

STATE OF MINNESOTA

SEVENTY-SECOND SESSION - 1981

THIRTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 13, 1981

The House of Representatives convened at 2:00 p.m. and was called to order by Harry A. Sieben, Jr., Speaker of the House.

Prayer was offered by Dr. Richard Vogeley, Edgumbe Presbyterian Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Aasness	Esau	Kalis	O'Connor	Sieben, M.
Ainley	Evans	Kelly	Ogren	Simoneau
Anderson, B.	Ewald	Knickerbocker	Olsen	Skoglund
Anderson, G.	Fjoslien	Kostohryz	Onnen	Stadum
Anderson, I.	Forsythe	Kvam	Osthoff	Staten
Anderson, R.	Friedrich	Laidig	Otis	Stowell
Battaglia	Greenfield	Lehto	Peterson, B.	Stumpf
Begich	Gruenes	Lemen	Peterson, D.	Sviggum
Berkelman	Gustafson	Levi	Piepho	Swanson
Blatz	Halberg	Long	Pogemiller	Tomlinson
Brandl	Hanson	Ludeman	Redalen	Valan
Brinkman	Harens	Mann	Reding	Valento
Byrne	Hauge	Marsh	Rees	Vanasek
Carlson, D.	Haukoos	McCarron	Reif	Vellenga
Carlson, L.	Heap	McDonald	Rice	Voss
Clark, J.	Heinitz	McEachern	Rodriguez, C.	Weaver
Clark, K.	Himle	Mehrkins	Rodriguez, F.	Welch
Clawson	Hoberg	Metzen	Rose	Welker
Dahlvang	Hokanson	Minne	Rothenberg	Wenzel
Dean	Hokr	Munger	Samuelson	Wieser
Dempsey	Jacobs	Murphy	Sarna	Wynia
Den Ouden	Jennings	Nelsen, B.	Schafer	Zubay
Drew	Johnson, C.	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Eken	Johnson, D.	Niehaus	Schreiber	
Elioff	Jude	Norton	Searles	
Ellingson	Kahn	Novak	Shea	
Erickson	Kaley	Nysether	Sherman	

A quorum was present.

Luknic, Sherwood and Wigley were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Vanasek 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. 35, 263, 522, 646, 788, 847, 873, 904, 923, 945, 966, 991, 1044, 1088, 1092, 1125, 1150, 1185, 1278, 6, 138, 192, 217, 308, 365, 756, 764, 969, 1016, 1065, 668, 704, 936, 12, 25, 54, 137, 326, 413, 536, 691, 700, 715, 630, 126, 396, 544, 687, 1007, 3, 486, 1321, 1304 and 1305 and S. F. Nos. 356, 718, 825, 454, 365, 475, 692 and 336 have been placed in the members' files.

S. F. No. 365 and H. F. No. 687, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 365 be substituted for H. F. No. 687 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 454 and H. F. No. 700, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark, J., moved that the rules be so far suspended that S. F. No. 454 be substituted for H. F. No. 700 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 375 and H. F. No. 736, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark, J., moved that the rules be so far suspended that S. F. No. 375 be substituted for H. F. No. 736 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 917 and H. F. No. 911, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jude moved that the rules be so far suspended that S. F. No. 917 be substituted for H. F. No. 911 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 692 and H. F. No. 411, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kelly moved that S. F. No. 692 be substituted for H. F. No. 411 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 13, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House
State of Minnesota

Dear Speaker Sieben:

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. 45, relating to health; repealing a certain administrative rule of the department of health unconditionally prohibiting the use of locks on patient room doors in nursing homes;

H. F. No. 44, relating to health, repealing a certain administrative rule of the department of health unconditionally prohibiting double beds in nursing homes and boarding care homes; exempting out of state physicians from licensing regulations under certain conditions.

Sincerely,

ALBERT H. QUIE
Governor

REPORTS OF STANDING COMMITTEES

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 70, A bill for an act relating to education; requiring school boards to hold public hearings for all mill rate increases in the discretionary levy; amending Minnesota Statutes 1980, Section 275.125, Subdivision 7a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE I

FOUNDATION AID PROGRAM

Section 1. Minnesota Statutes 1980, Section 121.904, Subdivision 7, is amended to read:

Subd. 7. Summer school (AIDS) *aid and the summer school levy for any summer school session* shall be recognized as revenues and recorded as receivables in proportion to the total number of summer school days in each fiscal year in which (A) *the* summer school session occurs; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section 124.20.

Sec. 2. Minnesota Statutes 1980, Section 124.01, Subdivision 2, is amended to read:

Subd. 2. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit specified for use in the computation of foundation aid for a particular school year pursuant to section 124.212 and in the computation of permissible levies for use in that school year. (FOR FOUNDATION AID FOR THE 1979-1980 SCHOOL YEAR, THE FORMULA ALLOWANCE SHALL BE \$1,182. FOR 1979 PAYABLE 1980 LEVIES AND FOR FOUNDATION AID FOR THE 1980-1981 SCHOOL YEAR, THE FORMULA ALLOWANCE SHALL BE \$1,265. FOR 1980 PAYABLE 1981 LEVIES AND) For foundation aid for the 1981-1982 school year, the formula allowance shall be (\$1,354) \$1,338. For 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year, the formula allowance shall be \$1,431.

Sec. 3. Minnesota Statutes 1980, Section 124.01, Subdivision 3, is amended to read:

Subd. 3. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the maximum permissible mill rate applicable to the adjusted assessed valuation of a district, specified for use in the computation of foundation aid for a particular school year pursuant to section 124.212 and of permissible levies for use in that school year pursuant to section 275.125, subdivision 2a, clause (1) or (2). (FOR 1970 PAYABLE 1980 LEVIES AND FOR FOUNDATION AID FOR THE 1980-1981 SCHOOL YEAR, THE BASIC MAINTENANCE MILL RATE SHALL BE .023.) For 1980 payable 1981 levies and for foundation aid for the 1981-1982 school year, the basic maintenance mill rate shall be .021. For 1981 payable 1982 levies

and for foundation aid for the 1982-1983 school year, the basic maintenance mill rate shall be .021.

Sec. 4. Minnesota Statutes 1980, Section 124.01, Subdivision 4, is amended to read:

Subd. 4. [EQUALIZING FACTOR.] "Equalizing factor" means the ratio, *rounded to the nearest whole number*, of the formula allowance for a particular school year to the basic maintenance mill rate for that school year. (FOR 1979 PAYABLE 1980 LEVIES AND FOR FOUNDATION AID FOR THE 1980-1981 SCHOOL YEAR, THE EQUALIZING FACTOR SHALL BE \$55,000. FOR 1980 PAYABLE 1981 LEVIES AND FOR FOUNDATION AID FOR THE 1981-1982 SCHOOL YEAR, THE EQUALIZING FACTOR SHALL BE \$64,476.)

Sec. 5. Minnesota Statutes 1980, Section 124.01, is amended by adding a subdivision to read:

Subd. 5. [DISCRETIONARY ALLOWANCE.] "Discretionary allowance" means the amount of revenue per pupil unit specified for use in the computation of the levy permitted in section 275.125, subdivision 7a, and in the computation of matching foundation aid. For foundation aid for the 1981-1982 school year, the discretionary allowance shall be \$64.48. For 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year, the discretionary allowance shall be \$136.28.

Sec. 6. Minnesota Statutes 1980, Section 124.11, Subdivision 1, is amended to read:

Subdivision 1. [PAYMENT SCHEDULE THROUGH 1982.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program and except as provided in subdivision 5, *for fiscal years through 1982*, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months other than October from August through May based upon information available and the final distribution shall be made in October of the following school year.

Sec. 7. Minnesota Statutes 1980, Section 124.11, is amended by adding a subdivision to read:

Subd. 1a. [PAYMENT SCHEDULE.] *Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program and except as provided in subdivision 5, starting in fiscal year 1983, based upon information available, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each month from August through April, except October, and five percent shall be paid in May. The final distribution shall be made in October of the following fiscal year.*

Sec. 8. Minnesota Statutes 1980, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused (, PROVIDED THAT ANY). *However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for three consecutive school days during summer school or inter-session classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days (SAID) the schools are in session.*

Sec. 9. Minnesota Statutes 1980, Section 124.17, Subdivision 2c, is amended to read:

Subd. 2c. Notwithstanding (THE PROVISIONS OF) subdivision 2, in (ANY CASE WHERE) *cases when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or three consecutive school days during summer school or inter-session classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the state board, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.*

Sec. 10. Minnesota Statutes 1980, Section 124.17, is amended by adding a subdivision to read:

Subd. 2d. [SUMMER SCHOOL.] *In summer school or inter-session classes of flexible school year programs, membership for pupils shall mean the number of full-time equivalent pupils in the program. This number shall equal the sum for all pupils of the number of classroom hours in the programs for which each pupil is enrolled divided by 1050.*

Sec. 11. Minnesota Statutes 1980, Section 124.20, is amended to read:

124.20 [EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.]

Subdivision 1. [PROGRAMS.] Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid (AT A PROPORTIONATE RATE FOR FOUNDATION AIDS PAID FOR THE PRECEDING REGULAR SCHOOL YEAR; PROVIDED THAT NO DISTRICT SHALL RECEIVE AID FOR PROGRAMS UNDER THIS SECTION IN AN AMOUNT GREATER THAN ITS ACTUAL EXPENDITURES FOR THESE PROGRAMS; PROVIDED FURTHER, THAT FOR PURPOSES OF COMPUTING SUMMER SCHOOL FOUNDATION AID THROUGH 1980, A DISTRICT'S FOUNDATION AID FOR THE REGULAR SCHOOL YEAR SHALL BE REDUCED BY THE AMOUNT OF THE AGRICULTURAL TAX CREDIT INCLUDED IN THAT FOUNDATION AID; PROVIDED FURTHER, THAT FOR PURPOSES OF COMPUTING SUMMER SCHOOL FOUNDATION AID STARTING IN 1981, FOUNDATION AID FOR THE REGULAR SCHOOL YEAR SHALL BE REDUCED BY AMOUNTS OF FOUNDATION AID COMPUTED PURSUANT TO SECTION 124.212, SUBDIVISION 7C, CLAUSES (2), (3), (4) AND (5), AND SECTION 124.212, SUBDIVISION 7D, CLAUSES (2), (3), (4) AND (5), OR THEIR SUCCESSOR PROVISIONS) *under the provisions of this section.*

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for summer school and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer school pupil units" means full-time equivalent pupil units for summer school classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17.

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 124.01, subdivision 2, for the preceding regular school year.

(3) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Subd. 3. [SUMMER SCHOOL AID.] Each year a district shall receive summer school aid equal to the difference between

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 19 of this article certified in the calendar year when the summer school program is offered; times

(b) *the district's summer school revenue allowance; and*

(2) *the levy certified by the district pursuant to section 19 of this article in the calendar year when the summer school program is offered.*

Sec. 12. Minnesota Statutes 1980, Section 124.212, Subdivision 1, is amended to read:

Subdivision 1. [INTRODUCTION.] The foundation aid program for school districts (FOR SCHOOL YEARS 1979-1980 AND 1980-1981) shall be governed by the terms and provisions of this section.

Sec. 13. Minnesota Statutes 1980, Section 124.212, Subdivision 5a, is amended to read:

Subd. 5a. [COUNTY APPORTIONMENT DEDUCTION.]

(1) (IN THE 1977-1978 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER,) The amount of money apportioned to a school district for (THAT) *each school year* pursuant to section 124.10, subdivision 2 which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), *five-sixths* of the (FOLLOWING AMOUNTS) *amount* apportioned pursuant to section 124.10, subdivision 2 shall be deducted from foundation aid for the (SCHOOL YEARS DESIGNATED:)

((A) IN THE 1977-1978 SCHOOL YEAR, ONE-SIXTH OF THE AMOUNT APPORTIONED, BUT NOT TO EXCEED ONE-SIXTH OF THE AMOUNT APPORTIONED FOR THE 1976-1977 SCHOOL YEAR;)

((B) IN THE 1978-1979 SCHOOL YEAR, ONE-THIRD OF THE AMOUNT APPORTIONED, BUT NOT TO EXCEED ONE-THIRD OF THE AMOUNT APPORTIONED FOR THE 1976-1977 SCHOOL YEAR;)

((C) IN THE 1979-1980 SCHOOL YEAR, ONE-HALF OF THE AMOUNT APPORTIONED, BUT NOT TO EXCEED ONE-HALF OF THE AMOUNT APPORTIONED FOR THE 1976-1977 SCHOOL YEAR;)

((D) IN THE 1980-1981 SCHOOL YEAR, TWO-THIRDS OF THE AMOUNT APPORTIONED, BUT NOT TO EXCEED TWO-THIRDS OF THE AMOUNT APPORTIONED FOR THE 1976-1977 SCHOOL YEAR; AND)

((E) IN THE) 1981-1982 school year, (FIVE-SIXTHS OF THE AMOUNT APPORTIONED), but *this deduction shall not* (TO) exceed five-sixths of the amount apportioned for the 1976-1977 school year.

(3) In the 1982-1983 school year and each school year thereafter, the entire amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.

Sec. 14. Minnesota Statutes 1980, Section 124.212, Subdivision 7d, is amended to read:

Subd. (7D) *6d.* [FOUNDATION AID; 1981-1982.] For the 1981-1982 school year a district shall receive in foundation aid:

(1) [BASIC FOUNDATION AID.] (\$1,354) \$1,338 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less 21 mills times the 1979 adjusted assessed valuation of the district; plus

(2) [AGRICULTURAL TAX CREDIT.] The amount of the agricultural tax credit by which 1980 payable 1981 property taxes in the district are reduced pursuant to section (273.132) 124.213; plus

(3) [GRANDFATHER LEVY MATCHING AID.] An amount equal to the product obtained by multiplying the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 6b, times the difference between

(a) the greater of

(i) the amount derived in *Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (3) (, PART) (a)*, or

(ii) the product obtained by multiplying the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1980-1981, times the quotient obtained by dividing the amount derived in *Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (3) (, PART) (a)*, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in 1979-1980, and

(b) the product obtained by multiplying the amount derived in part (a) of this clause times the lesser of

(i) one or

(ii) the ratio of the district's 1979 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1980-1981, to the state average 1979 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1980-1981; plus

(4) [REPLACEMENT LEVY MATCHING AID.] An amount equal to the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 6c, times the difference between

(a) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1981-1982 times

(ii) 107 percent of the quotient obtained by dividing the amount derived in *Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (4) (, PART) (a)*, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1980-1981, and

(b) the product obtained by multiplying the ratio of the amount derived in part (a) (ii) of this clause to \$64,476, times the district's 1979 adjusted assessed valuation; plus

(5) [DISCRETIONARY LEVY MATCHING AID.] An amount equal to the ratio of the district's actual levy to its permitted levy in 1980 payable 1981 pursuant to section 275.125, subdivision 7a, times the difference between:

(a) (THE PRODUCT OBTAINED BY MULTIPLYING THE MILL RATE LEVIED BY THE DISTRICT ON ITS ADJUSTED ASSESSED VALUATION IN 1980 PAYABLE 1981 PURSUANT TO SECTION 275.125, SUBDIVISION 7A, TIMES \$64,476,) \$64.48 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1980-1981; and

(b) The product obtained by multiplying (THE MILL RATE LEVIED BY THE DISTRICT ON ITS ADJUSTED ASSESSED VALUATION IN 1980 PAYABLE 1981 PURSUANT TO SECTION 275.125, SUBDIVISION 7A,) one mill times the district's 1979 adjusted assessed valuation.

(6) [MINIMUM AID.] No district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall receive an amount of

foundation aid pursuant to clause (1) which is less than the following difference:

(a) \$800 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less

(b) the sum of

(i) the amount of the agricultural tax credit by which 1980 payable 1981 property taxes in the district are reduced pursuant to section (273.132) 124.213, plus

(ii) the amount by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.13, subdivisions 6, 7 and 14a, plus

(iii) the amount by which 1980 payable 1981 property taxes in the district are reduced pursuant to section 273.135, plus

(iv) the amount by which 1980 payable 1981 taxes in the district are reduced pursuant to section 273.138, subdivision 6.

Sec. 15. Minnesota Statutes 1980, Section 124.212, is amended by adding a subdivision to read:

Subd. 7e. [FOUNDATION AID; 1982-1983.] For the 1982-1983 school year a district shall receive in foundation aid:

(1) [BASIC FOUNDATION AID.] \$1,431 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less 21 mills times the 1980 adjusted assessed valuation of the district; plus

(2) [AGRICULTURAL TAX CREDIT.] The amount of the agricultural tax credit by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 124.213; plus

(3) [GRANDFATHER LEVY MATCHING AID.] An amount equal to the product obtained by multiplying the ratio of the district's actual levy to its permitted levy in 1981 payable 1982 pursuant to section 275.125, subdivision 6b, times the difference between

(a) the greater of

(i) the amount derived in Minnesota Statutes 1980, Section 275.125, Subdivision 6b, Clause (1)(b), or

(ii) the product obtained by multiplying the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1981-1982 times the quotient obtained in

Minnesota Statutes 1980, Section 275.125, Subdivision 6b, Clause (2)(b)(i), and

(b) the product obtained by multiplying the amount derived in part (a) of this clause times the lesser of

(i) one or

(ii) the ratio of the district's 1980 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1981-1982, to the state average 1980 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1981-1982; plus

(4) [REPLACEMENT LEVY MATCHING AID.] An amount equal to the ratio of the district's actual levy to its permitted levy in 1981 payable 1982 pursuant to section 275.125, subdivision 6c, times the difference between

(a) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in 1982-1983, times

(ii) 113 percent of the amount derived in Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1)(a)(i)(A), and

(b) the product obtained by multiplying the ratio of the amount derived in (a)(ii) to \$68,143, times the district's 1980 adjusted assessed valuation; plus

(5) [DISCRETIONARY LEVY MATCHING AID.] An amount equal to the ratio of the district's actual levy to its permitted levy in 1981 payable 1982 pursuant to section 275.125, subdivision 7a, times the difference between

(a) \$136.28 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1981-1982; and

(b) the product obtained by multiplying two mills times the district's 1980 adjusted assessed valuation.

(6) [MINIMUM AID.] No district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall receive an amount of foundation aid pursuant to clause (1) which is less than the following difference:

(a) \$800 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), less

(b) the sum of

(i) the amount of the agricultural tax credit by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 124.213, plus

(ii) the amount by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 273.13, subdivisions 6, 7 and 14a, plus

(iii) the amount by which 1981 payable 1982 property taxes in the district are reduced pursuant to section 273.135, plus

(iv) the amount by which 1981 payable 1982 taxes in the district are reduced pursuant to section 273.138, subdivision 6.

Sec. 16. Minnesota Statutes 1980, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. (FOR DISTRICTS WHICH RECEIVED PAYMENTS UNDER SECTION 124.28 THE FOUNDATION AID SHALL BE REDUCED BY: THE PREVIOUS YEAR'S PAYMENT TO THE DISTRICT PURSUANT TO SAID SECTIONS TIMES THE RATIO OF THE MAXIMUM LEVY ALLOWED THE DISTRICT UNDER SECTION 275.125, SUBDIVISION 2A, TO THE TOTAL LEVY ALLOWED BY SECTION 275.125, BUT NOT TO EXCEED 50 PERCENT OF THE PREVIOUS YEAR'S PAYMENT.)

(2) For districts which received payments under sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable. If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation

aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld. The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Sec. 17. Minnesota Statutes 1980, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. (1) In (1979) *1981*, a school district may levy for all general and special school purposes, an amount equal to the amount raised by (23) *21* mills times the (1978) *1980* adjusted assessed valuation of the district.

(2) In 1980 a school district may levy for all general and special school purposes, an amount equal to the amount raised by 21 mills times the 1979 adjusted assessed valuation of the district.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), the foundation aid to the district for the school year when the levy is recognized as revenue, calculated pursuant to section (124.212, SUBDIVISION 7C) *14*, clauses (1) and (6) *of this article*; or section (124.212, SUBDIVISION 7D) *15*, clauses (1) and (6) *of this article*; or their successor provisions, as applicable, shall be reduced to an amount equal to the ratio between the actual levy and the maximum levy allowable under clauses (1) and (2) times the foundation aid calculated pursuant to section (124.212, SUBDIVISION 7C) *14*, clauses (1) and (6) *of this article*; or section (124.212, SUBDIVISION 7D) *15*, clauses (1) and (6) *of this article*; or their successor provisions, as applicable, to which the district is otherwise entitled for that year. For purposes of computations pursuant to this clause, the maximum levy allowable and the actual levy under clauses (1) and (2) shall be increased by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) (a) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held to approve a levy increase which will commence in a specific school year. The question on the ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The question may designate a specific number of years for which the referendum authorization shall apply. If approved, the amount pro-

vided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked *or reduced* by the voters of the district at a subsequent referendum.

(b) A referendum on the question of revoking *or reducing* the increased levy amount authorized pursuant to clause (a) of this clause may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. (THE AMOUNT) A *levy* approved by the voters of the district pursuant to clause (a) of this clause must be (LEVIED) *made* at least once before it is subject to a referendum on its revocation *or reduction* for subsequent years. Only one such revocation *or reduction* election may be held to revoke *or reduce* a levy for any specific year and for years thereafter.

(c) A petition authorized by clauses (a) or (b) of this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(e) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 18. Minnesota Statutes 1980, Section 275.125, Subdivision 2c, is amended to read:

Subd. 2c. (1) (BEGINNING IN 1979,) In any year when the amount of the maximum levy limitation under subdivision 2a, clause (1) or (2), for any district (WITH FEWER THAN 950 PUPIL UNITS UNDER SECTION 124.17, SUBDIVISION 1, CLAUSES (1) AND (2)), exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of pupil units for that district identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), for that school year, the levy limitation for that district under subdivision 2a, clause (1) or (2), shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 2a, clause (1) or (2):

(a) the product of the district's foundation aid formula allowance under section 124.212 for the school year in which the levy is recognized as revenue, times the estimated number of pupil units for that district identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), for that school year, less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.212, subdivision 5a in the school year in which the levy is recognized as revenue.

(2) A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, clause (1) or (2), for purposes of statutory cross-reference.

Sec. 19. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 2d. [SUMMER SCHOOL LEVY.] A district may levy for summer school programs an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 124.20 for the calendar year when the levy is certified, times

(2) the ratio of

(a) the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in the preceding regular school year, to

(b) the equalizing factor for the preceding regular school year.

Sec. 20. Minnesota Statutes 1980, Section 275.125, Subdivision 6b, is amended to read:

Subd. 6b. [GRANDFATHER LEVY.] ((1) IN 1979 ANY DISTRICT WHICH QUALIFIED IN 1978 FOR AN EXCESS LEVY UNDER MINNESOTA STATUTES 1978, SECTION 275.125, SUBDIVISION 6 OR 7, MAY LEVY AN AMOUNT EQUAL TO THE PRODUCT OBTAINED BY MULTIPLYING)

((A) THE LESSER OF)

((I) ONE OR)

((II) THE RATIO OF THE DISTRICT'S 1978 ADJUSTED ASSESSED VALUATION PER PUPIL UNIT IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4) AND (5), IN THE DISTRICT IN 1979-1980, TO THE STATE AVERAGE 1978 ADJUSTED ASSESSED VALUATION PER PUPIL UNIT IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4) AND (5), IN THE STATE IN 1979-1980, TIMES)

((B) THE PRODUCT OBTAINED BY MULTIPLYING

((I) THE AMOUNT PER PUPIL UNIT WHICH THE DISTRICT WAS PERMITTED TO LEVY IN 1978 UNDER MINNESOTA STATUTES 1978, SECTION 275.125, SUBDIVISIONS 6 AND 7, TIMES)

((II) THE NUMBER OF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (6), AND (7), IN THE DISTRICT IN 1979-1980.)

((2) IN 1980 AND) Each year (THEREAFTER), any district which qualified in 1979 for an excess levy under (CLAUSE (1)) *this subdivision*, shall be allowed to levy an amount equal to the product obtained by multiplying

((A)) (1) the lesser of

((I)) (a) one or

((II)) (b) the ratio of the district's adjusted assessed valuation in the preceding year per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the school year when the levy is certified, to the state average adjusted assessed valuation in the preceding year per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the school year when the levy is certified, times

((B)) (2) the greater of

((I)) (a) the amount derived in *Minnesota Statutes 1980, Section 275.125, Subdivision 6b*, clause (1) (, PART) (b), or

((II)) (b) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in the school year when the levy is certified, times

(ii) the quotient obtained (BY DIVIDING THE AMOUNT DERIVED IN CLAUSE (1), PART (B), BY THE NUMBER OF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1) AND (2), IN THE DISTRICT

IN 1979-1980) in *Minnesota Statutes 1980, Section 275.125, Subdivision 6b, Clause (2)(b)(ii)*.

For purposes of computing levy limitations pursuant to this subdivision and the matching foundation aid pursuant to section 14, clause (3) and section 15, clause (3), of this article, or their successor provisions, the department shall use and shall not be required to subsequently adjust the state average adjusted assessed valuation per pupil unit determined as of the September 1 before the levy is certified.

