liability of the university of Minnesota police department retirement plan and fund. The required reserves for retirement annuities in effect as of June 30, 1978, including future automatic survivor benefits for survivors of deceased former retirement annuitants attributable to those an-

nuities, and required reserves for benefits of survivor of deceased former retirement annuitants in effect as of June 30, 1978 shall be determined using a five percent interest assumption and the applicable public employees police and fire fund mortality table and shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on July 1, 1978 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount on July 1, 1978 shall be considered the "originally determined benefit" for purposes of further adjustments pursuant to section (11.25. IF AN ADJUSTMENT FROM THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND PURSUANT TO SECTION 11.25 IS PAYABLE AS OF JANUARY 1, 1979, ANY ANNUITANT OR BENEFIT RECIPIENT RECEIVING AN ANNUITY OR BENEFIT FROM THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND PURSUANT TO THIS SECTION SHALL BE ENTITLED TO RECEIVE THE ADJUSTMENT IF THE ANNUITANT OR RECIPIENT BEGAN RECEIVING THE ANNUITY OR BENEFIT FROM THE UNIVERSITY OF MINNESOTA POLICE DEPARTMENT RETIREMENT PLAN AND FUND ON OR BEFORE JUNE 30, 1977. IF AN ADJUSTMENT FROM THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND PURSUANT TO SECTION 11.25 IS PAYABLE AS OF JANUARY 1, 1979, THE REQUIRED RESERVES FOR THE INCREASE DETERMINED USING A FIVE PERCENT INTEREST ASSUMPTION AND THE APPLICABLE PUBLIC EMPLOYEES POLICE AND FIRE FUND MORTALITY TABLE SHALL BE TRANSFERRED BY THE PUBLIC EMPLOYEES POLICE AND FIRE FUND TO THE MINNESOTA ADJUSTABLE FIXED BENEFIT FUND ON JANUARY 1, 1979) 16. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefit shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 38. Minnesota Statutes 1978, Section 354.05, Subdivision 2, as amended by Law 1980, Chapter 342, Section 8, is amended to read:

Subd. 2. [TEACHER.] The word "teacher" includes any person who has rendered, is rendering, or shall hereafter render, service as a teacher, supervisor, principal, superintendent, or librarian in the public schools of the state, located outside of the corporate limits of the cities of the first class, in the state universities, or in any charitable or state institution including penal and corrective institutions supported, in whole or in part, by public funds, or who has been engaged, is engaged, or shall hereafter be engaged, in educational administration in connection with the state public school system, including the state university system and state community college system, but excluding the university of Minnesota, whether the position be a public office or an employment, not including members of any general governing or managing board or body connected with such systems, or the of-

ficers of common, independent, special, or associated school districts, or unorganized territory. The term shall also include an employee of the teachers retirement association employed subsequent to July 1, 1969, and any nurse, counselor, social worker or psychologist who has rendered, is rendering or shall hereafter render service in the public schools as defined above or in state universities. The term shall also include any person who renders teaching service on a part time basis and who also renders other services for a school district. In such cases, the teachers retirement association shall have the authority to determine whether all or none of such combined employment will be covered by the teachers retirement association. The term does not mean any person who works for such school or institution as an independent contractor. (THE TERM ALSO DOES NOT MEAN A PERSON WHO WORKS FOR A SCHOOL OR INSTITUTION ON A PART TIME BASIS PROVIDED: (1) THE PERSON WAS NOT REQUIRED TO MAKE CONTRIBUTIONS TO THE FUND DURING THE CURRENT FISCAL YEAR; (2) THE PERSON HAS CERTIFIED THAT HE HAS ESTABLISHED AND IS CONTRIBUTING TO AN INDIVIDUAL RETIREMENT ACCOUNT BASED ON NON TEACHING EMPLOYMENT; AND (3) THE CERTIFICATION IS MADE ANNUALLY ON A FORM PRESCRIBED BY THE EXECUTIVE DIRECTOR.) The term shall not include any person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from the after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing on forms prescribed by the executive director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing on forms prescribed by the executive director to make the required employer contribution in addition to the required employee contribution. *The term shall not include any person holding a part-time adult supplementary vocational-technical school license who renders part-time teaching service in a vocational-technical school if the service is incidental to the regular nonteaching occupation of the person and if the applicable vocational-technical school stipulates annually in advance that the part time teaching service will not and the part-time teaching service does not exceed 200 hours in a fiscal year.*

Sec. 39. Minnesota Statutes, 1979 Supplement, Section 354A.-011, Subdivision 11, is amended to read:

Subd. 11. [COORDINATED MEMBER.] "Coordinated member" means any member of the teachers retirement fund

association who is covered by the coordinated program of the association due to the fact that the member is covered by any agreement or modification made between the state and the secretary of health, education and welfare making the provisions of the federal old age, survivors and disability insurance act applicable to certain teachers covered by the association; *except in the case of a member of the Duluth teachers retirement fund association, in which it means additionally that the member either first became a member prior to July 1, 1980 and elected to be covered by the new law coordinated program of the Duluth teachers retirement fund association or first became a member on or subsequent to July 1, 1980.*

Sec. 40. Minnesota Statutes, 1979 Supplement, Section 354A.092, is amended to read:

354A.092 [SABBATICAL LEAVE.] (IF A) *Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or any teacher in the new law coordinated program of the Duluth teachers retirement fund association who is granted a sabbatical leave, (THE TEACHER) shall be entitled to receive allowable service credit in the applicable association for periods of sabbatical leave. To obtain the service credit, the teacher on sabbatical leave shall make an employee contribution to the applicable association. No teacher shall be entitled to receive more than three years of allowable service credit pursuant to this section for a period or periods of sabbatical leave during any ten consecutive fiscal or calendar years, whichever is applicable for the teachers retirement fund association. If the teacher granted a sabbatical leave makes the employee contribution for a period of sabbatical leave pursuant to this section, the state shall make an employer contribution on behalf of the teacher to the applicable association for that period of sabbatical leave in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of year next following the year in which the sabbatical leave terminated and shall be made without interest. If the employee contributions for the sabbatical leave period are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the sabbatical leave period, service credit shall be prorated. The prorated service credit shall be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable pursuant to this section.*

Sec. 41. Minnesota Statutes, 1979 Supplement, Section 354A.093, is amended to read:

354A.093 [MILITARY SERVICE CREDIT.] (IF A) *Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or any teacher in the new law coordinated program of the Duluth teachers retirement fund association who is granted a leave of absence to enter military service and (IF THE TEACHER) who returns to active teaching service upon discharge from military service as provided in section 192.262, (THE TEACHER) shall be entitled to receive allowable service credit in the applicable association for all or a portion of the period of military service but not for any voluntary extension of military service beyond the initial period of enlistment, induction or call to active duty which occurred at the instance of the teacher. If the teacher granted the military service leave of absence makes the employee contribution for a period of military service leave of absence pursuant to this section, the state shall make an employer contribution on behalf of the teacher to the applicable association for the period of the military service leave of absence in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's annual salary rate at the date of return from military service, multiplied by the number of years constituting the period of the military service leave of absence which the teacher seeks to purchase. Payment shall include interest on the amount payable pursuant to this section at the rate of six percent compounded annually from the year the military service was rendered to the date of payment. If the payments made by a teacher pursuant to this section are less than an amount equal to the applicable contribution rate applied to a salary figure equal to the teacher's annual salary rate at the date of return from military service, multiplied by the number of years constituting the period of the military service leave of absence, service credit shall be prorated. The prorated service credit shall be determined by the ratio between the amount of the actual payment which was made and the full contribution amount payable pursuant to this section. In order to be entitled to receive service credit under this section, payment shall be made within five years from the date of discharge from military service.*

Sec. 42. Minnesota Statutes, 1979 Supplement, Section 354A.12, Subdivision 1, is amended to read:

354A.12 [CONTRIBUTIONS BY EMPLOYEE AND EMPLOYER.] Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] The contribution required to be paid by each member of a teachers retirement fund association shall not be less than the percentage of total salary specified below for the applicable association and programs:

| Association and Program | Percentage of Total Salary |
|---------------------------------------------------------------|-------------------------------|
| Duluth teachers retirement association coordinated program | (4) 4.5 percent |
| Minneapolis teachers retirement association basic program | 8.5 percent |
| coordinated program | 4.5 percent |
| St. Paul teachers retirement association basic program | 8 percent |
| coordinated program | 4.5 percent |

Sec. 43. Minnesota Statutes, 1979 Supplement, Section 354A.12, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed and the state shall assume the total employer obligation.