Sec. 21. Minnesota Statutes 1980, Section 275.125, Subdivision 6c, is amended to read:

Subd. 6c. [REPLACEMENT LEVY.] ((1) IN 1979 ANY DISTRICT MAY LEVY AN AMOUNT EQUAL TO THE LESSER OF)

((A) THE PRODUCT OBTAINED BY MULTIPLYING)

((I) THE RATIO OF)

((A) THE QUOTIENT OBTAINED BY DIVIDING THE SUM OF THE ADDITIONAL AMOUNTS OF AID THE DISTRICT WOULD RECEIVE IF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (6) AND (7) WERE USED IN ADDITION TO THE PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4) AND (5), IN THE COMPUTATION PURSUANT TO SECTION 124.212, SUBDIVISION 7C, CLAUSE (1), AND IF SECTION 124.224 WERE EFFECTIVE IN THE 1980-1981 SCHOOL YEAR, BY THE NUMBER OF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4) AND (5), IN THE DISTRICT IN 1980-1981, TO)

((B) \$55,000 TIMES)

((II) THE DISTRICT'S 1978 ADJUSTED ASSESSED VALUATION, OR)

((B) THE ADDITIONAL AMOUNTS OF AID THE DISTRICT WOULD RECEIVE IF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (6) AND (7) WERE USED IN ADDITION TO THE PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4) AND (5), IN THE COMPUTATION PURSUANT TO SECTION 124.212, SUBDIVISION 7C, CLAUSE (1), AND IF SECTION 124.224 WERE EFFECTIVE IN THE 1980-1981 SCHOOL YEAR.)

((2)) In (1980) 1981 and each year thereafter, any district which qualified for a levy under (CLAUSE (1)) *this subdivision in 1979* may levy an amount equal to the lesser of

((A)) (1) the product obtained by multiplying

((I)) (a) the ratio of the foundation aid formula allowance for the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

((II)) (b) the ratio of the amount derived in *Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1) (, PART) (a) (i) (A)*, to the equalizing factor for the school year to which the levy is attributable, times

((III)) (c) the district's adjusted assessed valuation for the preceding year, or

((B)) (2) the product obtained by multiplying

((I)) (a) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, times

((II)) (b) the ratio of the foundation aid formula allowance for the year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

((III)) (c) the amount derived in *Minnesota Statutes 1980, Section 275.125, Subdivision 6c, Clause (1) (, PART) (a) (i) (A)*.

Sec. 22. Minnesota Statutes 1980, Section 275.125, Subdivision 7a, is amended to read:

Subd. 7a. [DISCRETIONARY LEVY.] ((1) IN 1980 EACH DISTRICT WHICH LEVIES THE MAXIMUM PERMISSIBLE AMOUNT PURSUANT TO SUBDIVISION 2A, CLAUSE (1) OR (2) AND SUBDIVISION 6B, MAY LEVY AN ADDITIONAL AMOUNT WHICH SHALL NOT EXCEED THE LESSER OF (A) AN AMOUNT EQUAL TO ONE MILL TIMES THE DISTRICT'S 1979 ADJUSTED ASSESSED VALUATION OR (B) THE PRODUCT OBTAINED BY MULTIPLYING \$64.48 TIMES THE NUMBER OF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4), AND (5), IN THE DISTRICT IN THE 1980-1981 SCHOOL YEAR.)

((2)) (1) In 1981 and each year thereafter, (EACH) a district which levies the maximum permissible amount pursuant to subdivision 2a, clause (1) or (2) and subdivision 6b may levy

an additional amount which shall not exceed the lesser of (a) an amount equal to $(1\frac{1}{2})$ two mills times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (I) $1\frac{1}{2}$ TIMES (II) THE RATIO OF THE EQUALIZING FACTOR TO 1,000) the discretionary allowance times ((III)) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the school year when the levy is certified.

((3)) (2) The board is not required to hold a public hearing or conduct a referendum on the levy authorized by this subdivision in any year when the board proposes to levy not to exceed an amount equal to the preceding year's adjusted assessed valuation times the largest number of EARC mills previously levied by the district pursuant to this subdivision.

(3) (a) The provisions of clause (3) shall apply to the levy authorization in this subdivision in any year when the board either proposes to levy pursuant to this subdivision for the first time or proposes to increase the number of mills which it levies against its adjusted assessed valuation pursuant to this subdivision to a number of mills greater than the largest number of mills previously levied against its adjusted assessed valuation pursuant to this subdivision.

(b) By (THE JULY 1 BEFORE A DISTRICT CERTIFIES ANY LEVY PURSUANT TO THIS SUBDIVISION IN 1980, IN ANY EVEN-NUMBERED YEAR THEREAFTER, OR IN ANY ODD-NUMBERED YEAR THEREAFTER WHEN THE DISTRICT HAS NOT CERTIFIED A LEVY PURSUANT TO THIS SUBDIVISION IN THE PRECEDING YEAR) August 1 in any year when clause (3) applies, the board of the district shall hold a public hearing on the need for the proposed levy (PURSUANT TO THIS SUBDIVISION) or increase. At least three weeks published notice of the hearing in 10 point type or 5.0 agate type, (ON 12 POINT BODY,) with a larger headline, shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the amount of the proposed levy or increase in dollars and auditor's mills, the estimated net unappropriated fund balance in the district's operating funds as of the June 30 before the levy or increase is certified, and the estimated net tax impact of the proposed levy on residential homesteads with market values of \$30,000 and \$50,000.

(c) At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the estimated net unappropriated fund balances in all district funds as of the June 30 before the levy or increase is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy or increase. Upon receipt of a petition within 20 days after the hearing (OF THE GREATER OF (A) 50 VOTERS, OR (B) 15 PERCENT

OF THE NUMBER OF VOTERS WHO VOTED IN THE DISTRICT AT THE MOST RECENT REGULAR SCHOOL BOARD ELECTION), the board shall call a referendum on (A REDUCTION OF) the proposed levy or increase. (THE PETITION SHALL STATE THE NUMBER OF MILLS ON THE DISTRICT'S ADJUSTED ASSESSED VALUATION BY WHICH IT PROPOSES TO REDUCE THE PROPOSED LEVY. NO PETITION OR REFERENDUM SHALL PROVIDE FOR A REDUCTION OF A PROPOSED LEVY PURSUANT TO THIS SUBDIVISION TO A RATE LESS THAN ONE-HALF MILL ON THE DISTRICT'S ADJUSTED ASSESSED VALUATION BELOW THE RATE LEVIED BY THE DISTRICT PURSUANT TO THIS SUBDIVISION IN THE PRECEDING YEAR.) *A petition shall be effective if signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the district at the most recent regular school board election.*

(d) The referendum shall be held on a date set by the school board, but no later than the (AUGUST 20) *September 20* before the levy is certified. (THE QUESTION ON THE BALLOT SHALL STATE THE MAXIMUM AMOUNT OF THE PROPOSED LEVY, THE AMOUNT OF THE PROPOSED REDUCTION OF THE LEVY AND THE AMOUNT OF THE LEVY IF THE REDUCTION IS APPROVED, IN MILLS ON THE DISTRICT'S ADJUSTED ASSESSED VALUATION AND IN DOLLARS IN THE FIRST YEAR OF THE PROPOSED LEVY.)

The ballot shall state substantially the following, as appropriate:

The board of _____ School District No. _____ has proposed (a discretionary levy in a maximum amount of _____ EARC mills which would raise) (to increase a discretionary levy from _____ EARC mills to _____ EARC mills. This increase would provide an additional) \$ _____ in the first year levied.

_____ Yes Shall the (increase in the) discretionary levy proposed by the Board of _____ School
_____ No District No. _____ be approved?

(e) *The approval of 50 percent plus one of those voting on the question is required to pass the referendum.*

(f) *If a petition is not received or if the proposed levy or increase is approved at a referendum, the district may levy the amount provided by the number of mills proposed by the school board. If a proposed first time levy is not approved, the district may not levy pursuant to this subdivision in the year when the referendum is held and shall be required to comply with the*

provisions of clause (3) before levying pursuant to this subdivision in a subsequent year. If a proposed increase is not approved, the district may levy an amount not to exceed the amount provided by the (MILLAGE PROPOSED BY THE SCHOOL BOARD, REDUCED BY ANY REDUCTION IN MILLAGE APPROVED AT A REFERENDUM PURSUANT TO THIS CLAUSE) largest number of EARC mills previously levied by the district pursuant to this subdivision, applied to the preceding year's adjusted assessed valuation (UNTIL THE NEXT EVEN-NUMBERED YEAR. THE DISTRICT IS NOT REQUIRED TO HOLD A PUBLIC HEARING OR CALL A REFERENDUM ON A LEVY PURSUANT TO THIS SUBDIVISION IN ANY ODD-NUMBERED YEAR WHICH SUCCEEDS A YEAR IN WHICH A LEVY IS CERTIFIED PURSUANT TO THIS SUBDIVISION).

Sec. 23. Minnesota Statutes 1980, Section 275.125, Subdivision 7b, is amended to read:

Subd. 7b. (1) It is the intention of the legislature that the revenue provided by the discretionary levy authorized in subdivision 7a and by the corresponding portion of foundation aid provided in (SECTION 124.212, SUBDIVISIONS 7C) *section 14, clause (5) of this article, and (7D) section 15, clause (5) of this article, or their successor provisions* be used to improve instructional programs in grades kindergarten through 12 and not be used to increase a district's balance in all operating funds above \$165 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5).

(2) In any district where the maximum permissible levy pursuant to subdivision 7a (IN 1981 OR) in any year (THEREAFTER) is determined according to clause ((2), PART) (1)(a), of that subdivision, and where the net unappropriated fund balance in all operating funds has increased between the second June 30 before the levy is certified and the June 30 before the levy is certified, the maximum permissible levy pursuant to subdivision 7a in that year shall be reduced by an amount equal to the product obtained by multiplying

(a) the ratio of

(i) the quotient obtained by dividing the amount of that increase in the balance in all operating funds by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, to

(ii) the equalizing factor, times

(b) the district's adjusted assessed valuation for the preceding year.

(3) No levy reduction pursuant to (THIS) clause (2), however, shall exceed an amount equal to the product obtained by multiplying

(a) the ratio of

(i) the difference obtained by subtracting \$165 from the quotient obtained by dividing the total amount of the net unappropriated balance in all operating funds of the district as of the June 30 before the levy is certified, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, to

(ii) the equalizing factor, times

(b) the district's adjusted assessed valuation for the preceding year.

((3)) (4) In any district where the maximum permissible levy pursuant to subdivision 7a in 1981 or in any year thereafter is determined according to clause ((2), PART) (1) (b), of that subdivision, and where the net unappropriated balance in all operating funds has increased between the second June 30 before the levy is certified and the June 30 before the levy is certified, the maximum permissible levy pursuant to subdivision 7a in that year shall be reduced by the total amount of the increase in the balance in all operating funds. No levy reduction pursuant to this clause, however, shall exceed an amount equal to the difference obtained by subtracting

(a) the product obtained by multiplying \$165 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, from

(b) the total amount of the net unappropriated balance in all operating funds in the district as of the June 30 before the levy is certified.

Sec. 24. Minnesota Statutes 1980, Section 298.28, Subdivision 1, is amended to read:

Subdivision 1. The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or

town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton *plus the increase provided in paragraph (c) to qualifying school districts* to be distributed as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part ((C)) (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 (. THE 23 CENTS, LESS ANY AMOUNT DISTRIBUTED UNDER PART (C), SHALL BE DISTRIBUTED) in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4).

(c) *The amount determined by clause (3) (b) shall be increased in 1982 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The total amount of increase provided*

shall be distributed on May 15 of each year commencing in 1982 among the school districts described in (3) (b) on the basis of the total number of pupil units as defined in section 124.17, subdivision 1, clauses (1) and (2), enrolled in each school district during the latest school year according to the following formula: to any qualifying school district which has heretofore held or which hereafter holds a referendum as provided in section 275.125, subdivision 2a, clause 4, for each mill increase approved at such referendum the district shall be entitled to receive \$75 per pupil unit less the product of one mill times the district's taxable valuation per pupil unit. The entitlement of \$75 per pupil unit shall be increased in any year in the same proportion as the increase that the district's taxable valuation is increased over the district's taxable valuation for the year 1980. If the total amount provided by the increase of clause (3) (b) is insufficient to make the payments herein required then the entitlement of \$75 per pupil unit shall be reduced proportionately so as not to exceed the funds available. Only the first two mills approved at any referendum shall be used to determine the district's entitlement per pupil unit pursuant to the above formula, regardless of the number of mills increase approved at the referendum. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3) (c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124.212 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection fund as provided in section 298.28, subdivision 1, clause 10.

((C)) (d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(9) the amounts determined under clauses (4)(a), (4)(c), and (5) shall be increased in 1979 and subsequent years in the

same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a) and (b) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection fund created in section 298.292 as follows: In 1978, 1979, 1980, 1981, and 1982, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund; in 1983 and thereafter, one-half to each fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distrib-

uted under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commission of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the range association of municipalities and schools, to the taconite environmental protection fund, and to the northeast Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 25. [1981 DISCRETIONARY LEVY FUND BALANCE PENALTY.] *Notwithstanding Minnesota Statutes, Section 275.125, Subdivision 7b, the maximum permissible 1981 payable 1982 levy pursuant to Minnesota Statutes, Section 275.125, Subdivision 7a, shall not be reduced pursuant to Minnesota Statutes, Section 275.125, Subdivision 7b, in any district where the net unappropriated fund balance per pupil unit in all operat-*

ing funds increased by an amount less than or equal to \$97 between June 30, 1980 and June 30, 1981. Moreover, for purposes of computing reductions of the 1981 payable 1982 levy pursuant to Minnesota Statutes, Section 275.125, Subdivision 7b, any increase in the net unappropriated fund balance in all operating funds shall be reduced by the product obtained by multiplying \$97 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1981-1982.

Sec. 26. [LEVY ADJUSTMENTS.] *In 1981, the maximum levy limitation under Minnesota Statutes, Section 275.125, Subdivision 2a or 2c, as applicable, for any district where the 1980 basic maintenance levy limitation was determined under the provisions of Minnesota Statutes, Section 275.125, Subdivision 2b or 2c, shall be reduced by the difference between the amount of that 1980 levy limitation and the amount of the 1980 levy limitation pursuant to the applicable subdivision which would have been computed for the district using a formula allowance of \$1,338.*

Sec. 27. [REPEALER.] *Minnesota Statutes 1980, Sections 124.212, Subdivision 6c and 7c; and 275.125, Subdivision 2b, are repealed.*

Sec. 28. [DEFICIENCY APPROPRIATION; SUMMER SCHOOL.] *The sum of \$0 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1982, for the payment of a deficiency in funds available for state aid for summer school. This amount is for 1980 summer school programs and shall be added to the sum appropriated for fiscal year 1981 for summer school aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 3.*

Sec. 29. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:

\$712,115,200 1982,

\$667,418,300 1983.

The appropriation for 1982 includes \$61,051,200 for aid for fiscal year 1981 payable in fiscal year 1982, and \$651,064,000 for aid for fiscal year 1982 payable in fiscal year 1982.

The appropriation for 1983 includes \$66,016,500 for aid for fiscal year 1982 payable in fiscal year 1983, and \$601,401,800 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [SUMMER SCHOOL.] For state aid for summer school there is appropriated:

\$11,725,600 1982,

\$12,805,000 1983.

The appropriation for 1982 is for 1981 summer school programs.

The appropriation for 1983 is for 1982 summer school programs.

If the appropriation amounts for this purpose are insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this subdivision for this purpose.

Subd. 4. [CANCELLATION.] Any unexpended balance remaining from the appropriations in this section for 1980 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Sec. 30. [EFFECTIVE DATE.]

Subd. 1. Sections 8, 9, 10, 11 and 22 of this article are effective the day following final enactment.

Subd. 2. Section 24 of this article is effective for taxes payable in 1982 for iron ore concentrate produced in any year beginning after December 31, 1981.

ARTICLE II

TRANSPORTATION AID

Section 1. Minnesota Statutes 1980, Section 123.39, Subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROVISIONS.] The board may provide for the free transportation of pupils to and from school, and to schools (,) in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may

deem advisable, and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any (SPECIAL OR INDEPENDENT) school district, the board shall arrange for the attendance of all pupils living two miles or more from the school (,) through suitable provision for transportation or (FOR) *through the boarding and rooming of (SUCH) the pupils (AS) who may be more economically and conveniently provided for by (SUCH) that means. When transportation is provided, scheduling of routes, location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating to transportation shall be within the sole discretion, control and management of the school board.* The district (IS AUTHORIZED TO) *may* provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by (SUCH) *that means* or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1980, Section 123.39, is amended by adding a subdivision to read:

Subd. 14. The board may transport handicapped pupils as defined in section 120.03, subdivision 3, to a hospital or treatment center for the purposes of treatment and instruction when an approved instructional program, as determined by the standards of the state board, is provided at the facility.

Sec. 3. Minnesota Statutes 1980, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

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

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils *from home or from school (DURING THE SCHOOL DAY)* to other buildings, *including hospitals and treatment centers*, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that the pupil reside at least one mile from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING: NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE SCHOOLS.] Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) [SUMMER SCHOOL.] Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a state board approved summer school program;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 4. Minnesota Statutes 1980, Section 124.225, Subdivision 1, is amended to read:

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

(a) "FTE" means a transported full time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) (BEGINNING WITH THE 1980-1981 SCHOOL YEAR,) "Region" means development region as defined in section 462.384, subdivision 5, except that for purposes of this section, development regions 1 and 2 are one region, development regions 4 and 5 are one region, development regions 6E and 6W are one region, and development regions 7E and 7W are one region.

(c) "Total authorized cost" or "total authorized expenditure" means the sum of:

(i) all expenditures for transportation for which aid is authorized in section 124.223, plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning.

(d) "Total authorized predicted cost" means the total authorized cost predicted by a multiple regression formula determined by the department of education.

((E) FOR THE 1979-1980 SCHOOL YEAR, "REGULAR AND SUMMER SCHOOL AUTHORIZED FTE'S TRANSPORTED" MEANS FULL TIME EQUIVALENT PUPILS TRANSPORTED UNDER SECTION 124.223, CLAUSE (1), DURING THE REGULAR SCHOOL YEAR AND IN CONJUNCTION WITH A STATE BOARD APPROVED SUMMER SCHOOL PROGRAM.)

((F)) (e) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

(i) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(ii) Secondary vocational center transportation is transportation services provided under section 124.223, clause (3);

(iii) Handicapped transportation is transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(iv) Board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

(v) Between schools transportation is transportation services between schools provided under section 124.223, clause (1);

(vi) Shared time regular transportation is transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(vii) Shared time special education transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6);

(viii) To and from board and lodging facility transportation is transportation services to and from board and lodging facilities provided under section 124.223, clauses (4) and (7);

(ix) Cooperative academic and vocational transportation is transportation services provided under section 124.223, clause (9);

(x) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);

((G)) (f) "Pupil weighting factor" means the ratio of the actual regional average cost per FTE in a particular transportation category to the actual regional average cost per FTE in the regular transportation category.

((H)) (g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

((I)) (h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and

health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

Sec. 5. Minnesota Statutes 1980, Section 124.225, Subdivision 1a, is amended to read:

Subd. 1a. [WEIGHTING FACTORS.] (FOR THE 1980-1981) *Each* school year (AND THEREAFTER), in computing transportation aid, the department of education shall establish the pupil weighting factors for each transportation category for each region using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a region had no experience during the second prior school year.

Sec. 6. Minnesota Statutes 1980, Section 124.225, Subdivision 2, is amended to read:

Subd. 2. [1981-1982 FORMULA.] For the (1979-1980) *1981-1982* school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A (LINEAR) *multiple regression* formula shall be determined *through stepwise multiple regression analysis* for each (PLANNING) region by the department of education, using the terms specified in subdivision (4) *4a*, to maximize the amount of variance accounted for between the total actual authorized cost per *weighted* FTE for the (1977-1978) *1979-1980* school year and the total authorized predicted cost per *weighted* FTE for the (1977-1978) *1979-1980* school year. The formula determined for each region shall be used to determine a total authorized predicted cost per FTE for the (1977-1978) *1979-1980* school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 5 and (7) *7a*.

Sec. 7. Minnesota Statutes 1980, Section 124.225, Subdivision 3, is amended to read:

Subd. 3. [1982-1983 FORMULA.] For the (1980-1981) *1982-1983* school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A multiple regression formula shall be determined through stepwise multiple regression analysis for each region by the department of education, using the terms specified in subdivision *4a*, to maximize the amount of variance accounted for between the total actual authorized cost per weighted FTE for the (1978-1979) *1980-1981* school year and the total authorized predicted cost per weighted FTE for the (1978-1979) *1980-1981* school year. The formula determined

for each region shall be used to determine a total authorized predicted cost per weighted FTE for the (1978-1979) 1980-1981 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7a.

Sec. 8. Minnesota Statutes 1980, Section 124.225, Subdivision 4a, is amended to read:

Subd. 4a. [FORMULA TERMS.] To predict the total authorized cost per weighted FTE for each district (BEGINNING IN THE 1980-1981 SCHOOL YEAR) *pursuant to subdivisions 2 and 3*, each regional multiple regression formula shall use the following terms and their squares for each district in the region:

- (1) The area of the district measured in square miles;
- (2) The district's average daily membership;
- (3) The total number of authorized FTE's transported by the district;
- (4) The total number of authorized FTE's transported by the district in the handicapped, shared time special education, and to and from board and lodging facility transportation categories as a percentage of the total number of authorized FTE's transported by the district;
- (5) The number of authorized FTE's transported by the district in the board and lodging transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (6) The number of authorized FTE's transported by the district in the between schools transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (7) The number of authorized FTE's transported by the district in the shared time regular transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (8) The number of authorized FTE's transported by the district in the secondary vocational center transportation category as a percentage of the total number of authorized FTE's transported by the district;
- (9) The number of authorized FTE's per square mile transported by the district in the regular transportation category;

(10) The number of authorized FTE's per square mile transported by the district in the handicapped transportation category;

(11) The number of authorized FTE's transported by the district in the regular transportation category as a percentage of the district's average daily membership;

(12) An index of the district's shape computed by the department of education based on a comparison of the perimeter of the district to the perimeter of a circle with the same square mile area as the district;

(13) The percentage of the district's square mile area which is classified by the state planning agency as water-covered or marshland;

(14) The number of 40 acre parcels of land in the district which are contiguous to or intersected by unpaved roads, as a percentage of the number of 40 acre parcels of land in the district which are contiguous to or intersected by any roads, paved or unpaved. The number of 40 acre parcels of each type shall be obtained from the state planning agency;

(15) The percentage of the district's square mile area which is classified by the state planning agency as having a slope of land exceeding six percent;

(16) The number of authorized FTE's transported to non-public schools by the district in the regular transportation category as a percentage of the total number of authorized FTE's transported by the district in the regular transportation category.

Sec. 9. Minnesota Statutes 1980, Section 124.225, Subdivision 5, is amended to read:

Subd. 5. [1981-1982 INFLATION FACTOR.] The total authorized predicted cost per FTE determined for a district under subdivision 2 for (1977-1978) 1979-1980 shall be increased by 27 percent.

Sec. 10. Minnesota Statutes 1980, Section 124.225, Subdivision 6, is amended to read:

Subd. 6. [1982-1983 INFLATION FACTOR.] The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for (1978-1979) 1980-1981 shall be increased by (29) 24 percent.

Sec. 11. Minnesota Statutes 1980, Section 124.225, Subdivision 7a, is amended to read:

Subd. 7a. [SOFTENING FORMULA.] (1) Each district's adjusted total authorized predicted cost per weighted FTE determined for (THE 1980-1981) *each* school year (AND EACH YEAR THEREAFTER) according to subdivision 5 or 6, *as applicable*, shall be compared to the total actual expenditure per weighted FTE for authorized transportation for that district for that year to determine the district's aid entitlement per weighted FTE for that year.

(2) If the adjusted total authorized predicted cost per weighted FTE is greater than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted predicted cost per weighted FTE minus 20 percent of the first \$10 of difference between the adjusted total authorized predicted cost per weighted FTE and the actual expenditure per weighted FTE; minus 40 percent of the next \$10; 60 percent of the next \$10; minus 75 percent of the difference which exceeds \$30.

(3) If the adjusted total authorized predicted cost per weighted FTE is less than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted total authorized predicted cost per weighted FTE plus 20 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 40 percent of the next \$10; plus 60 percent of the next \$10; plus 75 percent of the difference which exceeds \$30.

Sec. 12. Minnesota Statutes 1980, Section 124.225, Subdivision 8a, is amended to read:

Subd. 8a. [AID COMPUTATION.] A district's aid pursuant to this section for (THE 1980-1981 SCHOOL YEAR AND) *each school year* (THEREAFTER) shall equal the district's aid entitlement per weighted FTE determined according to subdivision 7a times the total number of authorized weighted FTE's transported in the district in that school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Sec. 13. Minnesota Statutes 1980, Section 124.225, Subdivision 8b, is amended to read:

Subd. 8b. [EXCESS HANDICAPPED AID.] (a) In addition to the amount authorized in subdivision 8a, for (THE 1980-1981) *each* school year, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where:

(1) the average daily membership in that year is 2,500 or fewer pupils,

(2) the total actual authorized expenditures exceed the aid entitlement, and

(3) the actual authorized expenditure per weighted FTE in the handicapped and board and lodging categories exceeds 140 percent of the aid entitlement per weighted handicapped and board and lodging FTE.