The state shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the state shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the state shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

| | |
|-----------------------------------------------------|---------------------|
| Duluth teachers retirement fund association | (5.79) 6.29 percent |
| Minneapolis teachers retirement fund association | 4.50 percent |
| St. Paul teachers retirement fund association | 4.50 percent |

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the state shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement
fund association 13.35 percent

St. Paul teachers retirement
fund association 12.63 percent

The state employer contributions shall be appropriated and remitted directly to each teachers retirement fund association each month in accordance with the procedures described in section 354.43, subdivisions 1, 2, and 5.

Once each month the executive secretary of each teachers retirement fund association shall determine the amount of money necessary and presently needed to meet the state obligation as provided in this subdivision by applying the percentage of payroll figure to the estimated payroll amounts for the current month and shall certify the amount to the commissioner of finance. The moneys required to meet the amounts certified by each executive secretary of a teachers retirement fund association shall be appropriated and remitted directly to the applicable teachers retirement fund association from the general fund each month. If subsequent actual experience deviates from the anticipated experience upon which the amount certified was determined, the allocation to the first class city teachers retirement fund association involved next following the discovery of the deviation shall be adjusted. If the state makes an excess employer contribution to a teachers retirement fund association as the result of a false or wrongful certification, the state shall be entitled to recover the excess employer contribution by any appropriate means, including recovery from future state allocations, state aid or other funds payable to the school district in which the association is located. If an employee of that school district is responsible for the false or wrongful certification, any excess employer contribution recovered by the state shall be the obligation of the school district.

Sec. 44. Minnesota Statutes, 1979 Supplement, Section 354A.24, is amended to read:

354A.24 [DULUTH TEACHERS RETIREMENT FUND ASSOCIATION COORDINATED PROGRAM.] There is established within the Duluth teachers retirement fund association (A COORDINATED PROGRAM WHICH SHALL BE A CONTINUATION OF THE RETIREMENT PROGRAM IN EXISTENCE PRIOR TO JULY 1, 1978 TO PROVIDE RETIREMENT COVERAGE) for teachers who are covered by an agreement or modification made between the state and the sec-

retary of health, education and welfare making the provisions of the federal old age, survivors and disability insurance act applicable to teachers covered by the teachers retirement fund association, two coordinated programs:

(1) *an old law coordinated program to provide retirement coverage for teachers who were first employed prior to July 1, 1980 and do not elect to be covered by the new law coordinated program, which program shall be a continuation of the retirement program in existence prior to July 1, 1978; and*

(2) *a new law coordinated program to provide retirement coverage for teachers who were first employed on or subsequent to July 1, 1980 or for teachers who were first employed prior to July 1, 1980 and elect to be covered by the new law coordinated program. The provisions governing the old law coordinated program shall be the (APPLICABLE) portions of this chapter which do not apply specifically to a coordinated program or a coordinated or former coordinated member, the articles of incorporation and bylaws in effect as of March 31, 1975, the provisions of Laws 1976, Chapter 238, Section 15, and any applicable amendments to the articles of incorporation or bylaws of the teachers retirement fund association adopted subsequent to July 1, 1979 in accordance with the provisions of section 354A.12, subdivision 4. The provisions governing the new law coordinated program shall be sections 354A.31 to 354A.41 and any other applicable portions of this chapter, the provisions of sections 10 and 11 of this act, and any applicable amendments to the articles of incorporation or bylaws of the teachers retirement fund association adopted subsequent to July 1, 1980 in accordance with the provisions of section 354A.12, subdivision 4.*

Sec. 45. Minnesota Statutes, 1979 Supplement, Section 354A.32, is amended to read:

354A.32 [OPTIONAL RETIREMENT ANNUITIES.] The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Each board shall also establish an optional retirement annuity which shall take the form of a guarantee that in the event of death the balance of the accumulated deductions shall be paid to a designated beneficiary. All optional forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional forms, the board shall obtain the written recommendation of an approved actuary and the recommendation shall be a part of the permanent records of the board.

Sec. 46. Minnesota Statutes, 1979 Supplement, Section 354A.39, is amended to read:

354A.39 [SERVICE IN OTHER PUBLIC RETIREMENT FUNDS; ANNUITY.] Any person who has been a member of the Minnesota state retirement system, the public employees retirement association including the public employees retirement association police and fire fund, the teachers retirement association, the Minnesota highway patrol retirement association, the legislators retirement plan, the constitutional officers retirement plan, the Minneapolis municipal employees retirement fund, *the Duluth teachers retirement fund association new law coordinated program*, the Minneapolis teachers retirement fund association coordinated program, the St. Paul teachers retirement fund association coordinated program, or any other public employee retirement system in the state of Minnesota having a like provision but excluding all other funds providing retirement benefits for police officers or firefighters shall be entitled when qualified to an annuity from each fund if the person's total allowable service in all of the funds or in any two or more of the funds totals ten or more years, provided that no portion of the allowable service upon which the retirement annuity from one fund is based is used again in the computation for a retirement annuity from another fund and provided further that the person has not taken a refund from any of funds or associations since the person's membership in the fund or association has terminated. The annuity from each fund or association shall be determined by the appropriate provisions of the law governing each fund or association, except that the requirement that a person must have at least ten years of allowable service in the respective fund or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ten or more years.

Sec. 47. Minnesota Statutes, 1979 Supplement, Section 354A.41, is amended to read:

354A.41 [ADMINISTRATION OF COORDINATED PROGRAM.] Subdivision 1. [ADMINISTRATIVE PROVISIONS.] The provisions of the articles of incorporation and bylaws of the Minneapolis or the St. Paul teachers retirement fund association, whichever is applicable, relating to the administration of the fund shall govern the administration of the coordinated program *and the provisions of the articles of incorporation and bylaws of the Duluth teachers retirement fund association relating to the administration of the fund shall govern the administration of the new law coordinated program* in instances where the administrative provisions are not inconsistent with the provisions of sections 354A.31 to 354A.41, including but not limited to provisions relating to the composition and function of the board of trustees, the investment of assets of the teachers retirement fund association, and the definition of the plan year.

Subd. 2. [ACTUARIAL VALUATIONS.] Whenever the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association shall make an actuarial valuation as required by section 356.215 after July 1, 1979, there shall be included in the report of the actuarial valuation a finding of the condition of the fund showing separately the basic and coordinated programs and (INDICATING) *whenever the Duluth teachers retirement fund association shall make an actuarial valuation as required by section 356.215 after July 1, 1980, there shall be included in the report of the actuarial valuation a finding of the condition of the fund showing separately the old law coordinated and new law coordinated programs. The finding shall include the level normal cost, accrued liability, assets, unfunded accrued liability, contribution required to meet the interest at the assumed rate on the unfunded accrued liability, and the contribution required to amortize the unfunded accrued liability by the date specified in section 356.215, subdivision 4, clause (7), for each program.*

Sec. 48. [RETIREMENT COVERAGE FOR CERTAIN TEACHERS.] *Any person who is first employed as a teacher by Independent School District No. 709 on or after July 1, 1980 shall have retirement coverage if otherwise eligible provided by the new law coordinated program of the Duluth teachers retirement fund association and not by the old law coordinated program of the Duluth teachers retirement fund association. Any member of the old law coordinated program of the Duluth teachers retirement fund association may, at any time prior to termination of active service covered by the retirement fund association, elect to have retirement coverage for all service covered by the retirement fund association transferred to and provided by the new law coordinated program of the Duluth teachers retirement fund association.*

Sec. 49. [OLD LAW COORDINATED PROGRAM; INCREASE IN RETIREMENT BENEFITS AUTHORIZED.] *Authorization is hereby granted in accordance with Minnesota Statutes, Section 354A.12, Subdivision 4, for the Duluth teachers retirement fund association to amend its articles of incorporation as follows:*

(1) *Clause (b) of subdivision 1 of article VIII of the articles of incorporation may be amended to provide for an increase in the normal retirement allowance annual formula accrual rate from 1.15 percent of the average final salary of a member as defined in section 3 of article IX to 1.25 percent of the average final salary of a member as defined in section 3 of article IX.*

(2) *A new clause (f) may be added to subdivision 1 of article VIII of the articles of incorporation to provide for an increase of 8.7 percent in the monthly retirement allowance or benefit, exclusive of any allowance or benefit based on shelter or additional contributions, to or on account of a member who retired*

or died prior to July 1, 1980, with payment of the increased amount commencing with the first regular monthly allowance or benefit payment occurring after the adoption of the applicable amendment to the articles of incorporation and compliance with the provisions of Minnesota Statutes, Section 354A.12, Subdivision 4.