(b) This aid shall equal 80 percent of the difference between:

(1) the *district's* actual authorized (EXPENDITURE PER WEIGHTED) *expenditures for transporting* handicapped and board and lodging (FTE) *FTE's* and

(2) 140 percent of the *district's* aid entitlement (PER WEIGHTED) *for transportation of* handicapped and board and lodging (FTE) *FTE's*.

(3) For purposes of the computation of aid pursuant to this subdivision, the amounts of the actual authorized expenditure and the aid entitlement shall exclude amounts attributable to depreciation. Aid pursuant to this subdivision shall not exceed the difference between the district's total actual authorized expenditures and its total aid entitlement.

Sec. 14. Minnesota Statutes 1980, Section 124.225, Subdivision 9, is amended to read:

Subd. 9. [DISTRICT REPORTS.] Each district shall report to the department before July 1 of each year an estimate for the next school year of the total number of FTE's transported by transportation category and an estimate of the district's total actual authorized transportation expenditure by transportation category. The district's aid shall be determined for purposes of the first three transportation aid payments for the school year using these estimates. (BEFORE AUGUST 15, 1980, EACH DISTRICT SHALL PROVIDE THE DEPARTMENT WITH THE INFORMATION FOR THE 1979-1980 SCHOOL YEAR WHICH THE DEPARTMENT DETERMINES IS NECESSARY TO COMPUTE THE DISTRICT'S ACTUAL AUTHORIZED EXPENDITURE PER FTE FOR PURPOSES OF THE COMPUTATION IN SUBDIVISION 7 AND THE DISTRICT'S ACTUAL TOTAL NUMBER OF FTE'S TRANSPORTED FOR PURPOSES OF THE AID COMPUTATION IN SUBDIVISION 8.) Before August 15 (, 1981, AND) each (AUGUST 15 THEREAFTER) *year*, each district shall provide the department with the information for the preceding school year which the department determines is necessary to compute the district's actual authorized expenditure per weighted FTE for purposes of the computation in subdivision 7a and the district's actual total number of weighted FTE's transported for purposes of the aid computation in sub-

division 8a. The district's final transportation aid payment for the school year shall be based on these computations.

Sec. 15. Minnesota Statutes 1980, Section 124.225, Subdivision 11, is amended to read:

Subd. 11. [PAYMENT SCHEDULE THROUGH 1982.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, *for fiscal years through 1982*, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Sec. 16. Minnesota Statutes 1980, Section 124.225, is amended by adding a subdivision to read:

Subd. 11a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid entitlement for the fiscal year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

Sec. 17. [REPEALER.] *Minnesota Statutes 1980, Section 124.225, Subdivisions 4, 7 and 8, are repealed.*

Sec. 18. [DEFICIENCY APPROPRIATION.]

The sum of \$0 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1982, for the payment of a deficiency in funds available for transportation aid for fiscal year 1980. This appropriation shall be added to the amounts appropriated for transportation aid for fiscal year 1980 in Laws 1979, Chapter 334, Article II, Section 15, Subdivision 2, and Laws 1980, Chapter 609, Article II, Section 10, Subdivision 2.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [TRANSPORTATION AID.] *For transportation aid there is appropriated:*

\$128,062,000 1982,

\$129,263,000 1983.

The appropriation for 1980 includes \$14,352,600 for aid for fiscal year 1981 payable in fiscal year 1982 and \$113,709,400 for aid for fiscal year 1982 payable in fiscal year 1982.

The appropriation for 1983 includes \$12,601,000 for aid for fiscal year 1982 payable in fiscal year 1983 and \$116,662,000 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriation in this section for 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

ARTICLE III

SPECIAL AND COMPENSATORY EDUCATION AID

Section 1. Minnesota Statutes 1980, Section 120.17, Subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study or training, methods of instruction and training, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation and any other rules and standards it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. (THESE RULES SHALL ALSO PROVIDE STANDARDS FOR THE DISCIPLINE, CONTROL, MANAGEMENT AND PROTECTION OF HANDICAPPED CHILDREN.)

Sec. 2. Minnesota Statutes 1980, Section 120.17, Subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of: (1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child; (2) a proposed placement of their child in, transfer from or to or denial of placement in a special education program; or (3) the

proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian; provided the refusal of a parent or guardian to provide this consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (c);

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a);

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if after at least one conciliation conference the parent or guardian continues to object to: (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child; (2) the proposed placement of their child in, or transfer of their child to a special education program; (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program; (4) the proposed provision or addition of special education services for their child; or (5) the proposed denial or removal of special education services for their child. *At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.*

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with his objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45 day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the commissioner by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

- (1) be in writing;
 - (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the commissioner of the basis and reason for the decision;
 - (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
 - (4) state the amount and source of any additional district expenditure necessary to implement the decision; and
 - (5) be based on the standards set forth in subdivision 3a and the rules of the state board.
- (f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the commissioner within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The commissioner shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The commissioner shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 15. The commissioner may grant specific extensions of time beyond the 30 day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the commissioner shall be final unless appealed by the parent or guardian or school board to the district court of the county in which the school district in whole or in part is located. The scope of judicial review shall be as provided in chapter 15.

(h) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in his current educational placement and shall not be denied initial admission to school.

(i) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

((J) THIS SUBDIVISION SHALL EXPIRE ON JUNE 30, 1981. THE DEPARTMENT OF EDUCATION SHALL REPORT TO THE EDUCATION COMMITTEES OF THE LEGISLATURE ON OR BEFORE JANUARY 1, 1981, ON THE IMPACT OF THE AMENDMENTS MADE IN THIS SUBDIVISION BY LAWS 1979, CHAPTER 334 AND ON THE ADVISABILITY OF AMENDING THIS SUBDIVISION TO READ AS IT READS IN MINNESOTA STATUTES 1978.)

Sec. 3 Minnesota Statutes 1980, Section 120.17, Subdivision 4, is amended to read:

Subd. 4. [SPECIAL (INSTRUCTIONS) INSTRUCTION FOR NON-RESIDENT CHILDREN.]

(a) When (A SCHOOL) *the district of residence* provides *special instruction and services outside the district (OF RESIDENCE, BOARD AND LODGING, AND ANY TUITION TO BE PAID, SHALL BE PAID BY THE DISTRICT OF RESIDENCE. TRANSPORTATION COSTS SHALL BE PAID BY THE DISTRICT PROVIDING THE TRANSPORTATION, AND THE STATE SHALL REIMBURSE THE DISTRICT WITHIN THE LIMITS PROVIDED BY LAW), it shall pay tuition to the district providing the instruction and services.* The tuition (RATE TO BE) charged (FOR ANY HANDICAPPED CHILD) shall be the actual cost of providing special instruction and services to the child including a proportionate amount for capital outlay and debt service (BUT NOT INCLUDING ANY AMOUNT FOR TRANSPORTATION), minus the amount of special aid for handicapped children received on behalf of that child. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. The

commissioner shall then set a date for a hearing, giving each board at least ten days' notice (, AND). After the hearing the commissioner shall make his order fixing the tuition rate, which shall be binding on both school districts.

(b) *Transportation or board and lodging costs shall be paid by the child's district of residence. Foundation and transportation aid shall be paid to the district of residence.*

(c) For the purposes (HEREIN) of this section, any school district may enter into an agreement, upon (SUCH) terms and conditions (AS MAY BE) which are mutually agreed upon, to provide special instruction and services for handicapped children. In that event, one of the participating units may employ and contract with necessary qualified personnel to offer services in the several districts (, AND). Each participating unit shall reimburse the employing unit a proportionate amount of the actual cost of providing the special instruction and services, less the amount of state special education aid, which shall be claimed in full by the employing district.

Sec. 4. Minnesota Statutes 1980, Section 120.17, Subdivision 5a, is amended to read:

Subd. 5a. [SUMMER PROGRAMS.] (EVERY) A district may provide summer programs for handicapped children living within the district (, INCLUDING) and nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7. Prior to March 31 or 30 days after the handicapped child is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for (ALL STATE AID FOR THE SUMMER PROGRAM, INCLUDING) special (STATE) education aid (PURSUANT TO SECTION 124.32,) and foundation aid (AND TRANSPORTATION AID) for the summer program. For the purposes of computing foundation aid for these programs, all pupils enrolled in these programs shall be construed to be residents of the district providing the programs. The unreimbursed actual cost of providing the program for nonresident handicapped children may be billed to the district of the child's residence and shall be paid by the resident district. *Transportation or board and lodging costs shall be paid by the resident district and transportation aid shall be paid to the resident district.*

Sec. 5. Minnesota Statutes 1980, Section 120.17, Subdivision 6, is amended to read:

Subd. 6. [PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.] The responsibility for special instruction and services for a handicapped child temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The school district of residence of (SUCH A) the child shall be the district in which his parent resides, if living, or his guardian, or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) *If the child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing an appropriate educational program for the child. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.*

((B)) (c) *If the child is temporarily placed in a residential program for care and treatment, the district in which the child is placed is responsible for providing (THE INSTRUCTION SHALL MAINTAIN) an appropriate educational program for (SUCH A) the child and shall bill the district of the child's residence for the actual costs of providing the program, as outlined in subdivision 4, except that the board, lodging, and treatment costs incurred in behalf of a handicapped child placed outside of the school district of his residence by the commissioner of public welfare or the commissioner of corrections or their agents, for reasons other than for making provision for his special educational needs shall not become the responsibility of either the district providing the instruction or the district of the child's residence.*

((C)) (d) The district of residence shall pay tuition and other program costs, (NOT INCLUDING) *and transportation costs (,) to the district providing the instruction and services.* The district of residence may claim foundation *and transportation aid (FOR THE CHILD) as provided by law. (SPECIAL TRANSPORTATION COSTS SHALL BE PAID BY THE DISTRICT PROVIDING THE TRANSPORTATION AND THE STATE SHALL REIMBURSE THE DISTRICT FOR SUCH COSTS WITHIN THE LIMITS PROVIDED BY LAW.)*

Sec. 6. Minnesota Statutes 1980, Section 120.17, Subdivision 7, is amended to read:

Subd. 7. [PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.] Responsibility for special instruction and services for a handicapped child placed in a state institution

on a temporary basis shall be determined in the following manner:

(a) The legal residence of (SUCH) *the* child shall be the school district in which his parent resides, if living, or his guardian;

(b) When the educational needs of (SUCH) *the* child can be met through the institutional program, the costs for (SUCH) *this* instruction shall be paid by the department to which the institution is assigned;

(c) When it is determined that (SUCH) *the* child can benefit from public school enrollment, provision for (SUCH) *this* instruction shall be made in the following manner:

(1) Determination of eligibility for special instruction and services shall be made by the commissioner of education and the commissioner of the department responsible for the institution;

(2) The school district where the institution is located shall provide an appropriate educational program *and transportation services* for the child and shall make a tuition charge to the child's district of residence for the (ACTUAL COST OF PROVIDING THE PROGRAM) *unreimbursed costs of the educational program and for transportation costs. The district providing the educational program shall claim special education aid.*

(3) The district of (THE CHILD'S) residence shall pay (THE) tuition and other program costs including the (UNREIMBURSED) transportation costs and may claim foundation *and transportation aid (FOR THE CHILD. SPECIAL TRANSPORTATION SHALL BE PROVIDED BY THE DISTRICT PROVIDING THE EDUCATION PROGRAM AND THE STATE SHALL REIMBURSE SUCH DISTRICT WITHIN THE LIMITS PROVIDED BY LAW.)*

Sec. 7. Minnesota Statutes 1980, Section 120.17, is amended by adding a subdivision to read:

Subd. 11. [TRANSPORTATION AID AGREEMENTS.] Notwithstanding the provisions of subdivisions 4, 5a, 6 and 7, when a district provides special instruction and services to a nonresident child, the district of residence and the providing district may enter into an agreement under which the providing district pays the cost of providing the child transportation in any of the particular transportation categories specified in section 124.225, subdivision 1, and claims transportation aid for those categories. In this case, the providing district may not obtain any payment from the district of residence for the categories covered by the agreement.

Sec. 8. [120.172] [LEGISLATIVE COMMITMENT TO CONCILIATION.]

Subdivision 1. [POLICY STATEMENT.] The legislature finds that conciliation conferences pursuant to section 120.17 serve better than formal hearings to promote communications between parents and school staff and to reach prompt, shared decisions about educational programs for handicapped children. Further, the legislature urges the U.S. department of education and the U.S. office of civil rights to acknowledge that the conciliation conference process violates no federal statute or regulation.

Subd. 2. [STATE PLAN.] The state board of education shall not adopt any provision in the state plan for special education which reduces the opportunities for parents and school districts to resolve their differences through conciliation.

Subd. 3. [REPORT.] The Minnesota commissioner of education shall report to the education committees of the legislature before January 1, 1983, on the effect of the procedures required in section 120.17, Subdivision 3a, and on any changes in federal statutes or regulations which would contribute to greater flexibility in the procedures for decisions about educational programs for handicapped children.

Sec. 9. Minnesota Statutes 1980, Section 124.212, Subdivision 9a, is amended to read:

Subd. 9a. Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a (PRIVATE) nonpublic school.

(a) The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

(b) Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to section 124.17, subdivision 1, clauses (1) and (2), were added to the district's total pupil units used in determining its foundation aid. Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time average daily membership shall not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time foundation aid pursuant to this subdivision.

(c) Foundation aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in clause (a) times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for (ANY) unreimbursed education costs (, INCLUDING) *but not for unreimbursed transportation costs. The agreement may, however, provide for the resident district to pay the cost of providing the child transportation in any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.*

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Sec. 10. Minnesota Statutes 1980, Section 124.32, Subdivision 1a is amended to read:

Subd. 1a. [FOUNDATION AID FORMULA ALLOWANCE.] For purposes of this section, (THE) "foundation aid formula allowance" (PER PUPIL UNIT) shall (BE \$1,182 FOR THE 1979-1980 SCHOOL YEAR, AND \$1,265 FOR THE 1980-1981 SCHOOL YEAR) *have the meaning attributed to it in section 124.01, subdivision 2.* For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Sec. 11. Minnesota Statutes 1980, Section 124.32, Subdivision 1b, is amended to read:

Subd. 1b. [CONTRACT SERVICES.] (1) For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance

for pupils who receive services by contract on less than a full time basis.

(2) For special instruction or training and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid received by the district for that pupil pursuant to section 124.20, or a pro rata portion of that foundation aid for a pupil who receives services by such a contract on less than a full time summer school basis. (THIS CLAUSE SHALL BE EFFECTIVE FOR THE 1977 SUMMER SCHOOL AND THEREAFTER.)

Sec. 12. Minnesota Statutes 1980, Section 124.32, Subdivision 6, is amended to read:

Subd. 6. [FULL STATE PAYMENT.] The state shall pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following (SUCH) *the* procedure (AS REQUESTED) *specified* by the commissioner of education, (A) *the* district (PROVIDING INSTRUCTION AND SERVICES FOR SUCH HANDICAPPED CHILD) may bill the state the actual cost incurred in providing (SAID) *the* services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid formula allowance for the child and the special education aid, transportation aid, and any other aid earned in behalf of (SUCH) *the* child (, SUCH ACTION PURSUANT TO LIMITS). *The limit set forth in subdivision 4 shall apply to aid paid pursuant to this subdivision.*

To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasury and placed in the general fund.

Sec. 13. Minnesota Statutes 1980, Section 124.32, Subdivision 9, is amended to read:

Subd. 9. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, *for school years through 1981-1982*, the state shall pay to each school district 30 percent of its estimated special education aid for the school year on or before each of the following dates: September

30, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year.

Sec. 14. Minnesota Statutes 1980, Section 124.32 is amended by adding a subdivision to read:

Subd. 9a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in school year 1982-1983, the state shall pay each school district its estimated special education aid for the school year according to the following schedule: 30 percent on or before August 31; 30 percent on or before December 31; and 25 percent on or before March 31. The final aid distribution to each district shall be made on or before October 31 of the following school year.

Sec. 15. Minnesota Statutes 1980, Section 126.54, Subdivision 1 is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] For fiscal (YEAR 1981) years 1982 and 1983, the state board of education shall make grants to no fewer than six school year pilot American Indian language and culture education programs. At least three pilot programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of pilot American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian non-public, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 16. [REPEALER.] *Minnesota Statutes 1980, Sections 120.17, Subdivision 3c; 126.268, Subdivision 1; and 126.52, Subdivision 12, are repealed.*

Sec. 17. [DEFICIENCY APPROPRIATION.] *The sum of \$0 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1982, for the payment of a deficiency in funds available for special education aid for fiscal year 1981. This appropriation shall be added to the amounts appropriated for special education aid for fiscal year 1981 in Laws 1979, Chapter 334, Article III, Section 21, Subdivision 3, Clause (a).*

Sec. 18. [APPROPRIATIONS.] *Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid, there is appropriated:

\$92,860,900 1982,

\$95,468,400 1983.

The appropriation for 1982 includes \$8,670,700 for aid for fiscal year 1981 payable in fiscal year 1982, and \$84,190,200 for aid for fiscal year 1982 payable in fiscal year 1982.

The appropriation for 1983 includes \$9,354,500 for aid for fiscal year 1982 payable in fiscal year 1983 and \$86,113,900 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [SUMMER SCHOOL SPECIAL EDUCATION AID.] For special education aid for summer school programs there is appropriated:

\$5,116,000 1982,

\$5,805,100 1983.

Subd. 4. [RESIDENTIAL FACILITIES AID.] For aid pursuant to section 124.32, subdivision 5, there is appropriated:

\$ 896,000 1982,

\$1,033,900 1983.

Subd. 5. [LIMITED ENGLISH PROFICIENT STUDENTS PROGRAM AID.] For aid to educational programs for limited English proficient students there is appropriated:

\$2,818,000 1982,

\$4,053,300 1983.

Subd. 6. [AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION PROGRAMS.] For grants to pilot American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

\$525,000 1982,

\$525,000 1983.

Subd. 7. [CANCELLATION.] Any unexpended balances remaining from the appropriations in this section for 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Subd. 8. [PRORATION.] If the appropriation amount in subdivisions 2, 3, 4, or 5 of this section attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 19. [EFFECTIVE DATE.]

Sections 2, 4 and 8 of this article are effective the day following final enactment.

ARTICLE IV

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1980, Section 124.26, Subdivision 3, is amended to read:

Subd. 3. The state department of education shall reimburse each G.E.D. testing center the sum of (\$10) \$12 for each battery of G.E.D. tests or (\$2) \$2.40 for each individual test administered by that center.

Sec. 2. Minnesota Statutes 1980, Section 124.26, Subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE THROUGH 1982.] *For fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution (TO EACH DISTRICT) shall be made (ON OR BEFORE) by October 31 of the following fiscal year.*

Sec. 3. Minnesota Statutes 1980, Section 124.26, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT SCHEDULE.] *Starting in fiscal year 1983, the state shall pay to each school district its estimated adult education aid entitlement according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution shall be made by October 31 of the following fiscal year.*

Sec. 4. Minnesota Statutes 1980, Section 124.26, is amended by adding a subdivision to read:

Subd. 6. [APPLICATIONS; PRORATION.] By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year pursuant to subdivision 1 that were received by the preceding June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appropriated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall prorate any remaining funds among programs which were approved after August 1.

Sec. 5. Minnesota Statutes 1980, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. (IN FISCAL YEAR 1981 AND) Each year (THEREAFTER,) the state shall pay the greater of 75 cents per capita or \$7,000 to each school district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Sec. 6. Minnesota Statutes 1980, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) In 1981, a district which has established a community education advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of ((A) \$2.50) (a) \$3.40 per capita, or ((B)) (b) 110 percent of the amount certified pursuant to this subdivision in 1976. In 1982 and each year thereafter, a district which has established a community education advisory council pursuant to section 121.88 may levy an amount of money raised by the greater of (a) \$4.25 per capita, or (b) 110 percent of the amount certified pursuant to this subdivision in 1976. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in 1976 shall not reflect reductions pursuant to subdivision 9.

(2) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to

discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to make a levy pursuant to this subdivision.

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

Sec. 7. [REPEALER.]

Minnesota Statutes 1980, Section 124.271, Subdivision 1a is repealed.

Sec. 8. [DEFICIENCY APPROPRIATION; ADULT EDUCATION.]

The sum of \$0 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1982, for the payment of a deficiency in funds available for aid for adult education pursuant to section 124.26 in that year. This appropriation shall be added to the sum appropriated for fiscal year 1981 for adult education aid in Laws 1979, Chapter 334, Article IV, Section 6, Subdivision 2.

Sec. 9. [DEFICIENCY APPROPRIATION; COMMUNITY EDUCATION AID.] *The sum of \$0 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1982, for the payment of a deficiency in funds available for aid for community education pursuant to section 124.271 in that year. This appropriation shall be added to the sum appropriated for fiscal year 1981 for community education aid in Laws 1979, Chapter 334, Article IV, Section 6, Subdivision 4.*

Sec. 10. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [ADULT EDUCATION AID.] *For adult education aid pursuant to section 124.26, there is appropriated:*

\$1,128,200 1982,

\$1,242,400 1983.

The amount appropriated for fiscal year 1982 includes \$97,800 for aid for fiscal year 1981 payable in fiscal year 1982, and

\$1,030,400 for aid for fiscal year 1982 payable in fiscal year 1982.

The amount appropriated for fiscal year 1983 includes \$114,500 for aid for fiscal year 1982 payable in fiscal year 1983, and \$1,127,900 for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [G.E.D. REIMBURSEMENT AID.] For G.E.D. reimbursement aid pursuant to section 124.26, there is appropriated:

\$88,400 1982,

\$96,000 1983.

Subd. 4. [COMMUNITY EDUCATION AID.] For community education aid pursuant to section 124.271, there is appropriated:

\$3,839,000 1982,

\$4,030,000 1983.

Subd. 5. [CANCELLATION; PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1982 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

ARTICLE V

VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1980, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. [PAYMENT SCHEDULE.] (a) Through the 1981-1982 school year, ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. (BEGINNING IN JULY 1980) The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted in September, December, March and June to reflect any increases or decreases in enrollment. (A) The final payment (OF THE REMAINDER OF THE POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID FOR EACH FISCAL YEAR), adjusted

to reflect the actual average daily membership, shall be made to each district in September of the following fiscal year. (THE SEPTEMBER 1980 PAYMENT SHALL BE ADJUSTED TO REFLECT ANY DEFICIT OR EXCESS IN POST-SECONDARY VOCATIONAL FOUNDATION AID RECEIVED BY A DISTRICT IN FISCAL YEAR 1980. THE SEPTEMBER 1981 FINAL PAYMENT AND THE SEPTEMBER FINAL PAYMENT IN EACH YEAR THEREAFTER SHALL BE ADJUSTED TO REFLECT THE ACTUAL AVERAGE DAILY MEMBERSHIP FOR THE PREVIOUS FISCAL YEAR. BEGINNING WITH THE 1980-1981 SCHOOL YEAR, 90 PERCENT OF THE ESTIMATED POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID SHALL BE PAID ON THE BASIS OF THE DEPARTMENT OF EDUCATION'S ESTIMATES OF THE CURRENT YEAR'S AVERAGE DAILY MEMBERSHIP ADJUSTED IN SEPTEMBER, DECEMBER, MARCH AND JUNE TO REFLECT ANY INCREASES OR DECREASES IN ENROLLMENT.)

(b) Beginning in the 1982-1983 school year, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted in September, December, March and June to reflect any increases or decreases in enrollment. The final payment, adjusted to reflect the actual average daily membership, shall be made to each district in September of the following fiscal year.

Sec. 2. Minnesota Statutes 1980, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. Post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid and repair and betterment aid* shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid and repair and betterment aid* shall be paid to districts on or before May 1 of each year.

Sec. 3. Minnesota Statutes 1980, Section 124.11, Subdivision 2c, is amended to read:

Subd. 2c. Additional post-secondary vocational supply aid, support services aid (AND CAPITAL EXPENDITURE), *equipment aid, and repair and betterment aid* may be distributed on or before May 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year pursuant to section 124.561, subdivision 3a.

Sec. 4. Minnesota Statutes 1980, Section 124.561, Subdivision 2a, is amended to read:

Subd. 2a. [BUDGETS; ALLOCATIONS.] Before (JANUARY 1, 1980 AND) January 1 of each year (THEREAFTER), each post-secondary vocational technical school shall submit to the state board for vocational education budgets for supplies, support services, (AND CAPITAL EXPENDITURES) *equipment, and repair and betterment* for the following fiscal year as prescribed in sections 124.5622, 124.5623, (AND) 124.5624, and section 20 of this article. The state board for vocational education shall authorize the allocations of post-secondary vocational supply aid, support services aid, (AND CAPITAL EXPENDITURE) *equipment aid, and repair and betterment aid* for each district prior to June 1 of each year after a consolidated public hearing held pursuant to subdivision 3a. No district shall increase its operating deficit for post-secondary vocational education during any fiscal year. The state board for vocational education shall promulgate rules which establish the criteria for allocations of post-secondary vocational supply aid, support services aid, (AND CAPITAL EXPENDITURE) *equipment aid, and repair and betterment aid*. (BY OCTOBER 15, 1979,) The commissioner, in cooperation with the department of finance, shall establish standards by which post-secondary vocational-technical schools shall submit separate financial requests for post-secondary vocational supply aid, support services aid, (AND CAPITAL EXPENDITURE) *equipment aid, and repair and betterment aid*.

Sec. 5. Minnesota Statutes 1980, Section 124.561 is amended by adding a subdivision to read:

Subd. 2b. [COMPONENT ACTIVITIES.] *For the purposes of post-secondary vocational aid allocations "component activities" shall include: regular instruction; related instruction; special needs instruction; research; instructional administration; media/library; pupil personnel services; health services; director's office; institutional services; fixed costs; work study; physical plant; and repair and betterment.*

Sec. 6. Minnesota Statutes 1980, Section 124.561, Subdivision 3a, is amended to read:

Subd. 3a. [HEARING.] The consolidated public hearing held by the state board pursuant to subdivision 2a shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. (IN 1980 AND) Each year (THEREAFTER) the state board shall authorize the allocations of post-secondary vocational supply aid, support services aid (AND CAPITAL EXPENDITURE), *equipment aid, and repair and betterment aid* for the following fiscal year

at this hearing. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed allocations of aids to the education committees of the legislature and to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed allocations. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action allocating aids. Any district which is adversely affected by the final proposed allocations of aids may demand and shall be given an opportunity to be heard in support of modification of the proposed allocations of aids at the meeting at which the state board takes final action allocating aids; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Sec. 7. Minnesota Statutes 1980, Section 124.561, is amended by adding a subdivision to read:

Subd. 5. [DISTRIBUTION OF FUNDS.] All moneys, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids section of the state department of education. State board approval shall not be required for the adjustment of average daily membership, pursuant to section 124.11, subdivision 2a.

Sec. 8. Minnesota Statutes 1980, Section 124.561, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNTING OF FUNDS.] Each district providing post-secondary vocational-technical education programs shall establish and maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts related to these post-secondary vocational-technical education programs

within funds separate from all other district funds. All post-secondary vocational aids and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 9. Minnesota Statutes 1980, Section 124.5621, Subdivision 2, is amended to read:

Subd. 2. "Post-secondary vocational instructional aid" means state funds exclusive of post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid, repair and betterment aid, supply aid, support services aid and debt service aid* paid by the state board for vocational education to local school districts for instructional programs. Post-secondary vocational instructional aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 10. Minnesota Statutes 1980, Section 124.5621, Subdivision 5, is amended to read:

Subd. 5. [INSTRUCTIONAL PROGRAM.] "Instructional program" means a post-secondary vocational-technical occupational program as classified with a six-digit number by the (FEDERAL OFFICE) *United States department of education*, excluding special needs programs and related instruction.

Sec. 11. Minnesota Statutes 1980, Section 124.5621, Subdivision 6, is amended to read:

Subd. 6. [INSTRUCTIONAL PROGRAM COSTS.] "Instructional program cost" means the actual expenditures in the base year for an instructional program at an AVTI. These actual expenditures shall be computed as follows:

- (1) instructional salaries; plus
- (2) instructional employee fringe benefits, excluding teachers' retirement and teachers' social security; plus
- (3) expenditures for instructional staff travel for instructional and professional development purposes; plus
- (4) expenditures for purchased services for instructional purposes; plus
- (5) *instructional* expenditures for student activities; plus
- (6) other instructional expenditures detailed according to the uniform financial accounting and reporting system, not including any expenditures for supplies and equipment; minus

(7) other instructional revenues detailed according to the uniform financial accounting and reporting system, including student activity fees but not including any revenues from the sale of supplies and equipment.

These actual expenditures shall not include any expenditures or revenues which are included in the AVTI's budgets for post-secondary vocational supply aid, support services aid (OR CAPITAL EXPENDITURE), *equipment aid, or repair and betterment aid.*

Sec. 12. Minnesota Statutes 1980, Section 124.5621, Subdivision 12, is amended to read:

Subd. 12. [INSTRUCTIONAL AID FORMULA.] In (THE 1981 FISCAL YEAR AND) each fiscal year (THEREAFTER), each district which operates an AVTI shall receive post-secondary vocational instructional aid computed according to the following formula:

(a) The instructional program allowance for that AVTI in the base year, multiplied by

(b) The AVTI staff compensation weighting for that AVTI, multiplied by

(c) (117) 119 percent, multiplied by

(d) The student growth or decline factor for that AVTI.

Sec. 13. Minnesota Statutes 1980, Section 124.5622, Subdivision 3, is amended to read:

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] "Post-secondary vocational supply aid" means state funds, exclusive of post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid, repair and betterment aid, instructional aid, support services aid and debt service aid, apportioned by the state board for vocational education to local districts for the costs of (RENTS AND LEASES,)*

(a) supplies and materials, (AND)

(b) supplies for resale, and

(c) *rents and leases, excluding those of buildings for school purposes, computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment, for all instructional programs and support services including related instruction and special needs programs. Post-secondary vocational supply aid shall be utilized solely for the*

purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 14. Minnesota Statutes 1980, Section 124.5622, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; SUPPLY AID ALLOCATION.] Each AVTI shall submit a budget (BEFORE JANUARY 1, 1980 AND) before January 1 of each year (THEREAFTER) detailing estimated costs for the following fiscal year *in each applicable component activity of the AVTI's operations* for each of the following expenditure categories: rents and leases, supplies and materials, and supplies for resale, for all instructional programs and support services including related instruction and special needs programs. Each budget shall also include anticipated revenues from the sales of supplies and services. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of the AVTI's budgets for post-secondary vocational support services aid (OR CAPITAL EXPENDITURE), *equipment aid, or repair and betterment aid*. The department of education shall recommend an allocation of supply aid *in each component activity* for each of the expenditure categories and a total allocation of supply aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department for the distribution of supply aid, authorize an allocation of supply aid for each AVTI, and detail recommended levels of spending *in each component activity* for each expenditure category through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. *In making these allocations, the state board shall take into account the estimated amount of tuition revenue of each AVTI for the following fiscal year.*

Sec. 15. Minnesota Statutes 1980, Section 124.5622, Subdivision 5, is amended to read:

Subd. 5. [REPORT.] Before (AUGUST 1, 1980, AND BEFORE) August 1 of each (SUBSEQUENT) year, the commissioner shall issue a report on the supply aid allocation to each AVTI. This report shall include recommended aid allocations *in each component activity* for each expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. *The tuition revenue used by the state board in determining the supply aid allocations shall be included.* This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 16. Minnesota Statutes 1980, Section 124.5623, Subdivision 3, is amended to read:

Subd. 3. "Post-secondary vocational support (SERVICE) *services aid*" means state and federal funds, exclusive of post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid, repair and betterment aid*, supply aid, instructional aid and debt service aid, apportioned by the state board for vocational education to local school districts for the costs of support services, including related instruction and special needs programs, enumerated in subdivision 4. Post-secondary vocational support services aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 17. Minnesota Statutes 1980, Section 124.5623, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; SUPPORT SERVICES ALLOCATION.] Each AVTI shall submit a budget before (JANUARY 1, 1980, AND BEFORE) January 1 of each year (THEREAFTER) detailing the estimated costs for the following fiscal year for all support services, including related instruction and special needs programs. These costs shall include: expenditures for support services personnel salaries, travel and fringe benefits, excluding teachers' retirement and teachers' social security; expenditures for other purchased services; and other support (SERVICE) *services* expenditures. Each budget shall also include all other anticipated support (SERVICE) *services* revenues. A budget submitted pursuant to this section shall not include any expenditures for or revenue from the sale of supplies and equipment. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational supply aid (OR CAPITAL EXPENDITURE), *equipment aid, or repair and betterment aid*. The department of education shall recommend an allocation of support services aid in each applicable component activity of the AVTI's operations for each of the expenditure categories and a total allocation of support services aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of support services aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. No aid shall be allocated for any special vocational systemwide support service project or program, excluding regional special needs programs. The estimated amount of each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds 15 percent of the AVTI's operating expenditures, as defined by the uniform financial accounting and reporting system, for the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. *The state board shall also take into account any estimated amount of tuition revenue for the following fiscal year*

which was not taken into account pursuant to section 14 of this article.

Sec. 18. Minnesota Statutes 1980, Section 124.5623, Subdivision 5, is amended to read:

Subd. 5. [REPORT.] Before (AUGUST 1, 1980 AND BEFORE) August 1 of each (SUBSEQUENT) year, the commissioner shall issue a report on the support services aid allocation to each AVTI. This report shall include the recommended aid allocation *in each component activity* for each support services expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. The fund balances *and tuition revenue* used by the state board in determining the support services aid allocations shall be included. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 19. Minnesota Statutes 1980, Section 124.5624, is amended to read:

124.5624 [POST-SECONDARY VOCATIONAL (CAPITAL EXPENDITURE) EQUIPMENT AID.]

Subdivision 1. For the purposes of this section, the words, terms and phrases defined in subdivisions 2 and 3 have the meanings ascribed to them.

Subd. 2. "AVTI" means a post-secondary area vocational-technical institute.

Subd. 3. "Post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid*" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid (AND), debt service aid, *and repair and betterment aid*, apportioned by the state board for vocational education to local school districts for the purpose of (IMPROVING OR REPAIRING SCHOOL SITES OR)

(a) equipping, re-equipping, *or* repairing (OR IMPROVING BUILDINGS AND) permanent attached fixtures,

(b) *renting or leasing buildings for school purposes, or*

(c) *paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,*

as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational (CAPITAL EXPENDITURE) *equipment aid* shall be utilized solely for the purposes enumerated in this section.

Subd. 4. [BUDGETS; *EQUIPMENT AID ALLOCATION.*] Each AVTI shall submit a budget before (JANUARY 1, 1980, AND BEFORE) January 1 of each year (THEREAFTER) detailing estimated costs for the following fiscal year for equipment and the other capital expenditures *enumerated in subdivision 3*, for all instructional programs and support services, including special needs programs and related instruction. Each budget shall also include anticipated revenues from the sale of equipment and other capital goods. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid (OR), supply aid, or repair and betterment aid. The department of education shall recommend an allocation of (CAPITAL EXPENDITURE) *equipment aid in each applicable component activity of the AVTI's operations* for each of the expenditure categories and a total allocation of (CAPITAL EXPENDITURE) *equipment aid* for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of (CAPITAL EXPENDITURE) *equipment aid* for each AVTI, and detail recommended levels of spending in *each component activity* for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. The amount of each AVTI's estimated net positive unappropriated capital expenditure fund balance, as of June 30 of the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations.

Subd. 5. [APPROVAL.] All (CAPITAL) *equipment expenditures* for AVTI's in excess of \$4,000 shall receive prior approval by the commissioner. This approval shall be sought and given separately from the budget hearing and aid allocation process.

Subd. 6. [REPORT.] Before (AUGUST 1, 1980 AND BEFORE) August 1 of each (SUBSEQUENT) year, the commissioner shall issue a report on the (CAPITAL EXPENDITURE) *equipment aid allocation* to each AVTI. This report shall include recommended aid allocations in *each component activity* for each (CAPITAL EXPENDITURE) *equipment category* and an explanation comparing the amount of the authorized (CAPITAL EXPENDITURE) *equipment aid allocation* to the budget submitted for each AVTI. The fund balances used by the state board in determining the (CAPITAL EXPENDITURE) *equipment aid allocation* shall be included.

Before (AUGUST 1, 1980 AND BEFORE) August 1 of each (SUBSEQUENT) year the commissioner shall also report on the equipment inventory of each AVTI, including original cost, current value and estimated remaining useful life. *Each AVTI shall supply the information which the commissioner requires to prepare this report.*

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 20. [124.5627] [POST-SECONDARY VOCATIONAL REPAIR AND BETTERMENT AID.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the words, terms and phrases defined in subdivisions 2 and 3 have the meanings ascribed to them.

Subd. 2. [AVTI.] "AVTI" means a post-secondary area vocational-technical institute.

Subd. 3. [REPAIR AND BETTERMENT AID.] "Post-secondary vocational repair and betterment aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and equipment aid, apportioned by the state board for vocational education to local school districts for the purpose of reconstruction, improvement, remodeling and repair of the existing AVTI buildings and grounds, as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational repair and betterment aid shall be utilized solely for the purposes enumerated in this section.

Subd. 4. [BUDGETS; AID ALLOCATION.] Each AVTI shall submit a budget before January 1 of each year detailing estimated costs for the following fiscal year for repair and betterment expenditures for all instructional programs and support services, including special needs programs and related instruction. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid, supply aid, or equipment aid. The department of education shall recommend an allocation of repair and betterment aid for each of the expenditure categories and a total allocation of repair and betterment aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of repair and betterment aid for each AVTI, and detail recommended levels of spending for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.

Subd. 5. [REPORT.] Before August 1 of each year, the commissioner shall issue a report on the repair and betterment aid allocation to each AVTI. This report shall include recommended aid allocations for each repair and betterment category and an explanation comparing the amount of the authorized repair and betterment aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in

determining the repair and betterment aid allocation shall be included.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 21. Minnesota Statutes 1980, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. [TUITION.] Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be (\$128) *the amount per quarter set by the state board for vocational education for each quarter the pupil is enrolled; provided the tuition amount set by the state board shall not be less than \$128 per quarter. The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 when setting tuition.* A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 22. Minnesota Statutes 1980, Section 124.565, Subdivision 4, is amended to read:

Subd. 4. [NON-RESIDENT TUITION.] Unless covered by a higher education reciprocity agreement relating to nonresident tuition, entered into by the Minnesota higher education coordinating board and approved by the state board for vocational education, tuition at a post-secondary vocational-technical school for a pupil who is not a resident of Minnesota shall be (\$320) *the amount per quarter (FOR EACH QUARTER THE PUPIL IS ENROLLED) set by the state board for vocational education; provided the amount set by the state board shall not be less than \$320 per quarter. The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 when setting tuition.* A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 23. Minnesota Statutes 1980, Section 124.565, Subdivision 6, is amended to read:

Subd. 6. [LENGTH OF QUARTER.] For the purposes of the tuition charges established by the state board pursuant to (IN) this section, a quarter shall consist of 60 school days. The state board for vocational education shall adopt rules providing for proportionate tuition charges for quarters which are shorter or longer than 60 days, for part time and extended day enrollment, and for programs which begin or end during a quarter. The state board shall adopt rules providing for tuition charges based on approved program lengths for programs offered on an individualized basis.

Sec. 24. Minnesota Statutes 1980, Section 124.565, Subdivision 7, is amended to read:

Subd. 7. [VETERAN'S EXEMPTION.] A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) (360) 440 post-secondary vocational-technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program (WHICH THE VETERAN BEGAN AFTER JULY 1, 1980).

"Veteran" for the purpose of this subdivision means a person who (ENTERED) *served in the active military service* in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable. (THIS SUBDIVISION SHALL NOT APPLY TO A VETERAN WHOSE TUITION IS PAID FOR BY ANY FEDERAL OR STATE AGENCY.)

Sec. 25. Minnesota Statutes 1980, Section 124.566, is amended to read:

124.566 [USE OF POST-SECONDARY VOCATIONAL AID APPROPRIATIONS.]

(NOTWITHSTANDING THE PROVISIONS OF SECTION 16A.57 OR ANY OTHER LAW TO THE CONTRARY, THE STATE BOARD FOR VOCATIONAL EDUCATION MAY EXPEND AMOUNTS APPROPRIATED BY THE LEGISLATURE FOR POST-SECONDARY VOCATIONAL CATEGORICAL AID TO PAY POST-SECONDARY VOCATIONAL FOUNDATION AID FOR THE 1979-1980 SCHOOL YEAR IF THE APPROPRIATION FOR POST-SECONDARY VOCATIONAL FOUNDATION AID IS INSUFFICIENT BECAUSE OF AN INCREASE IN AVERAGE DAILY MEMBERSHIP. BEGINNING WITH THE 1980-1981) *In each school year, the state board for vocational education may expend amounts appropriated by the legislature for post-secondary vocational support services aid to pay post-secondary vocational instructional aid if the appropriation for post-secondary vocational instructional aid is insufficient because of an increase in average daily membership. (BEGINNING IN THE 1980-1981 SCHOOL YEAR,) The state board may expend amounts appropriated by the legislature for post-secondary vocational instructional aid either to pay post-secondary vocational support services aid or to pay for programs authorized in section 124.5625 in any year when the state board determines that the appropriation for instructional aid is (EXCESSIVE) in excess of the amount re-*

quired to fully fund the instructional aid formula. On the date of any expenditure pursuant to this section, the state board shall report the expenditure to the appropriate committees of the legislature.

Sec. 26. Minnesota Statutes 1980, Section 124.572, is amended by adding a subdivision to read:

Subd. 3a. In any fiscal year when funds requested for approved programs are more than the amount appropriated, the commissioner of education shall, to the extent possible, continue full funding for programs which are approved by July 1 for aid for even numbered years or by the preceding March 1 for aid for odd numbered years. The commissioner shall prorate any remaining funds among programs which are approved after these dates.

Sec. 27. Minnesota Statutes 1980, Section 124.572, Subdivision 8, is amended to read:

Subd. 8. [PAYMENT SCHEDULE THROUGH 1982.] *Through the 1981-1982 school year, the state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.*

Sec. 28. Minnesota Statutes 1980, Section 124.572, is amended by adding a subdivision to read:

Subd. 8a. [PAYMENT SCHEDULE.] Beginning in the 1982-1983 school year, the state shall pay to each school district its estimated adult vocational education aid in the following manner: 30 percent by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be made by October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids section of the state department of education.

Sec. 29. Minnesota Statutes 1980, Section 124.573, Subdivision 2, is amended to read:

Subd. 2. [SECONDARY VOCATIONAL AID.] (IN THE 1978-1979 SCHOOL YEAR AND THEREAFTER,) The state shall pay to any district or cooperative center 50 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary equipment for these programs, 50

percent of the costs of necessary travel between instructional sites by secondary vocational education teachers and 50 percent of the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.

Sec. 30. Minnesota Statutes 1980, Section 124.573, Subdivision 3a, is amended to read:

Subd. 3a. [AID FOR CONTRACTED SERVICES.] In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. (IN THE 1978-1979 SCHOOL YEAR AND THEREAFTER,) The state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services. For the purposes of subdivision 5, aid for these contracts shall be distributed on the same basis as aids for salaries and travel.

Sec. 31. Minnesota Statutes 1980, Section 124.573, Subdivision 5, is amended to read:

Subd. 5. [PAYMENT SCHEDULE THROUGH 1982.] *Through the 1981-1982 school year*, the state shall pay to each school district and center 30 percent of its estimated secondary vocational education aid for salaries and travel for the school year on or before the following dates: August 31, December 31 and March 31. The state shall pay 90 percent of a district's estimated secondary vocational education aid for equipment for the school year on or before August 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.

Sec. 32. Minnesota Statutes 1980, Section 124.573, is amended by adding a subdivision to read:

Subd. 5a. [PAYMENT SCHEDULE.] Beginning in the 1982-1983 school year, the state shall pay to each school district and center its estimated secondary vocational education aid in the following manner:

(a) For salaries and travel, 30 percent by August 31, 30 percent by December 31, 25 percent by March 31, and

(b) For equipment, 85 percent by August 31. The final aid distribution shall be made by October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids section of the state department of education.

Sec. 33. Minnesota Statutes 1980, Section 124.574, Subdivision 2, is amended to read:

Subd. 2. [SALARY AID.] (IN THE 1979-1980) *Each school year (AND THEREAFTER,) the state shall pay to any district or cooperative center 70 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children.*

Sec. 34. Minnesota Statutes 1980, Section 124.574, Subdivision 4, is amended to read:

Subd. 4. [AID FOR CONTRACTED SERVICES.] *In addition to the provisions of subdivisions 2 and 3, a school district may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts (IN THE 1978-1979 SCHOOL YEAR AND THEREAFTER) shall be that provided in section 124.32, subdivision 1b. The state board shall promulgate rules relating to approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 6, the district or cooperative center contracting for these services shall be construed to be providing these services. For the purposes of subdivision 8, aid for these contracts shall be distributed on the same basis as aids for salaries, supplies and travel.*

Sec. 35. [LEGISLATIVE COORDINATING COMMISSION; SECONDARY VOCATIONAL EDUCATION STUDY.]

The legislative coordinating commission shall conduct a study of state financing of secondary vocational education. The commission may delegate responsibility and appropriations for the study to an existing staff office of the house of representatives or senate, a joint legislative committee or office, a state agency,

or contract with an independent office to perform the research study.

Sec. 36. [PURPOSE.]

The purpose of the study required in section 35 of this article shall be to assess the impact of providing categorical aid for secondary vocational education upon the curriculum offerings in secondary schools in Minnesota. The study shall address at least the following questions:

(a) What is the relative availability of vocational and general education courses in the secondary curriculum in various types of school districts?

(b) What past, present and future trends can be observed regarding the balance between general and vocational education courses in the secondary curriculum of various types of school districts?

(c) Have the availability of categorical aid for secondary vocational education and the existence of vocational cooperative centers unduly influenced the scope of curriculum offerings in various types of school districts?

(d) Have the availability of categorical aid for secondary vocational education and the existence of vocational cooperative centers had an undue impact on the industrial arts curriculum in various types of school districts?

(e) What past, present and future trends can be observed regarding travel time and transportation costs relating to secondary vocational education?

Sec. 37. [PLAN AND REPORTS.]

By October 1, 1981, the office, committee or agency which is delegated responsibility for conducting the study required in section 35 of this article shall prepare a research design and plan to implement the provisions of sections 35 to 38 of this article for review by the legislative coordinating commission and the education committees of the house of representatives and the senate. By June 1, 1982, the same office, committee or agency shall submit an interim report on the plan and its progress to the legislative coordinating commission and the education committees of the house of representatives and the senate. By January 1, 1983, a final report shall be submitted to the legislative coordinating commission and to the education committees of the house of representatives and the senate.

Sec. 38. [COOPERATION.]

The department of education and the school districts shall supply available data to and cooperate fully with the legislative office, committee, state agency, or independent office which is delegated responsibility for conducting the study required in section 35 of this article.

Sec. 39. [INSTRUCTIONS TO REVISOR OF STATUTES.]

In accordance with Minnesota Statutes 1980, Section 648.36, in the next edition of Minnesota Statutes, the revisor of statutes shall retitle the headnote of section 124.562 to read "[POST-SECONDARY VOCATIONAL MEMBERSHIP]."

Sec. 40. [REPEALER.] *Minnesota Statutes 1980, Sections 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.571; and 275.125, Subdivision 14 are repealed.*

Sec. 41. [APPROPRIATION FOR STUDY.]

There is appropriated from the general fund to the legislative coordinating commission for expenditures pursuant to sections 35 to 38 of this article:

\$25,000 1982

\$25,000 1983.

Any unexpended funds remaining from the appropriations in this section for 1982 shall not cancel and shall be available until June 30, 1983.

Sec. 42. [DEFICIENCY APPROPRIATION; ADULT VOCATIONAL EDUCATION.] *The sum of \$0 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1982, for the payment of a deficiency in funds available for adult vocational education aid for fiscal year 1981. This appropriation shall be added to the amounts appropriated for adult vocational education aid for fiscal year 1981 in Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9.*

Sec. 43. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.] For post-secondary vocational instructional aid there is appropriated:

\$53,900,000 1982,

\$55,363,800 1983.

The appropriation for 1982 includes \$4,870,000 for aid for fiscal year 1981 payable in fiscal year 1982, and \$49,030,000 for aid for fiscal year 1982 payable in fiscal year 1982.

The appropriation for 1983 includes \$5,447,800 for aid for fiscal year 1982 payable in fiscal year 1983 and \$49,916,000 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] *For post-secondary vocational supply aid there is appropriated:*

\$10,600,000 1982,

\$12,300,000 1983.

Subd. 4. [POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.] *For post-secondary vocational support services aid there is appropriated:*

\$22,600,000 1982,

\$24,500,000 1983.

The appropriation for 1982 is based on the assumption that the state will spend for this purpose an amount at least equal to \$6,870,000 in fiscal year 1982 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1983 is based on the assumption that the state will spend for this purpose an amount at least equal to \$6,870,000 in fiscal year 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The amount appropriated in this subdivision shall not be used for any special vocational systemwide support service program or project.

Subd. 5. [POST-SECONDARY VOCATIONAL EQUIPMENT AID.] *For post-secondary vocational equipment aid there is appropriated:*

\$ 9,900,000 1982,

\$10,800,000 1983.

This appropriation is based on the assumption that the state will spend for the purposes for which post-secondary vocational equipment aid is paid an amount equal to \$500,000 in each fiscal year of the 1982-1983 biennium of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 6. [POST-SECONDARY VOCATIONAL REPAIR AND BETTERMENT AID.] *For post-secondary vocational repair and betterment aid there is appropriated:*

\$1,400,000 1982,

\$1,400,000 1983.

Subd. 7. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] *For post-secondary vocational debt service aid there is appropriated:*

\$7,731,000 1982,

\$7,600,100 1983.