(3) Clause (d) of subdivision 8 of article VIII may be amended to provide that the surviving spouse of a member who has attained the age of at least 55 years and has credit for not less than ten years of credited service and who has died in active service may elect to receive, in lieu of the death benefit or the immediate or deferred surviving spouse annuity provided in clause (d) of subdivision 8 of article VIII in effect as of June 30, 1980, an annuity equal to the remainder of the equivalent actuarial value joint and 100 percent survivor annuity which the member would have been entitled to had the member retired on the date of death, computed pursuant to clause (b) of subdivision 1 of article VIII, to cease with the last payment received by the surviving spouse during the surviving spouse's lifetime.

Sec. 50. Minnesota Statutes, 1979 Supplement, Section 424A.-02, is amended by adding a subdivision to read:

Subd. 9a. [POST RETIREMENT INCREASES.] Notwithstanding any provision of general or special law to the contrary, a relief association may, from time to time, with municipal approval pursuant to subdivision 10 and section 69.772, subdivision 6, or section 69.773, subdivision 6, whichever is applicable, provide a post retirement increase to retired members and other retirement benefit recipients of the relief association. The post retirement increase may only be granted pursuant to an amendment to the bylaws of the relief association and shall be applicable only to retired members and other retirement benefit recipients receiving a service pension or retirement benefit as of the effective date of the bylaw amendment. The authority to provide a post retirement increase to retired members and other retirement benefit recipients of a relief association contained in this subdivision shall supersede any prior special law authorization relating to the provision of post retirement increases.

Sec. 51. Minnesota Statutes, 1979 Supplement, Section 424A.-04, is amended to read:

424A.04 [VOLUNTEER RELIEF ASSOCIATIONS; BOARD OF TRUSTEES.] Every volunteer firefighters' relief association shall be managed by a board of trustees consisting of nine members. Six trustees shall be elected from the membership of the relief association and three trustees shall be drawn from the officials of the municipality which has a fire department to which the relief association is directly associated or the municipality which contracts or the municipalities which con-

tract with the independent nonprofit firefighting corporation of which the relief association is a subsidiary. *The bylaws of a volunteer firefighters' association may provide that one of the six trustees required to be elected from the membership of the relief association may be a retired member of the relief association receiving a monthly pension elected by the membership of the fire department.* The ex officio trustees, if the relief association is directly associated with the fire department of a municipality, shall be the mayor, the clerk or clerk-treasurer, and the chief of the municipal fire department. The ex officio trustees, if the relief association is a subsidiary of an independent nonprofit firefighting relief corporation, shall be three elected officials of the contracting municipality designated by the governing body of the municipality if only one municipality contracts with the independent nonprofit firefighting corporation, two elected officials of the largest municipality in population and one elected official of the next largest municipality in population designated by the governing bodies of the applicable municipalities if two municipalities contract with the independent nonprofit firefighting corporation, or one elected official of each of the three largest municipalities in population designated by the governing bodies of the applicable municipalities if three or more municipalities contract with the independent nonprofit firefighting corporation. An ex officio trustee shall have all of the rights and duties accorded to any other trustee except the right to be an officer of the board of trustees. A board shall have at least three officers, which shall be a president, a secretary and a treasurer. These officers shall be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, and in no event shall any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board shall be specified in the bylaws of the relief association but shall not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership shall initially and shall thereafter continue to be staggered on as equal a basis as is practicable.

It shall be the duty of the board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, the taxpayers who aid in its financing and the firefighters who are its beneficiaries.

Sec. 52. [HIBBING; AUTHORIZATION FOR SEPARATE RELIEF ASSOCIATIONS FOR SALARIED AND VOLUNTEER FIREFIGHTERS.] *Notwithstanding any provisions of any law to the contrary, the city of Hibbing may establish and maintain or continue to maintain two separate relief associations for firefighters employed by or serving with the Hibbing municipal fire department. One relief association shall provide retire-*

ment benefit coverage for regular salaried firefighters employed by the Hibbing municipal fire department and the other relief association shall provide retirement benefit coverage for volunteer firefighters serving with the Hibbing municipal fire department. Any fire state aid amounts received by the city of Hibbing pursuant to Minnesota Statutes, Sections 69.011 to 69.051, shall be allocated proportionately between the two relief associations on the basis of the assessed property value, excluding mineral values, and the population pursuant to the most recent federal census, of the areas which are predominantly served by the members of each relief association, as determined by the governing body of the city of Hibbing.

Sec. 53. [RESTRICTION ON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION MEMBERSHIP FOR CERTAIN PERSONS.] *No person who is employed by the city of Hibbing as a regular salaried firefighter, and who is a member of the Hibbing salaried firefighters relief association to which Minnesota Statutes, Section 69.77, applies, shall be entitled while so employed after the effective date of this section to be a member of or to accrue any service credit in the relief association which provides retirement benefit coverage for volunteer firefighters serving with the Hibbing municipal fire department and to which Minnesota Statutes, Sections 69.771 to 69.776, apply.*

Sec. 54. [PROPORTIONATE SERVICE PENSION IN CERTAIN CASES.] *Any person who is prohibited from further membership in or from accruing further service credit in the volunteer firefighters' relief association which is established or maintained by the city of Hibbing and to which Minnesota Statutes, Section 69.771 to 69.776 apply and who has not as of the effective date of this act received credit for sufficient years of service with the Hibbing municipal fire department or membership with the Hibbing volunteer firefighters' relief association to be entitled to a service pension without the benefit of this section shall be entitled when otherwise qualified to receive a proportionate service pension based on the number of completed years of service rounded to the nearest full years of service.*

Sec. 55. *Any volunteer firefighters' relief association which had prior special legislative authorization to grant a post retirement increase and which approved a post retirement increase prior to the effective date of Laws 1979, Chapter 201, may grant the post retirement increase, pursuant to section 36, effective retroactively to January 1, 1980.*

Sec. 56. Minnesota Statutes 1978, Section 462.631, Subdivision 1, is amended to read:

462.631 [APPROVED MORTGAGES, BOND ISSUE; LIMITATIONS, PROVISIONS.] Subdivision 1. Any redevelopment company, subject to the approval of the state housing commission, may borrow funds and secure the repayment thereof by bond and mortgage or by an issue of bonds under a trust in-

denture. Each mortgage or issue of bonds of a redevelopment company shall relate only to a single specified project and to no other, and those bonds shall be secured by mortgage upon all of the real property of which (SUCH) *the* project consists. First lien bonds of a redevelopment company, when secured by a mortgage not exceeding 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost, after that completion, as certified by the state housing commission, are hereby declared securities in which all public officers and bodies of the state and of its municipal subdivisions, *including the state board of investment if the bonds meet the requirements of section 22, subdivision 2*, all insurance companies and associations, all savings banks and savings institutions, including savings, building and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. The bonds so issued and secured and the mortgage or trust indenture relating thereto may create a first or senior lien and a second or junior lien upon the real property embraced in any project; provided, however, that the total mortgage liens shall not exceed 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost after that completion, as certified by the state housing commission; and provided further that, where there are first and second mortgage liens upon the property embraced in a project, only the first or senior lien thereon shall be deemed a security in which (SUCH) *the* officers, bodies, corporations, associations, and fiduciaries may invest the funds within their control. (SUCH) *The* bonds and mortgages may contain (SUCH) other clauses and provisions as shall be approved by the state housing commission, including the right to assignment of rents and entry into possession in case of default; but the operation of the housing project in the event of such entry by mortgagee or receiver shall be subject to regulations promulgated by the state housing commission. Provisions for the amortization of the bonded indebtedness of companies formed under sections 462.415 to 462.711 shall be subject to the approval of the state housing commission. So long as funds made available by the federal government or any instrumentality thereof or any mortgage or mortgage bonds insured by the federal housing administrator or any other instrumentality of the federal government are used in financing, in whole or in part, any project under sections 462.415 to 462.711, the capital structure of a redevelopment company undertaking such project and the proportionate amount of the cost of the lands and improvements to be represented by mortgages or bonds shall be entirely in the discretion of the housing commission; and all restrictions as to the amounts to be represented by mortgages, mortgage bonds, income debenture, or stock shall be inapplicable to (SUCH) *the* projects or to redevelopment companies undertaking (SUCH) *the* projects, except that the bonds, mortgages, debentures, and stock covering any project shall not exceed the total actual final cost of (SUCH) *the* project as defined in section 462.635, clause 2.

Interest rates on mortgage indebtedness shall not exceed five percent per annum.