Subd. 8. [ADULT VOCATIONAL EDUCATION AID.] *For adult vocational education aid there is appropriated:*

\$6,851,900 1982,

\$7,102,000 1983.

The appropriation for 1982 includes \$707,600 for fiscal year 1981 payable in fiscal year 1982 of which not to exceed \$20,000 is for necessary travel. This amount also includes \$6,144,300 for fiscal year 1982 payable in fiscal year 1982 of which not to exceed \$198,000 is for necessary travel.

The appropriation for 1983 includes \$682,700 for aid for fiscal year 1982 payable in fiscal year 1983 of which not to exceed \$22,000 is for necessary travel. This amount also includes \$6,419,300 for aid for fiscal year 1983 payable in fiscal year 1983 of which not to exceed \$212,500 is for necessary travel.

None of the amounts appropriated in this subdivision shall be used for any special vocational systemwide support service program or project.

Subd. 9. [ENERGY MANAGEMENT FOR BUILDING OPERATORS.] *For the establishment of adult vocational programs in energy management for building operators, there is appropriated:*

\$ 60,000 1982,

\$120,000 1983.

This aid shall be paid in accordance with section 124.572. The department of education may apply for moneys from other sources to fund programs in energy management for building operators.

Subd. 10. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.] For veteran farmer cooperative training programs there is appropriated:

\$675,100 1982,

\$588,900 1983.

Subd. 11. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573 there is appropriated:

\$24,167,300 1982,

\$24,094,500 1983.

The appropriation for 1982 includes \$2,287,700 for fiscal year 1981 payable in fiscal year 1982 of which not to exceed \$181,625 is for equipment. This amount also includes \$21,879,600 for fiscal year 1982 payable in fiscal year 1982 of which not to exceed \$1,719,000 is for equipment.

The appropriation for 1983 includes \$2,431,000 for fiscal year 1982 payable in fiscal year 1983 of which not to exceed \$191,000 is for equipment. This amount also includes \$21,663,500 for fiscal year 1983 payable in fiscal year 1983 of which not to exceed \$1,689,000 is for equipment.

None of the amounts appropriated in this subdivision shall be used for any special vocational systemwide support service program or project.

Subd. 12. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] For secondary vocational programs for handicapped children pursuant to section 124.574, subdivision 2 there is appropriated:

\$2,452,700 1982,

\$2,529,600 1983.

The appropriation for 1982 includes \$226,900 for fiscal year 1981 payable in fiscal year 1982. This amount also includes

\$2,225,800 for fiscal year 1982 payable in fiscal year 1982. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$300,000 in fiscal year 1982 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1983 includes \$247,300 for fiscal year 1982 payable in fiscal year 1983. This amount also includes \$2,282,300 for fiscal year 1983 payable in fiscal year 1983. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$300,000 in fiscal year 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 13. [CANCELLATION; PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1982 shall cancel and shall not be available for the second year of the biennium. If the appropriation amount attributable to either year for any purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 44. [EFFECTIVE DATES.]

Subdivision 1. Sections 4, 5, 9, 11, 13, 14, 16, 17, 19 and 20 of this article shall be effective the day following final enactment.

Subd. 2. Repair and betterment aid pursuant to section 20 of this article shall be paid to AVTI's starting in fiscal year 1982.

ARTICLE VI

OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1980, Section 3.9278, Subdivision 1, is amended to read:

Subdivision 1. As used in (LAWS 1979, CHAPTER 334, ARTICLE 7) sections 3.9276 to 3.9279, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1980, Section 3.9279, Subdivision 10, is amended to read:

Subd. 10. [VOLUNTARY PARTICIPATION.] Participation by parents and children in early childhood and family education programs shall be voluntary and shall not preclude par-

participation in other state or local programs. *To the extent possible, each school district providing early childhood and family education programs shall seek participation in these programs of minority and economically disadvantaged persons in the same proportion as these groups are represented in the area served by the program. Upon request, the school districts shall report on the success of these efforts to the council on quality education. No school district shall discriminate in providing early childhood and family education programs on the basis of race, religion, sex or ethnic background, and no programs shall be used in whole or in part for religious worship or instruction.*

Sec. 3. Minnesota Statutes 1980, Section 3.9279, Subdivision 12, is amended to read:

Subd. 12. [NEGOTIATED GRANTS.] For the (1979-1980) 1981-1982 and (1980-1981) 1982-1983 school years the council on quality education may fund up to 36 early childhood and family education programs according to the negotiated grants procedure in sections 3.924 to 3.927.

Sec. 4. Minnesota Statutes 1980, Section 123.36, Subdivision 13, is amended to read:

Subd. 13. [PROCEEDS OF SALE OR EXCHANGE.] Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for (ALL) outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

(2) In districts with outstanding bonds, an amount of the proceeds of the sale or exchange sufficient to meet when due all principal and interest payments for outstanding bonds which are not governed by clause (1), may be deposited either in the debt retirement fund or in the capital expenditure fund of the district.

(3) Amounts deposited in the capital expenditure fund pursuant to clause (2) may be used only for the following:

(a) for energy saving improvements to school buildings or their energy-using systems;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to Chapter 299F; or

(d) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b) and (c) shall be deducted from the levy limitation computed for the levy authorized in section 23 of this article in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

(4) Any (REMAINING) proceeds of the sale or exchange remaining in (THESE) districts (OF THE SALE OR EXCHANGE) with outstanding bonds after the application of clauses (1) and (2) and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

((2) NOTWITHSTANDING CLAUSE (1) A DISTRICT WITH OUTSTANDING BONDS WHICH SELLS A BUILDING OR PROPERTY IN ORDER TO PURCHASE A REPLACEMENT, MAY APPLY TO THE COMMISSIONER TO PLACE PROCEEDS OF THE SALE IN ITS CAPITAL EXPENDITURE FUND IN AN AMOUNT NECESSARY TO PURCHASE THE REPLACEMENT; PROVIDED THE DISTRICT PLACES AN AMOUNT IN ITS DEBT RETIREMENT FUND SUFFICIENT TO MEET WHEN DUE THE PRINCIPAL AND INTEREST PAYMENTS FOR ALL OUTSTANDING BONDS ON THE PARTICULAR BUILDING OR PROPERTY WHICH IS SOLD.)

(5) Notwithstanding clause (3), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.

(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time he prescribes on the disposition of the proceeds of the sale or exchange.

Sec. 5. Minnesota Statutes 1980, Section 123.702, Subdivision 1, is amended to read:

Subdivision 1. [SCREENING PROGRAM.] Every school board (SHALL) may provide for a voluntary health and develop-

mental screening program for children once before entering kindergarten. This screening program (SHALL) *may* be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood and family education programs, or by other existing programs. *In order to qualify for state payments for the screening program pursuant to section 123.705, the program shall comply with the requirements of sections 123.701 to 123.705.* No school board may make this screening examination a mandatory prerequisite to enroll a student.

Subd. 1a. [COMPONENTS.] The screening programs shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, (DENTAL ASSESSMENTS,) the review of health history and immunization status (, LABORATORY TESTS) and nutritional and physical assessments. *The school board may also provide additional components, including laboratory tests or dental assessments, in the screening program.* All screening components shall be consistent with the standards of the state commissioner of health for early and periodic screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component. No screening program shall provide laboratory tests, a health history or a physical examination to any child who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months. The school district shall request the results of any laboratory test, health history or physical examination within the 12 months preceding a scheduled screening clinic.

Sec. 6. Minnesota Statutes 1980, Section 123.703, Subdivision 3, is amended to read:

Subd. 3. [REPORT.] The state board of education, in cooperation with the state commissioner of health, shall report to the legislature by February 1 (, 1980,) *of each year* on the results of the screening programs in accomplishing the purposes specified in section 123.701. The report shall include information on the rates of children's participation in screening programs, on districts' costs for implementing the various components of the screening program, and on any exemptions granted from screening requirements because of financial infeasibility.

Sec. 7. Minnesota Statutes 1980, Section 123.705, is amended to read:

123.705 [STATE AID.]

The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed (\$25) \$28 per

child screened in fiscal year (1980) 1982 and (\$27) \$29 per child screened in fiscal year (1981) 1983. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Sec. 8. Minnesota Statutes 1980, Section 123.937, is amended to read:

123.937 [APPROPRIATION.]

There is appropriated annually to the department of education from the general fund of the state treasury the sum of (\$3,250,000) \$4,319,000 for the purposes of sections 123.931 to 123.937. If this amount is not sufficient to make the payments required pursuant to sections 123.931 to 123.937, the amount necessary to make these payments is appropriated from the general fund to the department of education. The amounts appropriated pursuant to this section for the year ending June 30, (1980) 1982 shall not cancel but shall be available for the second year of the biennium.

Sec. 9. Minnesota Statutes 1980, Section 124.245, Subdivision 1, is amended to read:

Subdivision 1. [BASIC COMPUTATION.] ((A) IN THE 1980-1981 SCHOOL YEAR, THE STATE SHALL PAY A SCHOOL DISTRICT THE DIFFERENCE BY WHICH AN AMOUNT EQUAL TO \$80 PER PUPIL UNIT IN THAT SCHOOL YEAR OR, IN DISTRICTS WHERE THE ACTUAL NUMBER OF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1) AND (2), HAS INCREASED FROM THE PRIOR YEAR, \$85 PER PUPIL UNIT IN THAT SCHOOL YEAR, EXCEEDS THE AMOUNT RAISED BY TEN MILLS TIMES THE ADJUSTED ASSESSED VALUATION OF THE TAXABLE PROPERTY IN THE DISTRICT FOR THE PRECEDING YEAR. IN ORDER TO QUALIFY FOR AID PURSUANT TO THIS SECTION IN THE 1980-1981 SCHOOL YEAR, A DISTRICT MUST HAVE LEVIED THE FULL TEN EARC MILLS FOR USE FOR CAPITAL EXPENDITURES IN THAT YEAR PURSUANT TO SECTION 275.125, SUBDIVISION 11A.)

((B)) In the 1981-1982 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$90 per pupil unit in that school year or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this (SECTION) subdivision in any school year, a district must

have levied the full seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

Sec. 10. Minnesota Statutes 1980, Section 124.245, is amended by adding a subdivision to read:

Subd. 1a. [SPECIAL PURPOSE COMPUTATION.] In the 1982-1983 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 23 of this article for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 23 of this article may be used.

Sec. 11. Minnesota Statutes 1980, Section 124.245, Subdivision 2, is amended to read:

Subd. 2. [PUPIL UNITS.] As used in this section, (PUPIL UNITS SHALL INCLUDE ONLY THOSE UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4), (5), (6) AND (7). BEGINNING IN THE 1980-1981 SCHOOL YEAR,) pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) (; PROVIDED THAT NOTWITHSTANDING THE EXPIRATION OF MINNESOTA STATUTES, 1979 SUPPLEMENT, SECTION 124.17, SUBDIVISION 1, CLAUSES (6) AND (7), PUPIL UNITS IDENTIFIED IN THOSE CLAUSES SHALL ALSO BE INCLUDED FOR PURPOSES OF THE COMPUTATION OF CAPITAL EXPENDITURE AID FOR THE 1980-1981 SCHOOL YEAR).

Sec. 12. [124.246.] [CHEMICAL USE PROGRAMS.]

Subdivision 1. [ELIGIBILITY AND PURPOSE.] Each school board which has adopted a comprehensive policy and procedures to minimize chemical use problems among all pupils in the district, and which has submitted them to the department of education, shall be eligible for state aid for the following purposes:

- (a) inservice training for public and nonpublic school staff,*
- (b) prevention programs, including curriculum materials,*
- (c) community and parent awareness programs,*

- (d) *problem identification programs,*
- (e) *referral programs, and*
- (f) *aftercare support programs.*

The programs shall be for pupils in public elementary, secondary and area vocational-technical schools and nonpublic elementary and secondary schools, and their parents, teachers and staff.

Subd. 2. [AID.] An eligible district shall receive \$1 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,000.

Subd. 3. [APPLICATIONS.] A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on the form supplied by the commissioner.

Subd. 4. [ASSISTANCE TO DISTRICTS.] The department of education shall:

(a) continue to provide technical assistance to districts for maintenance and evaluation of prevention programs, for after-care support programs and for improved relationships with community agencies,

(b) continue inservice programs emphasizing identified needs of the districts, and

(c) collect information from districts about prevention, awareness, identification, referral, and aftercare support programs.

Sec. 13. Minnesota Statutes 1980, Section 124.247, Subdivision 3, is amended to read:

Subd. 3. [AID.] A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to (\$30) \$16.25, in the 1981-1982 school year, and \$17.50 in the 1982-1983 school year, times the number of gifted and talented students in the district. No more than (2 1/2) 5 percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 14. Minnesota Statutes 1980, Section 124.247, Subdivision 5 is amended to read:

Subd. 5. [REPORT.] The department of education shall submit a report to the (1981) legislature *by February 1 of each year* evaluating the effectiveness of the education for the gifted and talented act.

Sec. 15. Minnesota Statutes 1980, Section 124.562 is amended by adding a subdivision to read:

Subd. 2a. [CHEMICAL USE PROGRAMS.] *If a pupil is absent from school for the purpose of participating in a chemical abuse treatment program licensed by the state of Minnesota, he may request the school to keep him on the roll in the educational program in which he is enrolled. Upon the pupil's request the school shall keep him on the roll for the educational program in which he is enrolled and that pupil shall be counted in average daily membership, pursuant to section 124.562, subdivision 2, during the period in which he is participating in a treatment program; provided he shall be counted for a period not to exceed 30 consecutive school days. When this pupil returns to school, the school may count additional hours for membership, not to exceed the number of hours for which he was counted while participating in the treatment program or the number of hours per day the pupil is enrolled times 30, whichever is less, if additional hours are needed for the pupil to complete the educational program.*

Sec. 16. Minnesota Statutes 1980, Section 124.646, Subdivision 1, is amended to read:

Subdivision 1. [AID COMPUTATION.] (a) For the (1979-1980) 1981-1982 school year, school districts *participating in the national school lunch program* shall be paid by the state in the amount of (4 9/10) 5.5 cents for each full paid student (TYPE "A") lunch served to students in the district. (b) For the (1980-1981) 1982-1983 school year, school districts *participating in the national school lunch program* shall be paid by the state in the amount of (5 3/10) 5.9 cents for each full paid student (TYPE "A") lunch served to students in the district.

Sec. 17. Minnesota Statutes 1980, Section 134.35, Subdivision 1, is amended to read:

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for (FISCAL YEAR 1980 AND) each fiscal year (THEREAFTER) shall be calculated as provided in this section.

Sec. 18. Minnesota Statutes 1980, Section 134.351, is amended by adding a subdivision to read:

Subd. 5. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any multi-county multi-type library system board shall vest in, and be held in the name of, the multi-county multi-type library system board, and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any multi-county multi-type library system shall be deemed to have been made directly to the multi-county multi-type library system board.

Sec. 19. Minnesota Statutes 1980, Section 134.351 is amended by adding a subdivision to read:

Subd. 6. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any multi-county multi-type library system board is hereby validated, ratified and confirmed as the property of the board.

Sec. 20. Minnesota Statutes 1980, Section 134.351, Subdivision 5, is amended to read:

Subd. (5) 7. [REPORTS.] Each multi-county, multi-type system receiving a grant pursuant to section 134.352 or 134.353 shall provide an annual progress report to the department of education. The department shall report before November 15 of each year to the legislature on all projects funded under sections 134.352 and 134.353.

Sec. 21. Minnesota Statutes 1980, Section 134.36, is amended to read:

134.36 [RULES.]

The state board of education shall promulgate rules as necessary for implementation of any provision of (LAWS 1978, CHAPTER 546) sections 134.30 to 134.353. (TEMPORARY RULES MAY BE ADOPTED TO IMPLEMENT LAWS 1978, CHAPTER 546 IN COMPLIANCE WITH THE PROVISIONS OF SECTION 15.0412, SUBDIVISION 5, EXCEPT THAT THESE RULES MAY BE EFFECTIVE FOR UP TO 300 DAYS.)

Sec. 22. Minnesota Statutes 1980, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] ((A) IN 1979, A SCHOOL DISTRICT MAY LEVY AN AMOUNT NOT TO EXCEED THE AMOUNT EQUAL TO \$80 PER PUPIL UNIT OR, IN DISTRICTS WHERE THE ACTUAL NUMBER

OF PUPIL UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1) AND (2), HAS INCREASED FROM THE PRIOR YEAR, \$85 PER PUPIL UNIT. FOR PURPOSES OF COMPUTING ALLOWABLE LEVIES UNDER SECTION 275.125, PUPIL UNITS SHALL INCLUDE ONLY THOSE UNITS IDENTIFIED IN SECTION 124.17, SUBDIVISION 1, CLAUSES (1), (2), (4), AND (5). NO LEVY UNDER THIS CLAUSE IN 1979 SHALL EXCEED TEN MILLS TIMES THE ADJUSTED ASSESSED VALUATION OF THE TAXABLE PROPERTY IN THE DISTRICT FOR THE PRECEDING YEAR, NOTWITHSTANDING THE PROVISIONS OF SECTIONS 272.64 AND 275.49.)

((B)) (a) (IN 1980 AND) Each year (THEREAFTER,) a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or (,) *\$95 per pupil unit* in districts where the actual number of pupil units identified in section 124.-17, subdivision 1, clauses (1) and (2), has increased from the prior year (, \$95 PER PUPIL UNIT). In 1980 and each year thereafter, no levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year (, NOTWITHSTANDING THE PROVISIONS OF SECTIONS 272.64 AND 275.49).

((C)) (b) The proceeds of the tax may be used only to acquire land, to equip and (REEQUIP) *re-equip* buildings and permanent attached fixtures, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116H.126, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10.

((D)) (c) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for

the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

((E)) (d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

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

Sec. 23. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy saving improvements to school buildings or their energy-using systems;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to Chapter 299F.

Sec. 24. Minnesota Statutes 1980, Section 375.335 is amended by adding a subdivision to read:

Subd. 4. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created shall vest in, and be held in the name of, the regional library board or regional public library system board, and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any regional library or public library system shall be deemed to have been made directly to the regional public library system board.

Sec. 25. Minnesota Statutes 1980, Section 375.335 is amended by adding a subdivision to read:

Subd. 5. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created is hereby validated, ratified and confirmed as the property of the board.

Sec. 26. Minnesota Statutes 1980, Section 375.335, Subdivision 4, is amended to read:

Subd. (4) 6. [RATIFICATION.] Any multicounty regional library heretofore created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to (4) 6 shall hereafter apply to (SAID) these libraries.

Sec. 27. [GRANTS FOR COOPERATIVE AGREEMENTS BETWEEN SECONDARY SCHOOLS.] *For the 1981-1982 and 1982-1983 school year, the department of education may make grants to school districts for the study, evaluation and start-up costs involved in developing an agreement pursuant to any law which permits the discontinuance in a district of grades or a portion of grades and which affects any of grades 7 through 12.*

Sec. 28. [REPEALER.] *Minnesota Statutes 1980, Section 3.9279, Subdivision 13 is repealed.*

Sec. 29. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS.] For health and developmental screening programs pursuant to sections 123.701 to 123.705, there is appropriated:

\$ 974,100 1982,

\$1,025,200 1983.

Subd. 3. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,751,000 1982,

\$2,988,000 1983.

Subd. 4. [EMERGENCY AID.] For emergency aid pursuant to section 124.24, there is appropriated:

\$50,000 1982.

Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 5. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$700,000 1982,

\$500,000 1983.

Any unexpended balance remaining from the appropriation in this subdivision for 1983 may be expended for special purpose capital expenditure equalization aid pursuant to section 10 of this article.

Subd. 6. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] For special purpose capital expenditure equalization aid pursuant to section 10 of this article, there is appropriated:

\$253,900 1983.

Any unexpended balance remaining from the appropriation in this subdivision may be expended in 1983 for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 7. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$1,104,500 1982,

\$1,199,500 1983.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$100,409 per ECSU as defined in section 123.58 in fiscal year 1982 and \$109,045 per ECSU in fiscal year 1983; provided however that the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall receive \$200,818 in fiscal year 1982 and \$218,090 in fiscal year 1983 for general operations.

Subd. 8. [SCHOOL LUNCH AID.] For school lunch aid pursuant to section 124.646 there is appropriated:

\$3,838,200 1982,

\$4,085,500 1983.

Any unexpended balance remaining from the appropriations in this subdivision may be expended, in addition to the amounts appropriated in subdivision 9 of this section, for food storage and transportation costs for U.S.D.A. donated commodities.

Subd. 9. [FOOD STORAGE AND TRANSPORTATION.] For food storage and transportation costs for U.S.D.A. donated commodities there is appropriated:

\$765,300 1982,

\$880,100 1983.

Subd. 10. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247, there is appropriated:

\$588,300 1982,

\$639,600 1983.

Subd. 11. [CHEMICAL USE PROGRAMS.] For aid for chemical dependency programs authorized pursuant to section 12 of this article there is appropriated:

\$988,400 1982,

\$972,900 1983.

Subd. 12. [GRANTS FOR COOPERATIVE AGREEMENTS BETWEEN SECONDARY SCHOOLS.] For grants for cooperative agreements between secondary schools pursuant to section 27 of this article there is appropriated:

\$90,000 1982,

\$90,000 1983.

Subd. 13. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to sections 3.925 and 3.926, there is appropriated:

\$600,000 1982,

\$600,000 1983.

Any unexpended balance remaining from the appropriations in this subdivision for 1982 shall not cancel and shall be available for the second year of the biennium.

Subd. 14. [EARLY CHILDHOOD AND FAMILY EDUCATION.] *For early childhood and family education programs pursuant to section 3.9279, there is appropriated:*

\$1,767,000 1982,

\$1,767,000 1983.

Any unexpended balance remaining from the appropriations in this subdivision for 1982 shall not cancel and shall be available for the second year of the biennium.

Subd. 15. [BASIC SUPPORT GRANTS.] *For grants pursuant to sections 134.32 to 134.35 and 134.36 for the provision of library services, there is appropriated:*

\$3,943,200 1982,

\$4,282,300 1983.

Subd. 16. [MULTI-COUNTY LIBRARY SYSTEMS.] *For grants pursuant to sections 134.352 and 134.353 to multi-county, multi-type library systems, there is appropriated:*

\$182,500 1982,

\$182,500 1983.

Subd. 17. [CANCELLATION AND PRORATION.] *Except as provided in subdivisions 4, 8, 13 and 14, any unexpended balance remaining from the appropriations in this section for 1982 shall cancel and shall not be available for the second year of the biennium. Except as provided in subdivisions 5 and 6, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.*

Sec. 30. [EFFECTIVE DATE.]

Subdivision 1. *Sections 4, 18, 19, 24 and 25 of this article shall be effective the day following final enactment.*

Subd. 2. Section 4, clause (5) shall apply to the proceeds of the sale of any building after June 30, 1980, and any district affected by this provision which placed sale proceeds in its debt retirement fund may transfer the appropriate amount of the proceeds from the debt retirement fund to the capital expenditure fund.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1980, Section 121.906, Subdivision 2, is amended to read:

Subd. 2. There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. *Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.*

Sec. 2. Minnesota Statutes 1980, Section 121.906, Subdivision 3, is amended to read:

Subd. 3. Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year (DESIGNATED AT THE TIME OF THE ISSUANCE OF THE ORDER) *in which the liability is incurred.*

Sec. 3. Minnesota Statutes 1980, Section 121.912, Subdivision 1, is amended to read:

Subdivision 1. No school district shall permanently transfer money from an operating fund to a nonoperating fund except as provided in this subdivision. Permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or of a substantial portion of the fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner; provided, the levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Permanent transfers may be made from the general fund to the capital expenditure fund of a post-secondary vocational-technical school in the amount and for the purposes authorized by the state board for vocational education in approving the school's budget pursuant

to section 124.561; provided, the state board shall not approve any permanent transfer for the purpose of an acquisition or betterment of lands or buildings or a capital improvement which requires the expenditure of an amount equal to or greater than \$50,000, which changes the perimeter walls of an existing facility, which adds more than 1,000 square feet to a post-secondary vocational facility, or which requires the issuance of school district bonds; provided further, the state board shall not approve the permanent transfer for any other purpose of any amount which exceeds \$150,000.

Sec. 4. Minnesota Statutes 1980, Section 122.22, Subdivision 3, is amended to read:

Subd. 3. A resolution adopted pursuant to subdivision 2(a) shall contain findings of necessary jurisdictional facts and shall set a date for hearing. *The hearing shall be not less than (TEN) 20 nor more than 60 days from the date of the resolution.*

Sec. 5. Minnesota Statutes 1980, Section 122.22, Subdivision 4, is amended to read:

Subd. 4. A petition executed pursuant to subdivision 2(b) shall be filed with the auditor (AND). *It shall contain the following:*

(a) A statement that petitioners desire proceedings instituted leading to dissolution of the district and other provisions made for the education of the inhabitants of the territory and that petitioners are eligible voters, as defined in section 123.32, subdivision 1a, of the district (.) ;

(b) An identification of the district (.) ; *and*

(c) The reasons supporting the petition which may include recommendations as to disposition of territory to be dissolved. The recommendations are advisory in nature only and are not binding on any petitioners or county board for any purpose.

((D)) The persons circulating the petition shall attach their affidavit swearing or affirming that the persons executing the petition are eligible voters, as defined in section 123.32, subdivision 1a, of the district and that they signed in the presence of one of the circulators.

((E)) The auditor shall present the petition to the county board at its next meeting. At that meeting, the county board shall determine a date for a hearing. *The hearing shall be not less than (TEN) 20 nor more than 60 days from the date of that meeting.*

Sec. 6. Minnesota Statutes 1980, Section 122.22, Subdivision 5, is amended to read:

Subd. 5. Certification executed pursuant to subdivision 2(c) shall be filed with the auditor (AND). *It shall contain the following:*

- (a) A copy of the resolution initiating the election (.) ;
- (b) A copy of the notice of election with an affidavit of publication or posting (.) ;
- (c) The question voted on (.) ;
- (d) The results of the election by number of votes cast for and number against the question (.) ; *and*
- (e) If an advisory ballot is taken on annexation, the question voted on and number of ballots cast for and against the proposal.

The auditor shall present the certification to the county board at its next meeting. At that meeting, the county board shall determine a date for a hearing. *The hearing shall be not less than (TEN) 20 nor more than 60 days from the date of that meeting.*

Sec. 7. Minnesota Statutes 1980, Section 122.22, is amended by adding a subdivision to read:

Subd. 7a. Before the day of a hearing ordered pursuant to this section, each district adjoining the district proposed for dissolution shall provide the following information and resolution to the county auditor of the county containing the greatest land area of the district proposed for dissolution:

- (a) *The outstanding bonded debt of the district;*
- (b) *The assessed valuation of the district;*
- (c) *The most most current school tax rates for the district, including any referendum, discretionary, or other optional levies being assessed currently and the expected duration of the levies;*
- (d) *A resolution passed by the school board of the district stating that if taxable property of the dissolved district is attached to it, one of the following requirements is imposed: (1) the taxable property of the dissolving district which is attached to its district shall not be liable for the bonded debt of the district which existed as of the time of the attachment; (2) the taxable property of the dissolving district which is attached to its district shall be liable for the payment of the bonded debt of the district which existed as of the time of the attachment in the proportion which the assessed valuation of that part of the dissolving district which is included in the newly enlarged district bears to the assessed valuation of the entire district as of*

the time of attachment; or (3) the taxable property of the dissolving district which is attached to its district shall be liable for some specified portion of the amount that could be requested pursuant to subclause (2).

An apportionment pursuant to subclause (2) or (3) shall be made by the county auditor of the county containing the greatest land area of the district proposed for transfer.

An apportionment of bonded indebtedness pursuant to subclause (2) or (3) shall not relieve any property from any tax liability for payment of any bonded obligation, but taxable property in a district enlarged pursuant to this section becomes primarily liable for the payment of the bonded debt to the extent of the proportion stated.

Sec. 8. Minnesota Statutes 1980, Section 122.22, Subdivision 8, is amended to read:

Subd. 8. Within 90 days of the date set for the original hearing or within 30 days of the termination of a consolidation proceeding which stays the order under subdivision 7, the county board may issue its order:

(a) Dismissing the proceedings (.) ; or

(b) (INTERLOCUTORY IN CHARACTER, PROPOSING) *Providing for the dissolution of the district and the annexation of the territory to adjoining districts, or the entire district as a unit may be attached to and become part of a district which maintains a secondary school located within the same high school area (, AND) if there is no intervening district maintaining a secondary school.*

((C)) If no order is issued within the limited time, the proceedings are dismissed.

If an order is issued pursuant to clause (b) the order is a final order, unless an election on the order is required pursuant to subdivision 11.

Sec. 9. Minnesota Statutes 1980, Section 122.22, Subdivision 9, is amended to read:

Subd. 9. An (INTERLOCUTORY) order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the (DISSOLUTION OF THE) district is (PROPOSED.) *dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;*

(b) A description (,) by words or plat or both showing (PROPOSED) *the* disposition of territory in the district to be dissolved (.) ;

(c) The outstanding bonded debt of the district to be dissolved (.) ;

(d) *A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding pre-existing bonded indebtedness by any territory from the dissolving district which is attached to it;*

(e) (A PROPOSED) An effective date (OF) for the order. The effective date shall be at least three months after the date of the order, and shall be July 1 of an odd-numbered year (.) ; *and*

((E)) (f) (SUCH) Other information (AS) the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the (INTERLOCUTORY) order by mail upon the clerk of the district (PROPOSED FOR DISSOLUTION) *to be dissolved* and upon the clerk of each district to which (IT IS PROPOSED TO ATTACH ANY TERRITORY BY) the order *attaches any territory of the district to be dissolved* and upon the auditor of each other county in which all or any part of the district (PROPOSED FOR DISSOLUTION) *to be dissolved* or any district to which (IT IS PROPOSED TO ATTACH) *the order attaches* territory lies, and upon the commissioner.

Sec. 10. Minnesota Statutes 1980, Section 122.22, Subdivision 11, is amended to read:

Subd. 11. If the proceedings were instituted by petition, under subdivision 2(b), or by election, under subdivision 2(c) and an advisory recommendation was made in the petition or an advisory ballot taken at the election, as to annexation requested, and if the (INTERLOCUTORY) order makes a different provision for annexation than requested, then the (INTERLOCUTORY) order must be approved by a majority of those voting on the question at an election to be called in the district to be dissolved, under subdivision 13 (,) . The question voted on shall be:

"Shall the (INTERLOCUTORY) order of the county board of county, dated (PROPOSING) *providing for the dissolution of this school district be approved?*" Yes No

Sec. 11. Minnesota Statutes 1980, Section 122.22, Subdivision 13, is amended to read:

Subd. 13. If an election is required under subdivision 11 (OR 12), then (UPON) *before* the expiration of (THE) a 45 day

period (ALLOWED IN SUBDIVISION 10 OR UPON RECEIPT OF A DEMAND FOR ELECTION ON THE QUESTION OF DEBT ASSUMPTION FROM EACH DISTRICT TO WHICH IT IS PROPOSED TO ATTACH TERRITORY, WHICHEVER IS SOONER) *after the date of the order for dissolution and attachment*, the auditor shall (FORTHWITH) set a date and call the election by filing a written order therefor (,) and serving a copy thereof personally or by mail on the clerk of the district in which the election is to be held (, WHICH). *The date shall be not less than 15 nor more than 30 days after the date of the order, upon which date a special election shall be held in the district proposed for dissolution. The auditor shall cause notice of (SUCH) the election to be posted and published according to law. Upon receipt of (SUCH) the notice, the board shall conduct the election.*

Sec. 12. Minnesota Statutes 1980, Section 122.22, Subdivision 14, is amended to read:

Subd. 14. The results of (EACH) *the* election shall be certified by the board to the auditor. If a majority of all votes cast on (EACH) *the* question at the election approve the (INTERLOCUTORY) order (AND FAVOR THE ASSUMPTION OF THE DEBT), the (INTERLOCUTORY) order becomes final and effective as of the date specified in the order. Each person served with the (INTERLOCUTORY) order shall be so notified. *If a majority of all votes cast on the question disapprove the order, the proceedings are dismissed, and the order becomes void.*

Sec. 13. Minnesota Statutes 1980, Section 122.22, Subdivision 20, is amended to read:

Subd. 20. If the dissolved district is not divided by the order of dissolution and attachment, all of its current assets and liabilities, real and personal, and all its legally valid and enforceable claims and contract obligations shall pass to the district to which it is attached, except as provided in section 122.532. If the district to be dissolved is divided by the (INTERLOCUTORY) order of dissolution and attachment, the commissioner shall, within 30 days after the (INTERLOCUTORY) order is issued, issue (HIS) *an* order for the distribution of its current assets and liabilities, real and personal. If the commissioner's order provides for the transfer of an interest in real estate to a district, this order may also impose a dollar amount as a claim against that district in favor of other districts, and this claim shall be paid and enforced in the manner provided by law for the payment of judgments against a district. The obligations of districts to the teachers employed by the dissolved district shall be governed by the provisions of section 122.532.

Sec. 14. Minnesota Statutes 1980, Section 123.35, Subdivision 15, is amended to read:

Subd. 15. When payment of a claim cannot be deferred until the next board meeting without loss to the district of a discount privilege, *or when payment of a claim cannot be deferred until the next board meeting because of contract terms, purchase order terms, or a vendor's standard terms which are part of the contract*, the claim may be paid prior to board approval, providing that the board:

(a) Has delegated authority to the clerk or a designated business administrator to make a payment prior to board approval and

(b) Requires that payment made prior to board approval be acted upon at the next board meeting.

Payment prior to board approval shall not affect the right of the district or a taxpayer to challenge the validity of a claim.

Sec. 15. Minnesota Statutes 1980, Section 124.14, Subdivision 3, is amended to read:

Subd. 3. The commissioner shall (REQUIRE THAT THE MEMBERSHIP AND PUPIL UNIT COUNT OF A MINIMUM OF 25 SCHOOL DISTRICTS BE AUDITED EACH FISCAL YEAR. THE AUDITS SHALL BE CONDUCTED AT RANDOM THROUGHOUT THE STATE WITH NO PRIOR NOTICE TO ANY DISTRICT. AT THE TIME OF EACH AUDIT, THE AUDITORS SHALL ALSO EXAMINE THE APPROPRIATE FACTORS THAT RELATED TO THE DETERMINATION OF THE AUTHORIZED TRANSPORTATION COSTS AND AIDS FOR THAT DISTRICT. IN DISTRICTS WHERE A POST-SECONDARY VOCATIONAL-TECHNICAL SCHOOL IS LOCATED, THE AUDIT SHALL INCLUDE AN AUDIT OF THE MEMBERSHIP OF THAT SCHOOL. DISPARITIES BETWEEN MEMBERSHIP AND PUPIL UNIT COUNTS OR TRANSPORTATION DATA REPORTED BY THE SCHOOL DISTRICTS AND THOSE FOUND BY THE AUDITORS SHALL BE REPORTED TO THE COMMISSIONER WHO SHALL ORDER AN INCREASE OR REDUCTION OF FOUNDATION OR TRANSPORTATION AIDS ACCORDINGLY.) *establish procedures for conducting and shall conduct audits of school district records and files for the purpose of verifying school district pupil counts, levy limitations, and aid entitlements. The commissioner shall establish procedures for selecting and shall select districts to be audited. Disparities, if any, between pupil counts, levy limitations, or aid entitlements determined by audit of school district records and files and data reported by school districts in reports, claims and other documents shall be reviewed by the commissioner who shall order increases or decreases accordingly. Whenever possible, the commissioner shall audit at least 25 districts each year pursuant to this subdivision.*

Sec. 16. Minnesota Statutes 1980, Section 124.14, is amended by adding a subdivision to read:

Subd. 3a. If the commissioner audits fewer than 25 school districts in a fiscal year pursuant to subdivision 3, the commissioner shall report the reasons for the number audited to the following legislative committees: house education, house appropriations, senate education, and senate finance.

Sec. 17. Minnesota Statutes 1980, Section 124.14, Subdivision 4, is amended to read:

Subd. 4. A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district (ARE) shall be open to inspection by the state auditor, (OR) the state board, or the commissioner for the purpose of audits conducted under this section.

Sec. 18. Laws 1967, Chapter 822, Section 1, as amended by Laws 1969, Chapter 945, Section 1; and Laws 1971, Chapter 145, Section 1, is amended to read:

Section 1. [HENNEPIN AND WRIGHT COUNTY SCHOOL DISTRICTS; SPECIAL EDUCATION AND DRIVER TRAINING.] Two or more of the independent school districts numbered 270, 271, 272, 273, (274, 275,) 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286, Hennepin county, 879, Hennepin and Wright counties, and 883, Wright county, whether or not contiguous, may enter into agreements to accomplish jointly and cooperatively the acquisition, betterment, construction, maintenance, and operation of area vocational-technical schools and the provision of facilities for and instruction in special education, and driving of motor vehicles. Each school district which becomes a party to such an agreement is hereinafter referred to as a "participating school district." The agreement may provide for the exercise of such powers by the school board of one of the school districts on behalf of and for the benefit of other school districts, or by a joint school board created as set forth in this act. If the powers are to be carried out by one of the school districts, it shall in doing so have the same powers and duties and be subject to the same limitations as are herein provided for joint school boards.

Sec. 19. [APPLICABILITY.] *On its effective date, section 18 applies to Independent School District No. 270, Hopkins, and to the Joint School District No. 287, Suburban Hennepin, formed pursuant to Laws 1967, Chapter 822, as amended.*

Sec. 20. [EXPERIMENTAL SCHOOL.] *Subdivision 1. [PURPOSE.] It is the intention of the legislature of the state*

of Minnesota not to extend the experimental school at Pine Point. The experiment has been successful in demonstrating the need for community based American Indian education programs. However, due to the small number of students participating in the program, the school is unable to be fiscally solvent under the current foundation program.

Subd. 2. [PARK RAPIDS.] *The boundaries of Independent School District 309, Park Rapids, shall return on July 1, 1981, to the boundaries that were in effect on July 1, 1970, and the care, management and control of the experimental school shall be resumed by the school board of Independent School District No. 309.*

Subd. 3. [CONTINUATION OF SCHOOL.] *The legislature strongly encourages either Independent School District No. 309 or the White Earth Reservation Business Committee to continue operation of a school at Pine Point.*

Subd. 4. [ASSETS.] *All parties having a legally valid and enforceable financial interest in the Pine Point Experimental School shall negotiate with the board of Independent School District 309 to distribute the assets of the Pine Point Experimental School. The department of education shall also participate in these negotiations.*

Subd. 5. [APPROPRIATION.] *The sum of \$50,000 is appropriated to the department of education for the purpose of settling the outstanding debts of the Pine Point Experimental School. This sum shall be expended in a manner specified in an agreement reached pursuant to subdivision 4 and with the approval of the governor after consultation with the legislative advisory commission in the manner specified in section 3.30. The governor shall not approve payment of any funds appropriated in this section until an agreement is reached pursuant to subdivision 4.*

Sec. 21. [REPEALER.]

Minnesota Statutes 1980, Section 122.22, Subdivisions 10, 12, 15, and 16; and 123.40, Subdivision 5, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Subdivision 1. *Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 of this article shall be effective the day following final enactment.*

Subd. 2. *Section 18 of this article is effective on the day of compliance with Minnesota Statutes, Section 645.021, Subdivision 3.*

ARTICLE VIII

TEACHER MOBILITY

Section 1. Minnesota Statutes 1980, Section 125.60, Subdivision 2a, is amended to read:

Subd. 2a. Any school board which denies a request for an extended leave of absence pursuant to this section shall report this denial and the reasons therefor to the commissioner within 30 days. Prior to February 1 (, 1979 AND) each year (THERE-AFTER), the commissioner shall file a written report with the education committees of the legislature on any denials reported pursuant

Sec. 2. Minnesota Statutes 1980, Section 125.60, Subdivision 7, is amended to read:

Subd. 7. No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish deadlines and procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision (WITHIN THE LIMITS OF THE APPROPRIATION FOR THE PURPOSES OF SECTIONS 354.094 AND 354A.091). *Each application shall state whether or not the teacher requesting the extended leave of absence pursuant to this section intends to pay the employee contribution and requests state payment of the employer contribution into the teacher's retirement fund pursuant to section 354.094 or 354A.091 in order to receive retirement service credit for years spent on leave. The commissioner shall approve no more than 300 applications for extended leaves beginning in the 1981-1982, 1982-1983 and 1983-1984 school years for teachers who intend to pay employee contributions and request state payment of employer contributions.*

If more applications are received than can be approved within this limit, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods.

The commissioner shall not approve any applications for extended leaves beginning in the 1984-1985 or any subsequent school year for teachers who intend to pay employee contributions and request state payment of employer contributions. There is no limit on the number of applications which may be approved for extended leaves for teachers who do not intend to pay employee contributions or who do not request state payment of employer contributions.

Sec. 3. Minnesota Statutes 1980, Section 125.611, Subdivision 1, is amended to read:

Subdivision 1. For purposes of this section, "teacher" means a teacher as defined in section 125.03, subdivision 1, who:

(a) is employed in the public elementary, secondary or area vocational-technical schools in the state (, WHO) and

(b) either

(1) (i) has not less than 15 total years of full time teaching service in elementary, secondary and area vocational-technical schools, and

(ii) (WHO) has or will have attained the age of 55 years but less than 65 years as of the June 30 in the school year during which an application for an early retirement incentive is made, or

(2) has not less than 30 total years of full time teaching service in elementary, secondary and area-vocational-technical schools.

Sec. 4. Minnesota Statutes 1980, Section 125.611, Subdivision 3, is amended to read:

Subd. 3. A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of his services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before (JUNE) February 1 of the school year at the end of which the teacher wishes to retire, and shall be submitted on the form established by the commissioner of education for this purpose.

Sec. 5. Minnesota Statutes 1980, Section 125.611, Subdivision 5 is amended to read:

Subd. 5. If the school board approves the teacher's application, the board shall apply to the commissioner of education for authorization to enter into a contract with the teacher for termination of his services and payment of an early retirement incentive. The school board's application shall be submitted on the form required by the commissioner and must be received by the commissioner by the (JULY) March 15 immediately following the school board's approval of the teacher's application. The commissioner of education shall establish procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision (WITHIN THE LIMITS OF THE APPROPRIATION FOR THE PURPOSES

OF THIS SECTION). *The commissioner shall approve no more than 500 applications for early retirement incentives for teachers retiring at the end of each school year.*

If more applications are received than can be approved within this limit, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods.

Applications pursuant to this subdivision shall include the annual salaries which would be paid to the teachers for whom the applications are made if they did not retire and any other information required by the commissioner of education.

Sec. 6. Minnesota Statutes 1980, Section 125.611, Subdivision 8, is amended to read:

Subd. 8. An eligible teacher (WHO IS OR WILL BE 55 YEARS OF AGE AS OF THE END OF THE SCHOOL YEAR DURING WHICH AN APPLICATION FOR AN EARLY RETIREMENT INCENTIVE IS MADE AND ACCEPTED) shall receive an early retirement incentive in the amount of \$10,000. This amount shall be reduced by \$500 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,500 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 7. Minnesota Statutes 1980, Section 125.611, Subdivision 9, is amended to read:

Subd. 9. Notwithstanding the provisions of subdivision 8, an eligible teacher (WHO WISHES TO RETIRE AT THE END OF THE 1979-1980, 1980-1981, OR 1981-1982 SCHOOL YEAR,) who is employed by a school district which is implementing a desegregation plan ordered by federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 7, shall receive an early retirement incentive in the amount of \$15,000. This amount shall be reduced by \$750 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$2,250 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 8. Minnesota Statutes 1980, Section 125.611, Subdivision 10, is amended to read:

Subd. 10. The early retirement incentive shall be paid by the employing school district at the time and in the manner mutually agreed upon by a teacher and the board. The state shall (REIMBURSE THE DISTRICT FOR 50 PERCENT OF ANY AMOUNT OR AMOUNTS PAID OUT AS AN EARLY RETIREMENT INCENTIVE PURSUANT TO THIS SECTION) *pay the district 50 percent of the authorized early retirement incentive grant on or before the September 1 immediately following the commissioner's approval of the teacher's application. For those applications which were approved prior to September 15, 1980, the state shall pay the districts any remaining state obligation on those grants by September 1, 1981. An early retirement incentive shall not be paid to any teacher who is discharged by a school district.*

Sec. 9. Minnesota Statutes 354.094, Subdivision 1, is amended to read:

Subdivision 1. If a member is granted an extended leave of absence pursuant to section 125.60 or 136.88, *except as provided in section 10 of this article* 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. *Except as provided in section 10 of this article*, 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. 10. Minnesota Statutes 1980, Section 354.094, is amended by adding a subdivision to read:

Subd. 1a. *Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose applications for extended leaves are approved by the commissioner of education after September 15, 1980:*

(a) *Only a member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1;*

(b) *The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave;*

(c) A member whose approved application states the intention to pay employee contributions into the fund but does not request state payment of employer contributions or who is in the fourth or fifth year of a leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and his employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 11. Minnesota Statutes 1980, 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) whose employee and employer contributions are paid into the fund pursuant to subdivision 1 and section 10 of this article shall retain membership in the association for as long as (HE CONTINUES TO PAY EMPLOYEE) the contributions are paid, 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. 12. Minnesota Statutes 1980, Section 354.094, Subdivision 3, is amended to read:

Subd. 3. A member on extended leave of absence pursuant to section 125.60 or 136.88 who does not pay employee contributions or whose employer contribution is not paid 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 or employer 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 member or his employer under section 125.60 or 136.88.

Sec. 13. Minnesota Statutes 1980, 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; *provided he shall not approve more than 55 total applications pursuant to this section and section 354A.094 for participation in the fund*

in any fiscal year. If more applications are received than can be approved within this limit, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. 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. 14. Minnesota Statutes 1980, Section 354A.091, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, *except as provided in section 15 of this article* an elementary, secondary or area vocational-technical school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60 shall be entitled to receive allowable service credit in the applicable association for each year of leave. To obtain the service credit, the teacher on extended leave shall make an employee contribution to the applicable association each year during the period of the leave. The extended leave period for which a teacher shall be entitled to receive allowable service credit pursuant to this section shall not exceed the leave duration maximum set forth in section 125.60, subdivision 2. If the teacher on extended leave makes the employee contribution pursuant to this section during a leave of absence year, *except as provided in section 15 of this article* the state shall make an employer contribution on behalf of the teacher to the applicable association for that year. 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 leave. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of the fiscal year for which service credit is to be obtained, and payment of the employer contribution shall be made by the state within 30 days of notification by the association of receipt of the required employee contribution. No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Sec. 15. Minnesota Statutes 1980, Section 354A.091, is amended by adding a subdivision to read:

Subd. 1a. Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose applications for extended leaves are approved by the commissioner of education after September 15, 1980:

(a) Only a member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave;

(c) A member whose approved application states the intention to pay employee contributions to the applicable association but does not request state payment of employer contributions or who is in the fourth or fifth year of a leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and his employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 16. Minnesota Statutes 1980, Section 354A.091, Subdivision 2, is amended to read:

Subd. 2. A teacher on extended leave pursuant to section 125.60 (WHO MAKES) whose employee and employer contributions are made to the applicable teachers retirement fund association pursuant to subdivision 1 and section 15 of this article shall retain membership in the association for each year during which the (TEACHER CONTINUES TO MAKE EMPLOYEE) contributions are made, under the same terms and conditions as if the teacher had continued to teach in the district.

Sec. 17. Minnesota Statutes 1980, Section 354A.091, Subdivision 3, is amended to read:

Subd. 3. A teacher on extended leave pursuant to section 125.60 who does not make employee contributions or whose employer contribution is not made to the applicable teachers retirement fund association in any year shall be deemed to have ceased to be an active member of the association and to have ceased to render teaching services beginning in that year for purposes of this chapter and the articles of incorporation and bylaws of the association, and may not pay employee or employer 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 or his employing school district under section 125.60.

Sec. 18. Minnesota Statutes 1980, Section 354A.094, Subdivision 9, is amended to read:

Subd. 9. A district shall not assign a teacher to a part time teaching position qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association 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 AMOUNTS APPROPRIATED FOR THE PURPOSE OF THIS SECTION), the commissioner of education shall approve or disapprove the applications from districts for authorization to assign teachers to part time teaching positions qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section; *provided he shall not approve more than 55 total applications pursuant to this section and section 354.66 for participation in the fund in any fiscal year. If more applications are received than can be approved within this limit, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment, or any combination of these methods.*

Sec. 19. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [EXTENDED LEAVES OF ABSENCE.] *To meet the state's obligation prescribed in Minnesota Statutes 1980, Sections 354.094 and 354A.091, there is appropriated:*

\$1,025,200 1982,

\$1,574,300 1983.

Subd. 3. [PART-TIME TEACHING.] *To meet the state's obligation prescribed in Minnesota Statutes 1980, Sections 354.-66 and 354A.094, there is appropriated:*

\$ 69,900 1982,

\$ 75,500 1983.

Subd. 4. [EARLY RETIREMENT INCENTIVES.] *To meet the state's obligation prescribed in Minnesota Statutes 1980, Section 125.611, there is appropriated:*

\$2,191,400 1982,

\$1,805,000 1983.