Sec. 57. Minnesota Statutes 1978, Section 473.417, as amended by Laws 1980, Chapter 342, Section 16, is amended to read:

473.417 [ADDITIONAL EMPLOYER OBLIGATION TO AMORTIZE UNFUNDED ACCRUED LIABILITIES.] In order to amortize the additional unfunded accrued liability incurred by the Minnesota state retirement system as a result of the consolidation of the metropolitan transit commission - transit operating division employees retirement fund, and to place the metropolitan transit commission on an equivalent basis with the other employing units and agencies having employees covered by the Minnesota state retirement system, the metropolitan transit commission shall make an annual contribution to the Minnesota state retirement system in addition to the employer contribution specified in section 352.04, subdivision 3. The additional contribution shall be an amount equal to three and eight-tenths percent of the salaries of employees of the transit operating division on each payroll abstract, commencing July 1, 1978, and payable until the unfunded accrued liability amount of (\$7,-260,518) \$7,307,545 plus compound interest from July 1, 1978 at the rate of six percent per annum on the average unpaid balance is amortized, as determined by the executive director of the Minnesota state retirement system.

Sec. 58 **[PURCHASE OF PRIOR SERVICE BY CERTAIN EMPLOYEES OF THE METROPOLITAN TRANSIT COMMISSION - TRANSIT OPERATING DIVISION.]** *Subdivision 1. [ELIGIBILITY.] A person who was employed continuously by the Twin City Lines bus company and by the metropolitan transit commission, its successor in interest from March 3, 1948 until October 1, 1970, who was employed from October 1, 1970 until June 26, 1978 by the management firm retained by the metropolitan transit commission to manage the transit operating division, and who was reemployed since June 26, 1978 by the metropolitan transit commission, may elect to purchase prior service credit in the Minnesota state retirement system for prior service as an employee of the management firm; not to exceed three years and 11 months of service credit.*

Subd. 2. [PAYMENT FOR PURCHASE OF PRIOR SERVICE.] To purchase the prior service credit, the person described in subdivision 1 shall make a payment equal to four percent of the salary of the person for the period of prior service to be purchased, plus interest at the rate of six percent per annum compounded annually from the date the contributions otherwise would have been made to the date payment is actually made. If the person described in subdivision 1 elects to make the purchase of prior service, the payment of the required amounts shall be made in a lump sum prior to July 1, 1981. The period of allowable service shall be credited to the person only after receipt of the necessary payment by the executive director of the Minne-

sota state retirement system. The person described in subdivision 1 shall supply certified documentation of prior service and the compensation received for that service. The prior service to be purchased shall be the most recent period of prior service.

Subd. 3. [ENTITLEMENT TO ANNUITY.] A person who purchases a period of prior service pursuant to subdivision 2 shall be entitled: (1) to have the period of prior service purchased considered as "allowable service" within the meaning of Minnesota Statutes, Section 352.01, Subdivision 11 and considered as continuous state service within the meaning of section 352.113, subdivision 1; (2) to have the salary for the period of prior service purchased considered as "salary" within the meaning of section 352.01, subdivision 13; and (3) to have the remaining period of prior service as an employee of the management firm in excess of three years and 11 months considered as service in a public employee retirement system in the state of Minnesota having a like provision within the meaning of section 352.72, subdivision 1.

Sec. 59. Minnesota Statutes 1978, Section 475.73, Subdivision 1, is amended to read:

475.73 [STATE BOARD OF INVESTMENT.] Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the State Board of Investment *if the obligations meet the requirements of section 22, subdivision 2*, upon the approval of the Attorney General as to form and execution of the application therefor, and under such rules and regulations as the board may specify, and the State Board of Investment shall have authority to purchase the same to an amount not exceeding 15 percent of the assessed valuation of the taxable property of (SUCH) *the municipality*, according to the last preceding assessment. (SUCH) *The obligations shall not run for a shorter period than one year, nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the State Board of Investment, but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each (SUCH) obligation.*

Sec. 60. Minnesota Statutes 1978, Section 490.123, Subdivision 1, is amended to read:

490.123 [JUDGES' RETIREMENT FUND.] Subdivision 1. [CREATION; CONTRIBUTIONS.] There is hereby created a special fund known as the "judges' retirement fund". The fund shall be credited with all contributions, all interest and all other income authorized by law. From this fund there are appropriated the payments authorized by sections 490.121 to 490.132

in the amounts and at times provided herein, including the expenses of administering the fund. Except as provided in section 490.128, subdivision 2, each judge shall contribute to the fund from each salary payment *a sum equal to one-half of one percent of salary, plus a sum equal to the salary multiplied by the rate of employee tax under the Federal Insurance Contributions Act as defined in section 355.01, subdivision 9, but in aggregate not less than seven percent of salary.* The balance of all money necessary for administering sections 490.121 to 490.132 and the judges' retirement fund, including payment of retirement compensation and other benefits under sections 490.121 to 490.132, shall be contributed to the fund by the state. The amount required therefor is hereby annually appropriated from the general fund to the judges' retirement fund.

Sec. 61. Minnesota Statutes 1978, Section 490.124, Subdivision 1, is amended to read:

490.124 [MATURITY OF BENEFITS; RETIREMENT AND SURVIVORS' ANNUITIES.] Subdivision 1. [BASIC RETIREMENT ANNUITY.] Except as qualified hereinafter from and after mandatory retirement date, normal retirement date, early retirement date, or two years from the disability retirement date, as the case may be, a retirement annuity shall be payable to a retiring judge from the judges' retirement fund in an amount equal to: (1) two and one-half percent of the judge's final average compensation multiplied by the number of years and fractions of years of service rendered (,) *prior to July 1, 1980; plus (2) three percent of the judge's final compensation multiplied by the number of years and fractions of years of service rendered after June 30, 1980; provided that such annuity shall not exceed (60) 65 percent of the judge's annual salary for the year immediately preceding his retirement.*

Sec. 62. Laws 1979, Chapter 293, Section 10, Subdivision 1, is amended to read:

Sec. 10. [POST RETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.] Subdivision 1. [ENTITLEMENT.] Any person (WHO, ON OR BEFORE JULY 1, 1979, HAS ATTAINED THE AGE OF 65 YEARS AND) who is receiving a retirement annuity (FROM), (OR ANY PERSON WHO IS RECEIVING) a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 4, clauses (1) to (5) which was computed under the laws in effect prior to June 1, 1973, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 4, clause (4), or prior to July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 4, clause (1), (2), (3), or (5), and any person (WHO, ON OR BEFORE JULY 1, 1979, HAS ATTAINED THE AGE OF 65 AND) who is receiving a "\$2 bill and annuity" annuity from the retirement fund specified in subdivision 4, clause (6), shall

be entitled to receive a post retirement adjustment from the applicable retirement fund in the amount specified in subdivision 3.

Sec. 63. Laws 1979, Chapter 293, Section 10, is amended by adding a subdivision to read:

Subd. 6. [TRANSFER OF APPROPRIATION; TERMINAL AUDIT.] From the amounts appropriated and apportioned pursuant to subdivision 5, there is transferred to the commissioner of finance for purposes of redistribution the specified amount from each fund indicated, as follows:

| | |
|----------------------------------------------|------------------|
| <i>highway patrol retirement fund</i> | <i>\$ 11,971</i> |
| <i>state employees retirement fund</i> | <i>263,100</i> |
| <i>public employees retirement fund</i> | <i>238,155</i> |
| <i>public employees police and fire fund</i> | <i>45,471</i> |

From the total amount transferred to the commissioner of finance for redistribution, the commissioner shall transfer the specified amount to each fund indicated as follows:

| | |
|--------------------------------------------------------|------------------|
| <i>Minneapolis municipal employees retirement fund</i> | <i>\$ 25,780</i> |
| <i>teachers retirement fund</i> | <i>173,711</i> |

The remaining balance of the appropriation transferred to the commissioner of finance following redistribution shall cancel and shall be returned to the general fund.

Each covered retirement fund as specified in subdivision 4 shall, as soon as is practical following the payment of the December 1, 1980, post retirement adjustment, calculate the amount of any appropriation apportioned to it which is in excess of the amounts required to pay the December 1, 1970, and December 1, 1980, post retirement adjustments and the post retirement adjustments provided for in this act. In addition, the executive secretary of the state board of investment, for covered retirement funds specified in subdivision 4, clauses (1) to (5), and the executive secretary of the Minneapolis municipal employees retirement fund, for that fund, shall calculate the amount which represents for each applicable covered retirement fund the investment income which the fund received on its portion of the appropriation calculated on the basis of the actual annual rate of investment return received on the assets of the retirement fund, the calculations required by this paragraph shall be reported to and verified by the commissioner of finance and amounts equal to these reported excess appropriation and investment income amounts shall be returned to the general fund.

The commissioner of finance is not authorized to adjust or modify any appropriation made pursuant to Laws 1979, Chapter 293, Section 10 or any amounts transferred pursuant to this act except in accordance with this subdivision.