Subd. 5. [NON-CANCELLATION; FUNDING RESTRICTION.] *Any unexpended balance remaining from the appropriations in this section for fiscal year 1982 shall not cancel but shall be available for the second year of the biennium. Notwithstanding the provisions of Minnesota Statutes 1980, Sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1980, Sections 354.094, 354.66, 354A.091, and 354A.094 shall not be financed out of standing appropriations for the state's obligations pursuant to Minnesota Statutes 1980, Chapter 354 or 354A.*

Subd. 6. [TRANSFER AUTHORITY.] *If any appropriation for any year in subdivision 2, 3 or 4 exceeds the amount needed to pay the state's obligation for that year under that subdivision, then the excess amount may be used to make payments for that year pursuant to another subdivision.*

Sec. 20. [EFFECTIVE DATE.] *Sections 1, 2, 3, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 of this article shall be effective the day following final enactment. Section 5 of this article shall be effective the day following final enactment except that the amendment changing the application deadline from July 15 to March 15 shall be effective August 1, 1981.*

ARTICLE IX

MAXIMUM EFFORT SCHOOL AID

Section 1. Minnesota Statutes 1980, Section 124.38, Subdivision 7 is amended to read:

Subd. 7. "Maximum effort debt service levy" means the lesser of:

(1) A levy in a total dollar amount computed as (15) 16 mills on the adjusted assessed value; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5-1/2 mills on the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan; or

(d) In any school district *granted a* (WHICH HAS AN OUTSTANDING) capital loan *between July 1, 1977 and the effective date of this section of this article*, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4; or

(e) *In any school district granted a debt service or capital loan between April 11, 1980, and the effective date of this section of this article, a levy in a total dollar amount computed as 15 mills on the adjusted assessed value, until and unless the district receives an additional loan.*

Sec. 2. Minnesota Statutes 1980, Section 124.39, Subdivision 5, is amended to read:

Subd. 5. All moneys deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred to the credit of the debt service loan account on July 1 of each year, and (SUCH) *those* moneys are (HEREBY) annually appropriated (IN SUCH) *to that* account for the purposes prescribed by the maximum effort school aid law; except that the (COMMITTEE) *commissioner* may retain in the loan repayment account any amount which (IT) *the commissioner* estimates will not be needed for loans in the fiscal year commencing July 1. Moneys deposited to the credit of the loan repayment account and not required for (SUCH) *the* transfers or for the payment of principal and interest due on school loan bonds may be invest-

ed and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in (SAID) *the* account shall be transferred to the state bond fund.

Sec. 3. Minnesota Statutes 1980, Section 124.40, Subdivision 2, is amended to read:

Subd. 2. Any amounts remaining in the fund on July 1 of each year, including any unused portion of the appropriation made in subdivision 1, shall be available for use by the (COMMITTEE) *commissioner* in making further debt service loans and capital loans.

Sec. 4. Minnesota Statutes 1980, Section 124.41, is amended to read:

124.41 [SCHOOL LOANS.]

Subdivision 1. The (MEMBERS OF THE EQUALIZATION AID REVIEW COMMITTEE DEFINED IN SECTION 124.212, SUBDIVISION 10,) *commissioner* shall receive and consider applications for and grant or deny loans under sections 124.36 to 124.47.

Subd. 2. [APPLICATION FORMS; RULES.] The (COMMITTEE) *commissioner*, with the assistance of the attorney general or an assistant designated by him, shall prepare forms of applications for debt service loans and capital loans and instruments evidencing (SUCH) *the* loans (, AND). *The state board* shall promulgate (REGULATIONS) *rules* to facilitate (ITS) *the commissioner's* operations in compliance with sections 124.36 to 124.47 (, AND SUCH REGULATIONS). *The rules* shall be subject to the procedure set forth in sections 15.0411 to 15.0422.

Subd. 3. The (COMMITTEE) *commissioner* may employ a clerk (, WHO MAY BE DESIGNATED ASSISTANT SECRETARY, TO) *to administer the maximum effort school aid law. The clerk shall serve at (ITS) the commissioner's pleasure and (TO) shall be in the unclassified service of the state (, AND). The commissioner may fix (HIS) the clerk's compensation, which shall be paid out of the (ADMINISTRATION) loan repayment account of the fund.*

Sec. 5. Minnesota Statutes 1980, Section 124.42, Subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION; APPLICATION; AWARD; INTEREST.] Any school district in which the required levy for debt service in any year will exceed its maximum

effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount applied for, and not exceeding one percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in (SUCH) *that* year. Applications shall be filed with the (COMMITTEE) *commissioner* in each calendar year up to and including September 15. The (COMMITTEE) *commissioner* shall determine whether the applicant is entitled to (SUCH) a loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. (A COPY OF EACH SUCH CERTIFICATE SHALL BE FILED WITH THE COMMISSIONER. UPON RECEIPT BY THE COMMISSIONER OF A COPY OF THE COMMITTEE'S CERTIFICATE THAT THE LOAN IS GRANTED.) The commissioner shall notify the county auditor of (OR) *each* county (AUDITORS) in which the district is located that the amount (SO) certified is available and appropriated for payment of principal and interest on its outstanding bonds, and (SUCH) *the* auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for (SUCH) *that* year. Each debt service loan shall bear interest from its date at a rate (DETERMINED BY THE COMMISSIONER OF FINANCE ANNUALLY, AT THE MULTIPLE OF ONE-TENTH OF ONE PERCENT PER ANNUM NEXT HIGHER THAN THE) *equal to the average annual rate payable on Minnesota state school loan bonds (FROM TIME TO TIME OUTSTANDING,) most recently issued prior to the disbursement of the loan to the district, but in no event less than 3 1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year (NEXT) following that in which the loan is received and annual thereafter.*

Sec. 6. Minnesota Statutes 1980, Section 124.42, Subdivision 2, is amended to read:

Subd. 2. [NOTE.] Each debt service loan shall be evidenced by a note which shall be executed (IN) *on* behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, and a certificate to be executed by the county auditor of each county in which any portion of the school district is situated, prior to the delivery of the note, stating that (SUCH) *the* county auditor has entered the debt service loan evidenced thereby in his bond register. (SUCH) *The* notes shall be delivered to the (COMMITTEE) *commissioner* not later than November 15 of the year in which executed. The (SECRETARY) *commissioner* shall

cause a record to be made and preserved showing the obligor district and the date and principal amount of each note (, AND SHALL THEN DELIVER IT TO THE COMMISSIONER WHO SHALL MAKE SUITABLE RECORD THEREOF).

Sec. 7. Minnesota Statutes 1980, Section 124.43, Subdivision 1 is amended to read:

Subdivision 1. (a) To the extent moneys are from time to time available hereunder, the (COMMITTEE IS AUTHORIZED) *commissioner may*, after review and a *favorable* recommendation by the state board of education, (TO EFFECT) *make* capital loans to school districts. Proceeds of (SUCH) *the* loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and *the following* June 1 (NEXT FOLLOWING). (NO APPLICATION SHALL BE APPROVED UNLESS THE STATE BOARD OF EDUCATION CERTIFIES THAT THE LOAN IS)

(b) *Any board which intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section 122.90, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:*

(1) *the facility receives a favorable review and comment pursuant to section 122.90; and*

(2) *the state board determines that*

(A) *the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist; (THAT SUCH)*

(B) *the facilities could not be made available (BY CONSOLIDATING THE DISTRICT) through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with (AN ADJACENT) another district (WITHOUT SUBSTANTIALLY LOWERING THE FISCAL CAPACITY OF THAT DISTRICT OR SO INCREASING ITS AREA THAT IT WOULD NO LONGER BE VIABLE, AND THAT EXISTING INSTITUTIONS OR), or through the purchase or lease of facilities from existing institutions within the area (COULD NOT BE ACQUIRED OR LEASED TO PROVIDE THE NEEDED FACILITIES SAFE-*

LY AND AT A LOWER COST. THE STATE BOARD SHALL MAKE RECOMMENDATIONS TO THE COMMITTEE.);

(C) *the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and*

(D) *the district's need for the facilities is comparable to needs which comparable districts are meeting through local bond issues.*

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not approve the loan, and if the state board recommends that the loan be approved in a reduced amount, the commissioner shall not approve a loan larger than that recommended by the state board.

(c) No loan shall be approved for any district exceeding an amount computed as follows:

(1) The amount voted by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or (22.5) 24 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or (22.5) 24 percent of the adjusted assessed value, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Sec. 8. Minnesota Statutes 1980, Section 124.43, Subdivision 2, is amended to read:

Subd. 2. [DISTRICT PROCEDURES.] The school board of any district desiring a loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. The question of authorizing the borrowing of funds for the facilities shall be submitted to the voters of the district at

a regular or special election. The question submitted shall state the total amount to be borrowed from all sources. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan *application* and also to issue the bonds on public sale in accordance with chapter 475. Applications for loans shall be accompanied by (a) a copy of (SUCH) *the* resolution, (b) a certificate by the clerk showing the vote at the election, (c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in his official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in (SUCH) *the* form and accompanied by (SUCH) *the* additional data (AS) *which* the (COMMITTEE) *commissioner* and state board of education (SHALL) prescribe (, WHICH MAY INCLUDE A STATEMENT FROM THE STATE DEPARTMENT OF EDUCATION AS TO THE DISTRICT'S NEED OF THE PROPOSED SCHOOLHOUSES IN COMPARISON WITH NEEDS OF OTHER DISTRICTS). When an application is received, the (COMMITTEE) *commissioner* shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Sec. 9. Minnesota Statutes 1980, Section 124.43, Subdivision 3, is amended to read:

Subd. 3. [AWARD OF LOANS.] The (COMMITTEE) *commissioner* shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is found not qualified it shall be promptly notified thereof. On January 1 and July 1 of each year, the (COMMITTEE) *commissioner* shall make (ITS) a determination on all pending applications which have been on file with (IT) *the commissioner* more than one month. If an applicant is qualified in the opinion of the (COMMITTEE) *commissioner* and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans so applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the (COMMITTEE) *commissioner* shall allot the available amount among the qualified applicant districts, or any of them, according to the (COMMITTEE'S) *commissioner's* judgment and discretion based upon their respective needs. The (COMMITTEE) *commissioner* shall promptly certify

to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Sec. 10. Minnesota Statutes 1980, Section 124.43, Subdivision 4, is amended to read:

Subd. 4. Each capital loan shall be evidenced by a contract between the school district and the state acting through the (COMMITTEE) *commissioner*. It shall obligate the state to pay to the district, out of the maximum effort school loan fund, an amount computed as provided in subdivision 1, upon receipt by the (COMMITTEE) *commissioner* of a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs thereof in excess of the amount of the loan, and estimating (SUCH) *the* costs. It shall obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate (DETERMINED ANNUALLY BY THE COMMISSIONER OF FINANCE, AT THE MULTIPLE OF ONE-TENTH OF ONE PERCENT PER ANNUM NEXT HIGHER THAN) *equal to the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district*, but in no event less than 3 1/2 percent per annum on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as (SUCH) *the* required debt service levy may be reduced by a loan under section 124.42. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections, including penalties and interest, which exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and (SAID) *the* county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. (IN THE EVENT THAT) *If any capital loan granted before the effective date of this section of this article is not paid within 30 years after it is granted from maximum effort debt service levies in excess of required debt*

service levies, the liability of the school district thereon shall be satisfied and discharged and interest thereon shall cease. After a district's capital loan has been outstanding for 20 years, the district shall not issue bonds on the public market except for the purpose of refunding (SUCH A) *the* loan.

Sec. 11. Minnesota Statutes 1980, Section 124.43, Subdivision 5, is amended to read:

Subd. 5. [PARTICIPATION BY COUNTY AUDITOR; RECORD OF CONTRACT; PAYMENT OF LOAN.] Before delivery of any capital loan contract, the school district shall file a copy thereof with the county auditor of each county in which any portion of the district is situated, and shall obtain from each (SUCH) county auditor and furnish to the (COMMITTEE) *commissioner* a certificate stating that (SUCH) *the* county auditor has entered the capital loan evidenced thereby in his bond register. As each executed contract is delivered to the (COMMITTEE) *commissioner*, (ITS SECRETARY) *the commissioner* shall cause a record thereof to be made and preserved showing the name and address of the district, the date of the contract, and the amount of the loan initially approved in accordance with subdivision 1. Upon receipt of the resolution required in subdivision 4, the commissioner shall issue a warrant on the capital loan account for the amount which may be disbursed in accordance with subdivision 1, payable on presentation to the state treasurer. On presentation the treasurer shall remit the amount to the district and enter the date and amount in his account with the district. Interest thereon shall accrue from (SUCH) *that* date.

Sec. 12. Minnesota Statutes 1980, Section 124.474, is amended to read:

124.474 [BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1969.]

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the (SCHOOL LOAN COMMITTEE) *commissioner of education* for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an

amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for (SUCH) *those* purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from (SUCH FUND) *it*.

Sec. 13. Minnesota Statutes 1980, Section 124.476, is amended to read:

124.476 [BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1980.]

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the (EQUALIZATION AID REVIEW COMMITTEE) *commissioner of education* for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for their payment shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary for the expenses are appropriated from it.

Sec. 14. [APPROPRIATION; MAXIMUM EFFORT SCHOOL LOAN FUND.] *There is appropriated from the general fund to the maximum effort school loan fund the sum of \$5,104,000 for the fiscal year ending June 30, 1982 and \$4,196,200 for the fiscal year ending June 30, 1983. Any unexpended balance of this appropriation for fiscal year 1982 shall not cancel but shall be available for the second year of the biennium.*

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of principal and interest on school loan bonds, as provided

in section 124.46, to the extent that moneys in the fund are not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient moneys are available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to section 124.46, subdivision 3. Notwithstanding the provisions of section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund, but instead shall cancel and revert to the general fund.

Sec. 15. [EFFECTIVE DATE.]

Subdivision 1. Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12 and 13 of this article are effective on the day following final enactment.

Subd. 2. Section 7 of this article shall be effective August 1, 1981, except that the transfer of authority from the committee to the commissioner shall be effective on the day following final enactment. The amendments in section 7, clause (c) shall not apply to a capital loan approved by the committee or the commissioner before August 1, 1981, regardless of when the capital loan contract is signed or the loan amount is paid to the district.

Delete the title in its entirety and insert:

A bill for an act relating to education; providing for aids to education, aids to libraries, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the state board of education and others; replacing AVTI capital expenditure aid with AVTI equipment aid and AVTI repair and betterment aid; requiring a legislative study of curriculum implications of secondary vocational education aid; providing a new aid and levy authorization for certain capital expenditures; changing the preschool screening program from mandatory to optional; limiting participation in teacher mobility programs; decreasing the state's obligations and changing eligibility standards for the maximum effort school aid program; appropriating money; amending Minnesota Statutes 1980, Sections 3.9278, Subdivision 1; 3.9279, Subdivisions 10 and 12; 120.17, Subdivisions 3, 3b, 4, 5a, 6, 7 and by adding a subdivision; 121.904, Subdivision 7; 121.906, Subdivisions 2 and 3; 121.912, Subdivision 1; 122.22, Subdivisions 3, 4, 5, 8, 9, 11, 13, 14, 20 and by adding a subdivision; 123.35, Subdivision 15; 123.36, Subdivision 13; 123.39, Subdivision 1 and by adding a subdivision; 123.702, Subdivision 1; 123.703, Subdivision 3; 123.705; 123.937; 124.01, Subdivisions 2, 3, 4 and by adding a subdivision; 124.11, Subdivisions 1, 2a, 2b, 2c and by adding

a subdivision; 124.14, Subdivisions 3, 4 and by adding a subdivision; 124.17, Subdivisions 2, 2c and by adding a subdivision; 124.20; 124.212, Subdivisions 1, 5a, 7d, 8a, 9a and by adding a subdivision; 124.223; 124.225, Subdivisions 1, 1a, 2, 3, 4a, 5, 6, 7a, 8a, 8b, 9, 11 and by adding a subdivision; 124.245, Subdivisions 1, 2 and by adding a subdivision; 124.247, Subdivisions 3 and 5; 124.26, Subdivisions 3, 4 and by adding subdivisions; 124.271, Subdivision 2; 124.32, Subdivisions 1a, 1b, 6, 9 and by adding a subdivision; 124.38, Subdivision 7; 124.39, Subdivision 5; 124.40, Subdivision 2; 124.41; 124.42, Subdivisions 1 and 2; 124.43, Subdivisions 1, 2, 3, 4 and 5; 124.474; 124.476; 124.561, Subdivisions 2a, 3a and by adding subdivisions; 124.562, by adding a subdivision; 124.5621, Subdivisions 2, 5, 6 and 12; 124.5622, Subdivisions 3, 4 and 5; 124.5623, Subdivisions 3, 4 and 5; 124.5624; 124.565, Subdivisions 3, 4, 6 and 7; 124.566; 124.572, Subdivision 8 and by adding subdivisions; 124.573, Subdivisions 2, 3a, 5 and by adding a subdivision; 124.574, Subdivisions 2 and 4; 124.646, Subdivision 1; 125.60, Subdivisions 2a and 7; 125.611, Subdivisions 1, 3, 5, 8, 9 and 10; 126.54, Subdivision 1; 134.35, Subdivision 1; 134.351, Subdivision 5 and by adding subdivisions; 134.36; 275.125, Subdivisions 2a, 2c, 6b, 6c, 7a, 7b, 8, 11a and by adding subdivisions; 298.28, Subdivision 1; 354.094, Subdivisions 1, 2, 3 and by adding a subdivision; 354.66, Subdivision 9; 354A.091, Subdivisions 1, 2, 3 and by adding a subdivision; 354A.094, Subdivision 9; 375.335, Subdivision 4 and by adding subdivisions; Laws 1967, Chapter 822, Section 1, as amended; proposing new law coded in Minnesota Statutes, Chapters 120; and 124; repealing Minnesota Statutes 1980, Sections 3.9279, Subdivision 13; 120.17, Subdivision 3c; 122.22, Subdivisions 10, 12, 15 and 16; 123.40, Subdivision 5; 124.212, Subdivisions 6c and 7c; 124.225, Subdivisions 4, 7 and 8; 124.271, Subdivision 1a; 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.571; 126.268, Subdivision 1; 126.52, Subdivision 12; 275.125, Subdivisions 2b and 14.

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

The report was adopted.

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

H. F. No. 112, A bill for an act relating to retirement; Duluth teachers retirement fund association; authorizing an increase in retirement allowances and benefits for certain teachers; establishing a new coordinated retirement program within the retirement fund association; amending Minnesota Statutes 1980, Sections 354A.011, Subdivision 11; 354A.092; 354A.093; 354A.12, Subdivisions 1 and 2; 354A.24; 354A.32; 354A.39; and 354A.41.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 155, A bill for an act relating to public welfare; providing for retention of certain receipts by state hospitals; amending Minnesota Statutes 1980, Section 246.57.

Reported the same back with the following amendments:

Page 1, after line 22, insert "*Receipts retained under this subdivision are appropriated to the commissioner to pay costs associated with providing the services.*"

Page 1, line 24, delete "*report biennially to the legislature*" and insert "*maintain records*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 234, A bill for an act relating to waters; maintaining existing classification of the water use designation of Okabena Creek in Jackson and Nobles Counties.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 253, A bill for an act relating to state lands and tax-forfeited land sales; changing the interest rate on unpaid sale balances; amending Minnesota Statutes 1980, Sections 92.06, Subdivision 1; 94.11; 282.01, Subdivision 4; 282.15; 282.222, Subdivision 4; 282.261; and 282.35, Subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 1, line 20, delete "*monthly index of the federal national mortgage*"

Page 1, delete line 21

Page 1, line 22, delete "*subdivision 2 (10)*" and insert "*rate in effect at the time advertised for sale pursuant to section 47.20, subdivision 4*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 291, A bill for an act relating to intoxicating liquor; providing for a sharing with towns of county liquor license fees; amending Minnesota Statutes 1980, Section 340.11, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 340.11, Subdivision 10, is amended to read:

Subd. 10. [ON-SALE LICENSES; COUNTIES.] (1) On-sale licenses may be issued for the sale of intoxicating liquors by any county herein provided for.

(2) A county board may issue an "on-sale" license for the sale of intoxicating liquors within the unorganized or unincorporated area of the county, to a restaurant or to a club, with the approval of the commissioner of public safety. No license shall be issued or renewed under this clause after the application has been made therefor, until the county board shall have secured a written statement of the sheriff concerning the applicant. Such statement shall include a recital that to the best of his knowledge the applicant has not, within a period of five years prior to the date of such application, violated any law relating to the sale of non-intoxicating malt liquor or intoxicating liquors and that in his judgment the applicant will comply with the laws and regulations relating to the conduct of said business in the event said license is issued or renewed. Before issuing or renewing any license, the county board shall consider the statement of the sheriff, the character and reputation of the applicant, the nature of the business to be conducted, and the type of premises and propriety and location of said business.

All licenses issued pursuant to this clause shall be governed by the appropriate provisions of the intoxicating liquor act except as otherwise provided for herein. The license fee for an on-

sale license issued pursuant to this section or pursuant to any other law governing the issuance of a license by a county shall be fixed by the county board. The fee shall be in such an amount as is competitive with similar licensing fees in comparable areas where intoxicating liquor is sold at on-sale. *If the licensed premises to which any license issued pursuant to this section or any other law governing the issuance of a license by a county is located in a town, an additional license fee may be set by the town board in an amount not to exceed 20 percent of the county license fee. No premises located in a town may be licensed by the county board unless a resolution of the town board of supervisors indicating their support or opposition to the granting of the license is filed with the application for the license. Failure to adopt such a resolution within 60 days of the town board being notified by the county of the license application shall constitute consent to the license.*

No license may be issued by the county board of any county pursuant to this section to any person who directly or indirectly has been issued an intoxicating liquor license by the county board or by the governing body of any city located within the county. Nothing in this paragraph shall be construed to prohibit the re-issuance of any intoxicating liquor license already issued pursuant to law as of June 5, 1975.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "sharing with towns of county"

Page 1, line 3, delete "fees" and insert "fee to be set by a town board in certain cases; requiring town board approval of certain county liquor licenses"

Page 1, lines 4 and 5, delete "by adding a subdivision" and insert "Subdivision 10"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 298, A bill for an act relating to trade regulations; requiring service stations selling motor vehicle fuel at retail to be equipped with operational devices for inflating motor vehicle tires; proposing new law coded in Minnesota Statutes, Chapter 325E.

Reported the same back with the following amendments:

Page 1, line 9, delete "SERVICE STATIONS" and insert "GASOLINE RETAIL OUTLETS"

Page 1, line 10, before "*Every*" insert "*Subdivision 1. [AIR COMPRESSOR EQUIPMENT REQUIRED.]*"

Page 1, line 10, delete "*service station*" and insert "*gasoline retail outlet*"

Page 1, line 16, delete "*service station*" and insert "*gasoline retail outlet*"

Page 1, after line 17, insert:

"Subd. 2. [ENFORCEMENT.] Whenever the city or county attorney has reasonable cause to believe that any person has violated the provisions of this section, he may institute a civil action for injunctive relief and for civil penalties as provided in subdivision 3.

Subd. 3. [VIOLATIONS; PENALTIES.] Any person found to have violated this section shall be enjoined from future violations, and shall be subject to a civil penalty of not more than \$50 for each day that the person remained in violation after the court entered its final judgment or order; provided, however, that no penalty shall be imposed upon any person who remedied the violation within seven business days after the date the court entered its final judgment or order.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1982."

Amend the title as follows:

Page 1, line 2, delete "service"

Page 1, line 3, delete "stations" and insert "retail gasoline outlets"

Page 1, line 5, after the semicolon insert "providing for injunctive relief; imposing a penalty;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 404, A bill for an act relating to health; requiring installation of telecommunication devices for the deaf in county sheriff's offices and public safety agencies; requiring the commissioner of health to make telecommunication devices available to county sheriff's offices; proposing new law coded in Minnesota Statutes, Chapter 145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [256C.28] [TELEPHONE SERVICES FOR THE HEARING IMPAIRED.]

Subdivision 1. [TELECOMMUNICATIONS DEVICES REQUIRED.] Hearing impaired citizens are unable to utilize telephone services in a regular manner but they are able to communicate through the use of telecommunication devices. It is especially important that hearing impaired citizens be able to communicate with public safety agencies in emergency situations. The purpose of this section is to require that telecommunication devices be installed. "Telecommunication device" means a teletypewriter or other instrument for telecommunication in which speaking or hearing is not required for communication.

Subd. 2. [INSTALLATION OF DEVICES.] A telecommunication device for the hearing impaired shall be installed before January 1, 1982 in each public safety answering point of the 911 emergency telephone system, as defined in sections 403.01 to 403.12.

For counties and cities which are not part of the 911 system until after January 1, 1982, a telecommunication device shall be installed in (a) each county sheriff's office in each county seat and (b) one or more public safety agencies in each statutory or home rule charter city with a population in excess of 10,000 inhabitants."

Delete the title and insert

"A bill for an act relating to health; requiring the installation of telecommunications devices for the hearing impaired to aid emergency communication with public safety agencies; proposing new law coded in Minnesota Statutes, Chapter 256C."

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

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

H. F. No. 421, A bill for an act relating to labor; providing for increases in fees for certain steamfitters; amending Minnesota Statutes 1980, Section 326.50.

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

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 427, A bill for an act relating to Carver county; providing for payment of expenses of the county commissioners.

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

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 453, A bill for an act relating to housing; providing statutory warranties on home improvement work; establishing a cause of action for breach of warranty; providing remedies; amending Minnesota Statutes 1980, Sections 327A.01, Subdivisions 5, 8 and by adding subdivisions; 327A.02, by adding a subdivision; 327A.03; 327A.04, Subdivision 2; 327A.05; and 327A.07.

Reported the same back with the following amendments:

Page 2, line 10, before the period insert "*when the value of the home improvement is \$300 or more*"

Page 2, line 21, before the period insert "*and who holds himself or herself out to the public as having knowledge or skill peculiar to the business of home improvement*"

Page 2, delete lines 24 to 26 and insert:

"Subd. 11. "Owner" means any person who owns a residential building on which home improvement work is performed, and includes any subsequent owner of the residential building."