Sec. 64. [RETROACTIVE APPLICATION.] *Any person who was not entitled to receive a lump sum post retirement adjustment on December 1, 1979, pursuant to Laws 1979, Chapter 293, Section 10, solely by virtue of not having attained the age of 65 years on or before July 1, 1979 shall be entitled to receive the lump sum post retirement adjustment which that person would have received on December 1, 1979. The adjustment shall be payable on the first day of the second month following the effective date of this section and may be included with the annuity or benefit payable on that date.*

Sec. 65. [INSTRUCTIONS TO THE REVISOR.] *Subdivision 1. In the next or subsequent edition of Minnesota Statutes, the revisor of statutes shall substitute the term "executive director" for the term "executive secretary" wherever that term appears in reference to the state board of investment the term "executive director" shall substitute the term "Minnesota supplemental retirement investment fund" for the term "Minnesota supplemental retirement fund" wherever that term appears, and shall substitute the term "Minnesota variable annuity investment fund" for the term "Minnesota variable annuity fund" wherever that term appears.*

Subd. 2. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute wherever the amount "four percent interest" appears in reference to the Minneapolis employees retirement fund the amount "six percent interest".

Subd. 3. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute "director" or "executive director" for "secretary" or "executive secretary" in chapter 422A.

Sec. 66. [INSTRUCTION TO REVISOR.] *In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall in each section referred to in column A, strike the reference referred to in column B and insert the reference set forth in column C:*

column A

column B

column C

*Minnesota Statutes**Minnesota Statutes*

1978

1978

*Section 3A.11,**Section 11.25**Section 11A.16**Subdivisions**1 and 2**Section 60B.25(16)**Chapter 11**Section 11A.22**Section 82.34,**Section 11.16**Section 11A.22**Subdivision 5**Section 137.022**Section 11.25,**Section 11A.22**Subdivision 2**Section 137.022**Section 11.015,**Section 11A.14,**Subdivision 7**Subdivision 5**Section 137.022**Section 11.16,**Section 11A.10,**Subdivision 17**Subdivision 2**Section 137.025**Section 11.10**Section 11A.23**Section 161.04,**Chapter 11**Section 11A.19**Subdivision 2**Section 162.16**Chapter 11**Section 11A.19**Section 198.265**Section 11.17**Section 11A.19**Section 222.59**Section 11.10**Section 11A.23**Section 352.04,**Section 11.25**Section 11A.16**Subdivision 12**Section 352.061**Section 11.25**Section 11A.16**Section 352.061**Chapter 11**Section 11A.22*

| <i>column A</i> | <i>column B</i> | <i>column C</i> |
|--------------------------|--------------------------|------------------------|
| <i>Section 352.119,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |
| <i>Subdivision 2(2)</i> | <i>Subdivisions</i> | <i>Subdivisions</i> |
| | <i>12 and 13</i> | <i>15 and 16</i> |
| <i>Section 352.93,</i> | <i>Section 11.25</i> | <i>Section 11A.16</i> |
| <i>Subdivision 3</i> | | |
| <i>Section 352.96,</i> | <i>Section 11.18</i> | <i>Section 11A.15</i> |
| <i>Subdivision 2(a)</i> | | |
| <i>Section 352B.26,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |
| <i>Subdivision 3(3)</i> | <i>Subdivisions</i> | <i>Subdivisions</i> |
| | <i>12 and 13</i> | <i>15 and 16</i> |
| <i>Section 352D.015,</i> | <i>Sections 11.18 to</i> | <i>Section 11A.15</i> |
| <i>Subdivision 3</i> | <i>11.24</i> | |
| <i>Section 352D.03</i> | <i>Section 11.18</i> | <i>Section 11A.15</i> |
| <i>Section 353.06</i> | <i>Section 11.25</i> | <i>Section 11A.16</i> |
| <i>Section 353.271,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |
| <i>Subdivision 2(2)</i> | <i>Subdivisions</i> | <i>Subdivisions</i> |
| | <i>12 and 13</i> | <i>15 and 16</i> |
| <i>Section 354.05,</i> | <i>Section 11.26</i> | <i>Section 11A.17</i> |
| <i>Subdivision 23</i> | | |
| <i>Section 354.05,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |
| <i>Subdivision 26</i> | <i>Subdivision 12</i> | <i>Subdivision 15</i> |
| <i>Section 354.62,</i> | <i>Section 11.26,</i> | <i>Section 11A.17,</i> |
| <i>Subdivision 4(3)</i> | <i>Subdivision 7</i> | <i>Subdivision 8</i> |
| <i>Section 354.63,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |

| <i>column A</i> | <i>column B</i> | <i>column C</i> |
|----------------------------|---------------------------|------------------------|
| <i>Subdivision 2(2)</i> | <i>Subdivisions</i> | <i>Subdivisions</i> |
| | <i>12 and 13</i> | <i>15 and 16</i> |
| <i>Section 356.39</i> | <i>Section 11.25</i> | <i>Section 11A.16</i> |
| <i>Section 360.017,</i> | <i>Section 11.01</i> | <i>Section 11A.23</i> |
| <i>Subdivision 2</i> | | |
| <i>Section 422A.18,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |
| <i>Subdivision 2</i> | <i>Subdivision 12</i> | <i>Subdivision 15</i> |
| <i>Section 422A.23,</i> | <i>Section 11.25,</i> | <i>Section 11A.16,</i> |
| <i>Subdivision 10</i> | <i>Subdivision 12</i> | <i>Subdivision 15</i> |
| <i>Section 490.123,</i> | <i>Section 11.25</i> | <i>Section 11A.16</i> |
| <i>Subdivision 3</i> | | |
| <i>Section 490.123,</i> | <i>Chapter 11</i> | <i>Section 11A.22</i> |
| <i>Subdivision 3</i> | | |
| <i>Section 525.161</i> | <i>Section 11.08</i> | <i>Section 11A.04</i> |
| | | <i>(8)</i> |
| <i>Section 525.841</i> | <i>Section 11.08</i> | <i>Sections 11A.04</i> |
| | | <i>(8) and 11A.08,</i> |
| | | <i>Subdivision 2</i> |
| <i>Minnesota Statutes,</i> | <i>Minnesota Statutes</i> | |
| <i>1979 Supplement</i> | <i>1978</i> | |
| <i>Section 299B.17,</i> | <i>Section 11.10</i> | <i>Section 11A.23</i> |
| <i>Subdivision 7</i> | | |

Sec. 67. [TEMPORARY PROVISION.] *Portfolio securities held by the state board of investment which met statutory criteria at the time of purchase but which became nonconforming as a result of the passage of this act may be retained.*

Sec. 68. [REPEALER.] *Minnesota Statutes 1978, Sections 11.01; 11.015; 11.04; 11.05; 11.06; 11.08; 11.10; 11.11; 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12; 11.13; 11.14; 11.15; 11.16; 11.17; 11.18; 11.19; 11.20; 11.21; 11.22; 11.23; 11.24; 11.25; 11.26; 11.27; 11.28; 360.303; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145 are repealed. Laws 1979, Chapter 293, Section 10, Subdivision 2, is repealed effective retroactively to July 1, 1979.*

Sec. 69. [EFFECTIVE DATE.] *Sections 29, 35 and 38 are effective July 1, 1980. Sections 39 to 49 are effective July 1, 1980. Sections 60 and 61 are effective July 1, 1980. The balance of this act is effective the day following enactment."*

Delete the title in its entirety and insert:

"A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; providing standards for investment; exempting certain vocational-technical school teachers from licensing and participation in certain retirement programs; establishing a coordinated retirement plan within the Duluth teachers retirement association; authorizing post retirement increases to retired volunteer firefighters; membership and volunteer firefighters association boards; authorizing separate relief associations in the city of Hibbing; member contributions and retirement annuity under the uniform judicial retirement law; providing a post retirement increase to certain omitted recipients; appropriating money; amending Minnesota Statutes 1978, Sections 69.77, Subdivision 2, as amended; 69.775; 124.46, Subdivision 4; 167.42; 167.50, Subdivision 2; 193.146, Subdivision 4; 352.75, Subdivision 3; 352B.26, Subdivision 3; 353.661, Subdivision 3; 354.05, Subdivision 2, as amended; 462.631, Subdivision 1; 473.417, as amended; 475.73, Subdivision 1; 490.123, Subdivision 1; 490.124, Subdivision 1; Chapter 125, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 1; 43.064; 353.01, Subdivision 2b; and 353.023; 354A.011, Subdivision 11; 354A.092; 354A.093; 354A.12, Subdivisions 1 and 2; 354A.24; 354A.32; 354A.39; 354A.41; 424A.02, by adding a subdivision; 424A.04; and Laws 1979, Chapter 293, Section 10, Subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.5 to 11.28; 360.303; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145; and Laws 1979, Chapter 293, Section 10, Subdivision 2."

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

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1942, A bill for an act relating to public welfare; requiring reporting of abuse or neglect of vulnerable adults; requiring certain facilities to establish abuse prevention plans; establishing a penalty; appropriating money; amending Minnesota Statutes 1978, Section 245.813, by adding a subdivision; and Chapter 626, by adding a section; repealing Minnesota Statutes 1978, Sections 245.813, Subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; and 626.555.

Reported the same back with the following amendments:

Page 9, line 24, delete "7" and insert "4"

Page 12, line 29, in the blank insert "113,000"

Page 13, line 1, delete "*the day following final enactment*" and insert "*January 1, 1981*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 1981, A bill for an act relating to public welfare; directing the commissioner of public welfare to establish and maintain personnel standards on a merit basis for certain employees of county boards, county welfare boards and human services boards; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; amending Minnesota Statutes 1978, Chapter 256, by adding a section; and Section 256D.05, Subdivision 3.

Reported the same back with the following amendments:

Page 1, delete lines 15 to 26

Page 2, delete lines 1 to 33

Page 3, delete lines 1 to 13

Page 4, delete lines 11 to 14

Page 4, line 15, delete "*Sections 1, 2, and 3 are*" and insert "*This act is*"

Renumber the remaining sections

Further, amend the title as follows:

Page 1, line 2, delete "directing the"

Page 1, delete lines 3 to 5

Page 1, line 6, delete "boards and human services boards;"

Page 1, lines 10 to 11, delete "Chapter 256, by adding a section; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 2035, A bill for an act relating to historic sites and monuments; adding property to Split Rock Lighthouse historic site; reestablishing Traverse des Sioux historic site as a state monument; appropriating funds; amending Minnesota Statutes 1978, Sections 138.025, Subdivision 10; and 138.585, by adding a subdivision; repealing Minnesota Statutes 1978, Section 138.55, Subdivision 5.

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

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 2046, A bill for an act establishing the Minnesota small business conference; providing for its organization, meetings and procedures; appropriating money.

Reported the same back with the following amendments:

Page 2, line 14, delete "\$100,000" and insert "\$10,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 2100, A bill for an act relating to housing; providing the housing finance agency with authority to make grants and loans to certain sponsors of housing used for temporary shelter; appropriating money; amending Minnesota Statutes 1978, Sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 11, delete "\$1,000,000" and insert "\$100,000"

Page 2, delete lines 16 to 18

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

H. F. No. 2149, A bill for an act relating to public welfare; clarifying duties of the commissioner of public welfare regarding approval of public and private mental health centers and clinics for certain purposes; providing for additional rule-making; amending Minnesota Statutes, 1979 Supplement, Section 245.69.

Reported the same back with the following amendments:

Page 2, line 26, delete "has the authority to" and insert "shall"

Page 2, lines 27 and 28, delete ", and may amend, suspend or repeal the rules,"

Page 2, line 31, after "rules" insert "and this subdivision"

Page 2, delete lines 32 and 33 and insert "commissioner may contract with any"

Page 3, after line 4, insert clauses to read:

"(a) Each approved mental health center and each approved mental health clinic shall have a multidisciplinary team of professional staff persons as required by rule. A mental health center or mental health clinic may provide the staffing required by rule by means of written contracts with professional persons or with other health care providers. Any personnel qualifications developed by rule shall be consistent with any personnel standards developed pursuant to chapter 214.

(b) Each approved mental health clinic and each approved mental health center shall establish a written treatment plan

for each outpatient for whom services are reimbursable through insurance or public assistance. The treatment plan shall be developed in accordance with the rules and shall include a patient history, treatment goals, a statement of diagnosis and a treatment strategy. The clinic or center shall provide access to hospital admission as a bed patient as needed by any outpatient. The clinic or center shall ensure ongoing consultation among and availability of all members of the multidisciplinary team.

(c) As part of the required consultation, members of the multidisciplinary team shall meet at least twice monthly to conduct case reviews, peer consultations, treatment plan development and in-depth case discussion. Written minutes of these meetings shall be kept at the clinic or center for three years.

(d) Each approved center or clinic shall establish mechanisms for quality assurance and submit documentation concerning the mechanisms to the commissioner as required by rule, including:

- (1) Continuing education of each professional staff person;
- (2) An ongoing internal utilization and peer review plan and procedures;
- (3) Mechanisms of staff supervision; and
- (4) Procedures for review by the commissioner or his delegate.

(e) The commissioner shall disapprove an applicant, or withdraw approval of a clinic or center, which the commissioner finds does not comply with the requirements of the rules or this subdivision. A clinic or center which is disapproved or whose approval is withdrawn is entitled to a contested case hearing and judicial review pursuant to sections 15.0411 to 15.052.

(f) Data on individuals collected by approved clinics and centers, including written minutes of team meetings, is private data on individuals within the welfare system as provided in sections 15.1611 to 15.1698.

(g) Each center or clinic that is approved and in compliance with the commissioner's existing rule on the effective date of this section is approved for purposes of section 62A.152, subdivision 2, until rules are promulgated to implement section 1."

Page 3, after line 4, add a section to read:

"Sec. 2. [APPROPRIATIONS.] The sum of \$50,000 is appropriated from the general fund to the commissioner of

public welfare for purposes of this act. The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of this appropriation in excess of the anticipated biennial revenues generated pursuant to subdivision 2 of section 1. This appropriation is available until June 30, 1981."

Page 3, delete lines 5 and 6

Further, amend the title as follows:

Page 1, line 6, before the semi-colon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

S. F. No. 210, A bill for an act relating to education; providing and regulating certain mobility incentives for certain teachers in the community colleges and state universities; amending Minnesota Statutes 1978, Sections 354.094, Subdivisions 1, 2 and 5; 354.66, Subdivisions 1, 7, 9 and 10, and by adding subdivisions; 354.69; Minnesota Statutes, 1979 Supplement, Sections 354.094, Subdivision 3; and 354.66, Subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [136.88] [EXTENDED LEAVES OF ABSENCE.] Subdivision 1. *As used in this section, the terms defined in this subdivision have the meanings given them.*

(a) "Board" means the state board for community colleges and the state university board.

(b) "Teacher" means a person on the instructional or administrative staff of the community college or state university system who is a member of the teachers retirement association. It shall not include a chancellor or vice-chancellor.

Subd. 2. A board may grant an extended leave of absence without salary to a full time teacher who has been employed by the board for at least five years and has at least ten years of allowable service as defined in section 354.05, subdivision 13. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An

extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher. No teacher may receive more than one leave of absence pursuant to this section.

Subd. 3. A board which denies a request for an extended leave of absence pursuant to this section shall record the denial and the reasons therefor. Prior to February 1, 1980, and each year thereafter by the same date, a board shall file a written report with the education committees of the legislature on any denials recorded pursuant to this subdivision.

Subd. 4. A teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to the same position or a similar position within the department or program from which the leave was granted at the beginning of the school year which immediately follows a year of extended leave of absence, unless the teacher is discharged or placed on retrenchment or on lay-off or his contract is terminated while he is on the extended leave. A board shall not be obligated to reinstate a teacher who is on an extended leave of absence pursuant to this section unless the teacher advises the board of his intention to return before February 1 in the school year preceding the school year in which he wishes to return.

Subd. 5. A teacher who is reinstated to the same or similar position after an extended leave pursuant to this section shall not lose tenure or credit for previous seniority in the employing community college or state university. A teacher shall not accrue seniority credit during the time of a leave of absence pursuant to this section.

Subd. 6. The years spent by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of his salary upon his reinstatement to the same or similar position by the board which granted the leave. The credits earned by a teacher on an extended leave of absence pursuant to this section shall not be included in the determination of his salary upon his reinstatement to the same or similar position by the board which granted the leave for a period of time equal to the time of the extended leave of absence.

Subd. 7. Nothing within the provisions of this section shall be construed to limit the authority of a board to grant a teacher a leave of absence which is not subject to the provisions of this section and section 354.094.

Subd. 8. A board shall not grant extended leaves of absence pursuant to this section beyond the limits of the appropriation to that board for the purposes of section 354.094.

Sec. 2. Minnesota Statutes 1978, Section 354.094, Subdivision 1, is amended to read:

354.094 [EXTENDED LEAVES OF ABSENCE.] Subdivision 1. If a member is granted an extended leave of absence pursuant to section 125.60 or section 1, he may receive allowable service credit toward annuities and other benefits under this chapter, for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The state shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 3. Minnesota Statutes 1978, Section 354.094, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 354.49, subdivision 4, clause (3), a member on extended leave who pays employee contributions into the fund pursuant to subdivision 1 shall retain membership in the association for as long as he continues to pay employee contributions, under the same terms and conditions as if he had continued to teach in the district, *the community college system or the state university system.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 354.094, Subdivision 3, is amended to read:

Subd. 3. A member on extended leave of absence pursuant to section 125.60 or section 1 who does not pay employee contributions into the fund in any year shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and may not pay employee contributions into the fund in any subsequent year of the leave. Nonpayment of employee contributions into the fund shall not affect the rights or obligations of the (TEACHER) member or his (EMPLOYING SCHOOL DISTRICT) employer under section 125.60.

Sec. 5. Minnesota Statutes 1978, Section 354.094, Subdivision 5, is amended to read:

Subd. 5. The provisions of this section shall not apply to a member who is *discharged or placed on unrequested leave of absence or retrenchment or lay-off* or whose contract is terminated (PURSUANT TO SECTION 125.12 OR 125.17) while he is on an extended leave of absence pursuant to section 125.60 or section 1.

Sec. 6. Minnesota Statutes 1978, Section 354.66, Subdivision 1, is amended to read:

354.66 [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, but shall not include superintendents. *It shall also have the meaning given it in section 1, subdivision 1.*

Sec. 7. Minnesota Statutes 1978, Section 354.66, is amended by adding a subdivision to read:

Subd. 1a. For purposes of this section, "board" means a school district board, the state board for community colleges and the state university board.

Sec. 8. Minnesota Statutes 1978, Section 354.66, is amended by adding a subdivision to read:

Subd. 1b. For purposes of this section, "district" means a school district, the community college system and the state university system.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 354.66, Subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary, secondary or area vocational-technical schools, *in the community college system or the state university system* of the state who has 20 years or more of allowable service or 20 years or more of full time teaching service in Minnesota public elementary, secondary and area vocational-technical schools may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position.

Sec. 10. Minnesota Statutes 1978, Section 354.66, Subdivision 6, is amended to read:

Subd. 6. A board entering into an agreement authorized by this section shall take all steps necessary to assure continuance of any insurance programs furnished or authorized a full time teacher on an identical basis and with identical sharing of costs for a part time teacher pursuant to this section. *Notwithstanding the provisions of section 43.47, subdivision 16, a teacher as defined in section 1 employed on a less than 75 percent time basis pursuant to this section shall be eligible for state paid insurance benefits as if the teacher were employed full-time.*

Sec. 11. Minnesota Statutes 1978, Section 354.66, Subdivision 7, is amended to read:

Subd. 7. Only teachers who are (IN THE BARGAINING UNIT) *public employees* as defined in section 179.63, subdivision (17) 7, during the school year preceding the period of part time employment pursuant to this section shall qualify for the

continuation of contributions and accrual of service credit pursuant to subdivision 4. Notwithstanding the provisions of section 179.63, subdivision 7, clauses (e) and (f), teachers who are employed on a part time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, shall continue to be in the bargaining unit during the period of part time employment pursuant to this section for purposes of compensation, fringe benefits and the grievance procedure.

Sec. 12. Minnesota Statutes 1978, Section 354.66, Subdivision 9, is amended to read:

Subd. 9. A *school* district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of education shall approve or disapprove applications from *school* districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual for service credit pursuant to this section. *The state board for community colleges and the state university board may within the limits appropriated to them for purposes of this section assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of education.*

Sec. 13. Minnesota Statutes 1978, Section 354.66, Subdivision 10, is amended to read:

Subd. 10. Nothing within the provisions of this section shall be construed to limit the authority of a (SCHOOL) board to assign a teacher to a part time teaching position which does not qualify for the continuation of contributions and accrual of service credit pursuant to this section.

Sec. 14. Minnesota Statutes 1978, Section 354.69, is amended to read:

354.69 [INFORMATION SUPPLIED BY DISTRICT.] Each school district *and the community college and state university systems* shall furnish to the appropriate retirement fund association all information and reports deemed necessary by the appropriate board of trustees to administer the provisions of Laws 1977, Chapter 447, Article 9.

Sec. 15. [RURAL HEALTH CO-OPS.] \$25,000 is appropriated from the general fund to the regents of the University

of Minnesota for use in its health science outreach program by awarding grants for the improvement of health services to rural communities by the development of 2 new rural health cooperatives in rural Minnesota. "Rural health cooperative" means a nonprofit corporation organized under Minnesota law on a membership basis, and controlled by nonprofit or governmental hospitals located outside of cities of the first class, which exists for the purpose of fostering the availability of higher quality health services in rural Minnesota. This appropriation, plus the funds made available by the university shall be used for necessary staff, travel, and any other related and necessary costs. Any balance remaining on June 30, 1980 shall not cancel but shall be available in the following fiscal year. A progress report shall be submitted to the legislature by March 1, 1981.

Sec. 16. [EFFECTIVE DATE.] *This act is effective the day following final enactment."*

Further, amend the title by deleting it in its entirety and insert the following:

"A bill for an act relating to education; providing and regulating certain mobility incentives for certain teachers in the community colleges and state universities; assisting with the development of additional rural health cooperatives; amending Minnesota Statutes 1978, Sections 354.094, Subdivisions 1, 2, and 5; 354.66, Subdivisions 1, 6, 7, 9 and 10, and by adding subdivisions; 354.69; Minnesota Statutes, 1979 Supplement, Sections 354.094, Subdivision 3; and 354.66, Subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

S. F. No. 480, A bill for an act relating to public health; authorizing the funding of a statewide poison information center; giving grant and program monitoring responsibilities to the commissioner of health; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [STATE POISON INFORMATION CENTER; ESTABLISHMENT.] Subdivision 1. [PURPOSE.] The legislature finds that the needs of citizens of the state for information relating to the prompt identification and appropriate home management or referral of cases of human poisoning are best served by establishing a single poison information center,

organized to provide statewide information and education services to the public and to health professionals.

Subd. 2. [ADVISORY COUNCIL.] The commissioner of health shall appoint an advisory council consisting of, but not limited to, the following: one nurse; one pharmacist; one physician each from the fields of toxicology, pediatric medicine, emergency medicine, and internal medicine; and one person who has no past or present material financial interest or professional involvement in the provision of poison information or treatment services. No more than three members may be residents of the metropolitan area, as defined in Minnesota Statutes, Section 473.02, Subdivision 5; no more than one may be a resident of any single county; and none may be affiliated in any way with the currently designated poison information center.

Subd. 3. [GRANT AWARD; DESIGNATION; PAYMENTS UNDER GRANT.] Each year the commissioner shall give reasonable public notice of the availability of moneys appropriated pursuant to section 2. After consulting with the advisory council, the commissioner shall select as grantee a nonprofit corporation or unit of government that applies for the money and best fulfills the criteria specified in subdivision 4. The grantee selected shall be designated the Minnesota Poison Information Center. Moneys appropriated under section 2 shall be paid to the grantee quarterly beginning on July 1 of each year.

Subd. 4. [SELECTION CRITERIA.] In selecting a grantee under this section, the commissioner of health shall determine which applicant, if any, best fulfills the following criteria:

(a) Whether the applicant can demonstrate the ability to provide appropriate and adequate telephone poison information services to the general public and to health professionals 24 hours a day at no direct cost to users and in a manner that appropriately utilizes 911 emergency telephone services developed pursuant to Minnesota Statutes, Chapter 403;

(b) Whether the applicant can demonstrate the ability to provide adequate medical direction as well as the toxicological and related professional and technical resources needed for poison information services;

(c) Whether the applicant can demonstrate the ability to provide appropriate public education and professional education services; and

(d) Whether the applicant can demonstrate the ability to provide poison information services in a financially sound and cost effective manner.

Subd. 5. [INTERSTATE AGREEMENTS.] The grantee may enter into agreements with comparable entities in other

states to share data and technical resources. Agreements shall be in writing and shall be subject to the prior approval of the commissioner of health. The commissioner may approve such contracts only if they will provide for better public access to cost effective poison information services.

Subd. 6. [REPORTS; MONITORING; TERMINATION.] The grantee selected shall report quarterly to the commissioner of health, on a form provided by the commissioner, information about programmatic and fiscal performance and status. All relevant records and the performance of the grantee shall be monitored by the commissioner for purposes of assuring that the grantee continues to fulfill the criteria specified in subdivision 3. Should the commissioner at any time find that a grantee is not continuing to fulfill the criteria specified in subdivision 3, he may terminate the grant upon 30 days notice.

Sec. 2. [APPROPRIATION.] There is appropriated to the commissioner of health from the general fund the sum of \$125,000, or so much thereof as may be required for the purposes of section 1. This appropriation shall be expended only if federal general revenue sharing is received in the approximate amount of \$34,000,000 in the federal fiscal year 1981."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

S. F. No. 702, A bill for an act relating to health; requiring counties to establish local nursing home pre-admission screening teams; prescribing duties of the teams and the commissioner of public welfare; appropriating money; amending Minnesota Statutes 1978, Chapter 256B, by adding a section.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Chapter 256B, is amended by adding a section to read:

[256B.091] [NURSING HOME PRE-ADMISSION SCREENING; PILOT PROGRAM.] *Subdivision 1. [PURPOSE.] It is the purpose of this section to study how to prevent inappropriate nursing home placement by establishing a pilot program of pre-admission screening teams for all medical assistance recipients and any individual who would become eligible for medical assistance within 90 days of admission to a licensed nursing home participating in the pilot program. Further, it is*

the purpose of this section and the pilot program to gain further information about how to contain costs associated with inappropriate nursing home admissions.

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of public welfare to participate in the pilot program shall contract with the local board of health organized under Minnesota Statutes, Section 145.911 to 145.922 or other public or non-profit agency to establish a screening team to assess, prior to admission to a nursing home licensed under section 144A.02, the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within 90 days of nursing home admission. Each local screening team shall be composed of a staff member from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel as deemed appropriate by the county agency may be included on the team such as physical therapists or psychologists. No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or non-institutional referral such that it would not be possible for the member to consider each case objectively.

Subd. 3. [SCREENING TEAM; DUTIES.] Local screening teams shall seek cooperation from other public and private agencies in the community which offer services to the disabled and elderly. The responsibilities of the agency responsible for screening shall include:

(a) Provision of information and education to the general public regarding availability of the screening program;

(b) Acceptance of referrals from individuals, families, human service professionals and nursing home personnel of the community agencies;

(c) Assessment of health and social needs of referred individuals and identification of services needed to maintain these persons in the least restrictive environments;

(d) Identification of available noninstitutional services to meet the needs of individuals referred;

(e) Recommendations for individual screened regarding:

(1) Nursing home admission; and

(2) Maintenance in the community with specific service plans and referrals and designation of a lead agency to implement each individual's plan of care;

(f) Provision of follow up services as needed; and

(g) Preparation of reports which may be required by the commissioner of public welfare.

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home admission, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within 90 days of admission to a nursing home, except patients from acute care facilities or transfers from other nursing homes. Any other interested person may be assessed by a screening team upon payment of a fee based upon a sliding fee scale.

Subd. 5. [APPEALS.] Appeals from the screening team's determination shall be made pursuant to the procedures set forth in Minnesota Statutes, Section 256.045, Subdivisions 2 and 3. An appeal shall be automatic if the individual's physician does not agree with the recommendation of the screening team.

Subd. 6. [TEAM REIMBURSEMENT.] The commissioner of public welfare shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams. Reimbursement shall not be provided for any recipient placed in a nursing home in opposition to the screening team's recommendation; provided, however, the commissioner shall not deny reimbursement for (1) an individual admitted to a nursing home who is assessed to need long-term supportive services if long-term supportive services other than nursing home care are not available in that community; or (2) any eligible individual placed in the nursing home pending an appeal of the preadmission screening team's decision; or (3) any eligible individual placed in the nursing home by a physician in an emergency situation and where the screening team has not made a decision within five working days of its initial contract.

Subd. 7. [REPORT.] The commissioner of public welfare, in consultation with the commissioner of health, shall evaluate the screening program established pursuant to this section and provide a report to the legislature by January 1, 1981, which shall include a description of:

(a) The cost effectiveness of the program;

(b) The unmet needs in the community;

(c) Methods to improve the program.

Sec. 2. [APPROPRIATION.] *For the biennium ending June 30, 1981, there is appropriated from the general fund to the department of public welfare the sum of \$48,000 for the purposes of section 1."*

Further amend the title to read as follows:

Page 1, line 2, after the semicolon, delete the balance of the line

Page 1, delete lines 3 to 5 and insert

"providing for a pilot program for nursing home pre-admission screening;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

S. F. No. 1141, A bill for an act relating to hearing impaired persons; establishing regional service centers and advisory committees; establishing a statewide interpreter referral service; providing for a program of training and employment; prescribing duties for the commissioner of public welfare; establishing an office on hearing impairment; providing for an advisory committee for the state council for the handicapped; prescribing duties for the department of health; providing for a study by the state planning agency; appropriating money.

Reported the same back with the following amendments:

Page 1, line 15, delete "11" and insert "7"

Page 1, line 25, delete "10" and insert "7"

Page 2, delete lines 14 to 20

Page 2, line 27, after the period insert "The center shall maintain a current registry of those persons having or suspected of having a hearing impairment who live in that region. A special task of the registry is to assure that referrals and follow-up services are completed with respect to persons in the register."

Page 4, line 20, delete "staff of county welfare"

Page 4, delete line 21

Page 4, line 22, delete "boards" and insert "social service or income maintenance staff employed by counties or by organizations with whom counties contract for services"

Page 5, line 2, after the period insert "The commissioner of health shall establish standards for screening for hearing impairments with special emphasis on screening of persons from birth through school age and persons over age 65."

Page 5, delete lines 3 to 33

Page 6, delete lines 1 to 14

Page 6, line 16, delete "\$1,006,500" and insert "\$302,000"

Page 6, line 18, after the period insert "This appropriation shall be expended only if federal general revenue sharing is received in the approximate amount of \$34,000,000 in the federal fiscal year 1981. The state planning agency shall monitor the implementation and effectiveness of sections 1 to 7 and report its findings to the legislature by January 1, 1982."

Page 6, line 20, delete "\$498,500" and insert "\$166,000"

Page 6, line 22, delete "1980-14"

Page 6, line 22, delete "22" and insert "8"

Page 6, line 24, delete "\$330,400" and insert "\$136,000"

Page 6, line 26, delete "1980-6"

Page 6, line 26, delete "10" and insert "6"

Page 6, delete lines 27 to 33

Page 7, delete line 1

Renumber sections in sequence and correct all internal cross reference as may be required by this report

Further, amend the title as follows:

Page 1, line 7, delete "establishing an"

Page 1, delete lines 8 and 9

Page 1, delete lines 10 to 11

Page 1, line 12, delete "planning agency;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on General Legislation and Veterans Affairs to which was referred:

S. F. No. 1605, A bill for an act relating to elections; providing for a place on tax forms to indicate a desire not to allocate state money to finance election campaigns; amending Minnesota Statutes 1978, Section 10A.31, Subdivision 3.

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

The report was adopted.

Voss from the Committee on Appropriations to which was referred:

S. F. No. 2134, A bill for an act relating to natural resources; providing for analysis of hydroelectric generating capacity of publicly owned dams; clarifying provisions relating to the administration of and authorization for dam repair and reconstruction grants; authorizing the employment of a person to administer grants; appropriating money; amending Minnesota Statutes 1978, Section 105.482, Subdivisions 1 and 4; Minnesota Statutes, 1979 Supplement, Section 105.482, Subdivisions 3 and 5a; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5.

Reported the same back with the following amendments:

Page 4, delete lines 20 to 33

Page 5, delete lines 1 to 9

Page 5, line 27, delete "7" and insert "5"

Renumber remaining sections

Further amend the title as follows:

Line 8, delete "appropriating money;"

Line 10, after the semicolon, insert "and"

Line 12, delete everything after "5a" and insert a period

Delete line 13

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 160, 729, 902, 1138, 1201, 1603, 1813, 1842, 1847, 1942, 1981, 2035, 2046, 2100 and 2149 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 210, 480, 702, 1141, 1605 and 2134 were 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. 1824, A bill for an act relating to driver's licenses; providing for the disposition of the county fee in Dakota County.

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. 1896, A bill for an act relating to juveniles; establishing criteria for reference of certain juveniles for prosecution; requiring written findings and conclusions after reference hearings; providing monitoring by the crime control planning board; amending Minnesota Statutes 1978, Section 260.125, by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kelly moved that the House refuse to concur in the Senate amendments to H. F. No. 1896, that the Speaker appoint a Conference Committee of 5 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.

MOTIONS AND RESOLUTIONS

Long moved that her name be stricken as an author on H. F. No. 2272. The motion prevailed.

Anderson, G., moved that his name be stricken as an author on H. F. No. 2045. The motion prevailed.

Weaver moved that H. F. No. 2321 be returned to its author. The motion prevailed.

Rose moved that H. F. No. 1701 be returned to its author. The question was not taken on the Rose motion.

ADJOURNMENT

Sieben, H., moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, March 27, 1980. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1896:

Kelly, Vanasek, Crandall, Novak, and Jennings.

Sieben, H., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, March 27, 1980.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