Page 3, line 4, delete "and"

Page 4, line 18, strike the period and insert a semicolon

Page 4, after line 18, insert:

"(p) In the case of home improvement work, loss or damage due to defects in the existing structure and systems not caused by the home improvement."

Page 5, after line 30, insert:

"Sec. 11. [327A.08] [LIMITATIONS.]

Notwithstanding any other provision of this act:

(a) The terms of the home improvement warranties required by this act commence upon completion of the home improvement and such terms shall not be required to be renewed or extended if the home improvement contractor performs additional improvements required by warranty;

(b) The home improvement warranties required by this act shall not include products or materials installed which are already covered by implied or written warranty.

(c) The home improvement warranties required by this act are intended to be implied warranties imposing an affirmative obligation upon home improvement contractors, and this act does not require that written warranty instruments be created and conveyed to the owner."

Renumber the remaining section

Amend the title as follows:

Page 1, line 8, before "327A.07" delete "and"

Page 1, line 8, before the period insert "; and proposing new law coded in Minnesota Statutes, Chapter 327A"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 491, A bill for an act establishing the North Koochiching county waste water treatment board; prescribing its duties and powers; providing for the treatment and disposal of waste water in described areas.

Reported the same back with the following amendments:

Page 6, line 11, after the first "chairman" insert "*from among its members*"

Page 6, line 13, after "*present,*" insert "*and*"

Page 7, line 30, before "*All*" insert "*The executive director and*"

Page 9, line 18, after "*newspapers*" insert "*or other publications*"

Page 10, line 24, after "*better*" insert a comma

Page 11, line 22, after "*made*" insert "*and regulate the flows in the connections*"

Page 11, after line 22, insert:

"(c) *Regulate or prohibit illegal or unnecessary discharges of clear water not entering the system on the effective date of this act;*

(d) *Require any person or local government unit to take any action necessary to comply with any applicable federal and state laws, regulations or rules;*"

Page 11, line 23, delete "(c)" and insert "(e)"

Page 11, line 25, after "*it*" insert "*and to monitor the discharge*"

Page 11, line 26, delete "(d)" and insert "(f)"

Page 11, line 28, after "*harmful*" insert "*to the environment, or*"

Page 11, line 29, delete "(e)" and insert "(g)"

Page 12, delete line 3, and insert "*to regulations governing state or federal grants.*"

Page 13, line 9, after "*year*" insert "*, less any costs to be allocated to industries pursuant to subdivision 3,*"

Page 13, line 15, after "*each*" insert "*, less any industrial wastes for which costs have been allocated under subdivision 3,*"

Page 13, after line 25, insert:

"Subd. 3. [ALLOCATION TO INDUSTRIES.] Pursuant to federal and state statutes, regulations and rules, the board shall define industrial wastes, impose requirements on industries, and determine the costs allocable to all industrial wastes and to each industry. An industry is any person commencing discharge of industrial wastes directly or indirectly to the district disposal system after the date of enactment of this section. No industry shall discharge industrial wastes directly or indirectly to the district disposal system except as authorized by a contract between such industry and the board. The contract shall require the industry to pay allocated costs, to comply with requirements imposed by the board, and to perform such other acts as the board determines necessary. The board shall charge to each industry its allocable portion of the costs enumerated in subdivision 1 according to the characteristics of its waste, and the providing of the capacity to treat said wastes.

Subd. 4. [NONPAYMENT BY INDUSTRY; REMEDIES.] If an industry fails to pay to the board the industry's allocated costs, as determined pursuant to subdivision 3 and the contract between the industry and the board, the board may utilize any remedy provided by law, and in addition may certify to the auditor of the county in which the industry is located the amount required for payment with interest at the maximum rate authorized at that time on assessments pursuant to Minnesota Statutes, Section 429.061, Subdivision 2. The auditor shall levy and extend the amount as a tax upon all taxable property owned by the industry located in the district, for the next calendar year, free from any limitation imposed by law or charter. The tax shall be collected in the same manner as other property taxes. The proceeds, when collected, shall be paid by the county treasurer to the board."

Page 14, after line 17, insert:

"Subd. 4. [TAX CONSIDERED SPECIAL LEVY.] Any ad valorem taxes levied under subdivision 3 by the governing body of a government unit to pay any sums charged to it by the board under this act shall be considered special levies within the meaning of Minnesota Statutes, Section 275.50, Subdivision 5."

Page 14, line 18, delete "4" and insert "5"

Page 15, line 2, after "newspapers" insert "or other publications"

Page 15, line 20, delete the comma and insert "if"

Page 15, line 21, delete "which" and insert "the project"

Page 20, line 16, delete "12, subdivision 2" and insert "10, subdivision 4, or other provisions of this act"

Page 22, line 12, delete "sections 10 and 12" and insert "section 10"

Page 22, line 21, after the period insert "*The deposit is subject to the provisions of Minnesota Statutes, Section 118.005, Subdivision 2, and Section 118.01.*"

Page 22, line 25, delete everything after the period

Page 22, delete lines 26 to 29

Page 23, after line 26, insert:

"Subd. 6. [AUTHORITY OF STATE AUDITOR.] The state auditor shall have the same powers and duties with respect to the board as the auditor has with respect to any city under Minnesota Statutes, Chapter 6."

Page 25, line 3, delete ". It" and insert a semicolon

Page 25, line 5, before the period insert "*; and may provide at the request of any government unit other technical and administrative assistance the board deems appropriate for the government unit to carry out the powers and duties vested in it under this act or imposed on it by the board*"

Page 27, line 27, after the period insert "*With regard to a facility for which it assumes responsibility from a local government unit, the board shall also have all the powers and duties of the local government unit.*"

Page 28, delete lines 18 to 20 and insert "*assume either alone or jointly with the board all or any part of the responsibility of the local government unit described in subdivision 1, 2 or 3 and may exercise the powers granted any municipality by Minnesota Statutes, Chapters 117, 412, 429 or 475, or by Sections 115.46, 444.075 or 471.59, in order to perform all acts and things required for the purpose of exercising that responsibility,*"

Page 31, after line 10, insert:

"Sec. 25. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 534, A bill for an act relating to the collection and dissemination of data; administration of the state archives and state and local government records; classifying data; providing a penalty; amending Minnesota Statutes 1980, Sections 15.17; 138.161; 138.17, Subdivisions 1, 6, 7, and by adding subdivisions; 138.19; 138.20; 138.21; proposing new law coded in Minnesota Statutes, Chapter 138; repealing Minnesota Statutes 1980, Sections 16.66 and 138.18.

Reported the same back with the following amendments:

Page 1, line 17, strike "and all officers and agencies of the"

Page 1, line 18, strike the first "and" and insert a comma and after "towns," insert "*school districts, municipal subdivisions or corporations, or other public authorities or political entities within the state, hereinafter "public officer",*"

Page 1, line 23, strike "and every"

Page 1, line 24, strike "county officer with the approval of the county board,"

Page 2, line 2, strike "or" and "county"

Page 2, line 3, strike "officer"

Page 2, line 12, delete "or"

Page 2, line 13, delete "county" and strike "officer with the approval of the county board,"

Page 2, line 25, delete "tapes and"

Page 2, line 27, strike "such"

Page 2, line 28, strike "thereof" and insert "of it"

Page 3, line 11, strike "ABOLITION OF" and after "ARCHIVES" strike "COMMISSION"

Page 3, lines 11 and 12, strike "TRANSFER OF DUTIES" and insert "ESTABLISHMENT"

Page 3, lines 13 to 16, strike the existing language and delete the new language

Page 3, line 17, reinstate "are"

Page 3, line 18, reinstate "hereby"

Page 3, line 18, before "shall" insert "established and"

Page 3, line 18, strike "transferred to" and insert "administered by"

Pages 5, 6 and 7, delete Section 4 and insert:

"Sec. 4. Minnesota Statutes 1980, Section 138.17, is amended by adding a subdivision to read:

Subd. 1a. [TRANSFER PROCESS.] Government records shall be transferred to the state archives according to the following provisions:

(a) Employees of the archives shall have access to all records in state agencies and political subdivisions for the purposes of determining the historical or other permanent value of the records, regardless of the records' classification pursuant to sections 15.1611 to 15.1699, except that employees of the archives shall be liable to the penalties set forth for improper disclosure by them of private, confidential, non-public, or protected data they inspect for this purpose.

(b) After July 1, 1981, all records deemed to be of permanent value and authorized for transfer to the archives by the records disposition panel shall be transferred to the archives in accordance with section 3, notwithstanding the provisions of sections 15.1611 to 15.1699, and shall not retain their previous classifications as determined by sections 15.1611 to 15.1699.

(c) All records transferred to the archives prior to July 1, 1981, shall not retain their previous classifications, if any, as determined by sections 15.1611 to 15.1699.

(d) After July 1, 1981, the responsible authority of the state agency or political subdivision transferring records to the archives shall notify the archivist or his designee, with regard to the records transferred, of the previous classifications of the records pursuant to sections 15.1611 to 15.1699."

Page 7, delete lines 9 to 31 and insert:

"Subd. 1b. [ACCESS TO ARCHIVE RECORDS.] Access to records transferred to the state archives shall be provided in the interest of research and public use on a basis of equal access and governed by established archival standards. The society may withhold access to state archives from any person who willfully mutilates, damages, or defaces archival records, or wrongful-

ly removes them from state archives; provided that the society shall notify the person of the decision to withhold access, and the person may, within 30 days, appeal the decision to the executive council of the society."

Page 10, line 16, delete "*Destruction of*"

Page 10, delete lines 17 to 21

Page 10, delete line 22 to the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 560, A bill for an act relating to courts; costs and disbursements; authorizing the awarding of attorney's fees in certain actions or proceedings; proposing new law coded in Minnesota Statutes, Chapter 549.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 549.21, is amended to read:

549.21 [REIMBURSEMENT FOR CERTAIN COSTS IN CIVIL ACTIONS.]

Subdivision 1. Upon motion of a party (PREVAILING AS TO AN ISSUE), the court in its discretion may award to that party costs, disbursements, reasonable attorney fees and witness fees (RELATING TO THE ISSUE) if the party or attorney against whom costs, disbursements, reasonable attorney and witness fees are charged acted in bad faith (AS TO THAT ISSUE); brought a frivolous claim or defense; asserted an unfounded position solely for purposes of harassment or to delay the ordinary course of the proceedings; or committed a fraud upon the court. To qualify for an award under this section, a party shall give timely notice of intent to claim an award (, WHICH NOTICE SHALL IN ANY EVENT BE GIVEN PRIOR TO THE RESOLUTION OF THE ISSUE). An award under this section shall be without prejudice and as an alternative to any claim for sanctions that may be asserted under the rules of civil procedure. Nothing herein shall authorize the award of costs, disbursements or fees against a party or attorney advancing a claim or defense unwarranted under existing law, if

it is supported by a good faith argument for an extension, modification, or reversal of the existing law.

Subd. 2. The parties by their attorneys in any civil action shall attach to and make a part of the pleading served on the opposite party or parties a signed acknowledgment stating that the parties acknowledge that costs, disbursements, reasonable attorney and witness fees may be awarded to the opposing party or parties pursuant to subdivision 1."

Amend the title as follows:

Page 1, lines 4 and 5, delete "proposing new law coded in Minnesota Statutes, Chapter 549" and insert "amending Minnesota Statutes 1980, Section 549.21."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 570, A bill for an act relating to pollution; authorizing water pollution control fund grants for certain wastewater treatment projects; authorizing issuance of Minnesota state water pollution control bonds; appropriating money; amending Minnesota Statutes 1980, Section 116.18, Subdivisions 1 and 4.

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 583, A bill for an act relating to public use of private land; clarifying and altering landowners' liability in the recreational use of their land; amending Minnesota Statutes 1980, Sections 87.021, Subdivisions 2 and 3; 87.0221; 87.023; 87.025; and 87.03; repealing Minnesota Statutes 1980, Section 87.022.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 87.021, Subdivision 2, is amended to read:

Subd. 2. "Land" means *privately owned or leased* land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the (REALTY) *land*.

Sec. 2. Minnesota Statutes 1980, Section 87.021, Subdivision 3, is amended to read:

Subd. 3. "Owner" means the possessor of a fee interest or a life estate, a tenant, lessee, occupant or person in control of the (PREMISES) *land*.

Sec. 3. Minnesota Statutes 1980, Section 87.021, Subdivision 4, is amended to read:

Subd. 4. "Recreational purpose" includes, but is not limited to, any of the following, or any combination thereof: hunting, trapping, fishing, swimming, boating, camping, picnicking, hiking, bicycling, horseback riding, *firewood gathering*, pleasure driving including snowmobiling and the operation of any motorized vehicle or conveyance upon a road or upon or across any land in any manner whatsoever, nature study, water skiing, winter sports, and viewing or enjoying historical, archaeological, scenic, or scientific sites.

Sec. 4. Minnesota Statutes 1980, Section 87.021, Subdivision 5, is amended to read:

Subd. 5. "Charge" means (THE) *any admission price (OR FEE RECEIVED IN RETURN FOR INVITATION OR PERMISSION TO ENTER OR GO UPON) asked or charged for services, entertainment, recreational use or other activity or the offering of products for sale to the recreational user by a commercial for profit enterprise directly related to the use of the land.*

Sec. 5. Minnesota Statutes 1980, Section 87.0221, is amended to read:

87.0221 [OWNER'S DUTY OF CARE OR DUTY TO GIVE WARNINGS.]

Except as specifically recognized by or provided in section 87.025, an owner (OF LAND) (a) owes no duty of care to render or maintain his land safe for entry or use by other persons (WITH A MOTORIZED RECREATIONAL VEHICLE) for recreational purposes, (b) owes no duty to warn those persons of any dangerous condition on the land, whether patent or latent, (c) owes no duty of care toward those persons except to refrain from willfully taking action to cause injury, and (d) owes no duty to curtail his use of his land during its use for recreational purposes.

Sec. 6. Minnesota Statutes 1980, Section 87.023, is amended to read:

87.023 [(LANDOWNER'S) OWNER'S LIABILITY.]

Except as (SPECIFICALLY RECOGNIZED BY OR) provided in section 87.025, an owner (OF LAND) who either directly or indirectly invites or permits without charge any person to use (SUCH PROPERTY) *his land* for recreational purposes does not thereby:

(a) Extend any assurance that the (PREMISES ARE) *land* is safe for any purpose;

(b) Confer upon such person the legal status of an invitee or licensee to whom a duty of care is owed;

(c) Assume responsibility for or incur liability for any injury to person or property caused by an act (OF) *or* omission of such persons.

Sec. 7. Minnesota Statutes 1980, Section 87.025, is amended to read:

87.025 [(LANDOWNER'S) OWNER'S LIABILITY; NOT LIMITED.]

(NOTHING) *Except as provided in this chapter nothing herein* limits in any way any liability which otherwise exists:

(a) For conduct which, at law, entitles a trespasser to maintain an action and obtain relief for the conduct complained of;

(b) For injury suffered in any case where the owner (OF LAND) charges the person or persons who enter or go on the land for the recreational use thereof, except that in the case of land leased to the state or a subdivision thereof, any consideration received from the state or subdivision thereof by the owner for such lease shall not be deemed a charge within the meaning of this section.

Sec. 8. Minnesota Statutes 1980, Section 87.03, is amended to read:

87.03 [DEDICATION.]

No dedication of any land in connection with any use by any person for a recreational purpose shall take effect in consequence of the exercise of such use for any length of time hereafter except as expressly permitted or provided by the owner (OR AS OTHERWISE EXPRESSLY PROVIDED BY SECTIONS 160.05 AND 160.06, OR OTHER LEGISLATIVE ACT).

Sec. 9. [REPEALER.]

Minnesota Statutes 1980, Section 87.022, is repealed."

Amend the title as follows:

Page 1, line 5, delete "and 3" and insert ", 3, 4 and 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Criminal Justice to which was referred:

H. F. No. 586, A bill for an act relating to crimes; specifying the crime of incest; prescribing penalties; amending Minnesota Statutes, 1980, Sections 518B.01, Subdivision 2; 609.35; and 626.556, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 595.02, is amended to read:

595.02 [COMPETENCY OF WITNESSES.]

Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as follows:

(1) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for non-support, neglect, dependency, or termination of parental rights;

(2) An attorney cannot, without the consent of his client, be examined as to any communication made by the client to him

or his advice given thereon in the course of professional duty; nor can any employee of such attorney be examined as to such communication or advice, without the client's consent;

(3) A clergyman or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to him in his professional character, in the course of discipline enjoined by the rules or practice of the religious body to which he belongs; nor shall a clergyman or other minister of any religion be examined as to any communication made to him by any person seeking religious or spiritual advice, aid, or comfort or his advice given thereon in the course of his professional character, without the consent of such person;

(4) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of his patient, be allowed to disclose any information or any opinion based thereon which he acquired in attending the patient in a professional capacity, and which was necessary to enable him to act in that capacity; after the decease of such patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of such deceased person for the purpose of waiving the privilege hereinbefore created, and no oral or written waiver of the privilege hereinbefore created shall have any binding force or effect except that the same be made upon the trial or examination where the evidence is offered or received;

(5) A public officer shall not be allowed to disclose communications made to him in official confidence when the public interest would suffer by the disclosure;

(6) Persons of unsound mind; persons intoxicated at the time of their production for examination, and children under ten years of age, who appear incapable of receiving just impressions of the facts respecting which they are examined, or of relating them truly, are not competent witnesses. *This exception does not apply to a child under ten years of age, in a criminal proceeding for intrafamilial sexual abuse as defined in section 4, subdivision 7, or in a criminal proceeding under sections 609.342 clause (a), 609.343 clause (a), 609.344 clause (a), or 609.345 clause (a), who is able to describe or relate in language appropriate for a child of that age the events or facts respecting which the child is examined;*

(7) A registered nurse, psychologist or consulting psychologist shall not, without the consent of his client, be allowed to disclose any information or opinion based thereon which he acquired in attending the client in a professional capacity, and which was necessary to enable him to act in that capacity.

Sec. 2. Minnesota Statutes 1980, Section 609.348, is amended to read:

609.348 [MEDICAL PURPOSES; EXCLUSION.]

Laws 1975, Chapter 374 and sections 4 to 8 shall not apply to sexual penetration or sexual contact when done for a bona fide medical purpose.

Sec. 3. Minnesota Statutes 1980, Section 609.35, is amended to read:

609.35 [COSTS OF MEDICAL EXAMINATION.]

No costs incurred by a county, city, or private hospital or other emergency medical facility or by a private physician for the examination of a complainant of criminal sexual conduct or *intrafamilial sexual abuse, as defined in section 4, subdivision 7*, when the examination is performed for the purpose of gathering evidence for possible prosecution, shall be charged directly or indirectly to the complainant. The reasonable costs of such examination shall be paid by the county in which the alleged offense was committed. Nothing in this section shall be construed to limit the duties, responsibilities, or liabilities of any insurer, whether public or private.

Sec. 4. [609.364] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 and 3 to 8, the terms in this section have the meanings given them.

Subd. 2. [ACTOR.] "Actor" means an adult accused of intrafamilial sexual abuse.

Subd. 3. [CHILD.] "Child" means a person under age 16.

Subd. 4. [COMPLAINANT.] "Complainant" means a child or minor alleging to have been subjected to intrafamilial sexual abuse, but need not be the person who signs the complaint.

Subd. 5. [INTIMATE PARTS.] "Intimate parts" includes the primary genital area, groin, inner thigh, buttocks, or breast of a human being.

Subd. 6. [FAMILIAL RELATIONSHIP.] "Familial relationship" means a situation in which the actor is:

(a) *The complainant's parent, stepparent, or guardian;*

(b) *Nearer of kin to the complainant than first cousin, computed by rules of the civil law, whether of the half or the whole blood;*

(c) *Any of the following persons related to the complainant by marriage or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or*

(d) *An adult who jointly resides intermittently or regularly in the same dwelling as the complainant and who is not the complainant's spouse.*

Subd. 7. [INTRAFAMILIAL SEXUAL ABUSE.] *"Intra-familial sexual abuse" means sexual contact or sexual penetration, or both, of a child or minor when the actor has a familial relationship to the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.*

Subd. 8. [MINOR.] *"Minor" means a person under age 18 but over age 15.*

Subd. 9. [SEXUAL CONTACT.] *"Sexual contact" includes any of the following acts, if the acts can reasonably be construed as being for the purpose of satisfying the actor's sexual or aggressive impulses:*

(a) *The intentional touching by the actor of the complainant's intimate parts; or*

(b) *The touching by the complainant of the actor's, the complainant's, or another's intimate parts; or*

(c) *The touching by another of the complainant's intimate parts; or*

(d) *In any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.*

Subd. 10. [SEXUAL PENETRATION.] *"Sexual penetration" means sexual intercourse, cunnilingus, fellatio, anal intercourse, or any intrusion however slight into the genital or anal openings of the complainant's body of any part of the actor's body or any object used by the actor for this purpose. Emission of semen is not necessary.*

Sec. 5. [609.3641] [INTRAFAMILIAL SEXUAL ABUSE IN THE FIRST DEGREE.]

A person is guilty of the felony of intrafamilial sexual abuse in the first degree if he has a familial relationship to and engages in sexual penetration with a child.

A person convicted of intrafamilial sexual abuse in the first degree may be sentenced to imprisonment for not more than 20 years.

Sec. 6. [609.3642] [INTRAFAMILIAL SEXUAL ABUSE IN THE SECOND DEGREE.]

A person is guilty of the felony of intrafamilial sexual abuse in the second degree if he has a familial relationship to and engages in sexual contact with a child.

A person convicted of intrafamilial sexual abuse in the second degree may be sentenced to imprisonment for not more than 15 years.

Sec. 7. [609.3643] [INTRAFAMILIAL SEXUAL ABUSE IN THE THIRD DEGREE.]

A person is guilty of the felony of intrafamilial sexual abuse in the third degree if he has a familial relationship to and engages in sexual penetration with a minor.

A person convicted of intrafamilial sexual abuse in the third degree may be sentenced to imprisonment for not more than ten years.

Sec. 8. [609.3644] [INTRAFAMILIAL SEXUAL ABUSE IN THE FOURTH DEGREE.]

A person is guilty of the felony of intrafamilial sexual abuse in the fourth degree if he has a familial relationship to and engages in sexual contact with a minor.

A person convicted of intrafamilial sexual abuse in the fourth degree may be sentenced to imprisonment for not more than five years.

Sec. 9. Minnesota Statutes 1980, Section 626.556, Subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by the child's parents, guardian, or person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343,

609.344, (OR) 609.345, or sections 4 to 8. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Neglect" means failure by a parent, guardian or other person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child.

(c) "Physical abuse" means:

(i) Any physical injury inflicted by a parent, guardian or other person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the history of injuries provided by a parent, guardian or other person responsible for the child's care.

(d) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment and apply to any act that occurs on or after that date."

Also delete title and insert:

"A bill for an act relating to crimes; creating the crime of intrafamilial sexual abuse; amending Minnesota Statutes 1980, Sections 595.02; 609.348; 609.35; and 626.556, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 609."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 599, A bill for an act relating to game and fish; increasing game and fish licenses and other fees; amending Minne-

sota Statutes 1980, Sections 98.46, Subdivisions 2, 2a, 3, 4, 5, 5a, 6, 7, 8, 9, 9a, 10, 11, 12, 14, 15, 16, 17, 18, and 19; 99.28, Subdivision 5; 100.35, Subdivisions 1 and 5; and 101.44.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 98.46, Subdivision 2, is amended to read:

Subd. 2. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To take small game, (\$5) \$7;
- (2) To take deer (OR BEAR, OR BOTH,) with firearms (DURING THE PERIOD IN WHICH THE LICENSEE MAY TAKE DEER), (\$10) \$13;
- (3) To take deer (OR BEAR, OR BOTH,) with bow and arrow (DURING THE PERIOD IN WHICH THE LICENSEE MAY TAKE DEER), (\$10) \$13;
- (4) To take fish by angling, (\$5) \$6.50;
- (5) Combination husband and wife, to take fish by angling, (\$8) \$10.50;
- (6) To take moose, (\$100) \$140 for an individual or for a party of not to exceed four persons;
- (7) To take bear only, (\$7.50) \$13;
- (8) To take turkeys, \$10, in addition to a small game license;
- (9) *To take raccoon, bobcat, coyote or fox with the aid of dogs, \$7.50, in addition to a small game license.*

Sec. 2. Minnesota Statutes 1980, Section 98.46, Subdivision 2a, is amended to read:

Subd. 2a. The commissioner of natural resources shall issue Minnesota sportsman licenses by March 1, 1978, The licenses shall be issued to residents only. The fee for licenses shall be (\$9) \$12 if the angling license is for one person and (\$12) \$16 if the angling license is a combination husband and wife license. These fees do not include the surcharge authorized pursuant to section 97.482 nor the state waterfowl stamp required by section 97.4841.

The license shall authorize the licensee to:

- (1) Take small game;
- (2) Take fish by angling.

(THE GAME AND FISH SUBCOMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE FISH AND WILDLIFE SUBCOMMITTEE OF THE SENATE SHALL STUDY THE FEASIBILITY OF OTHER COMBINATIONS FOR SPORTSMAN'S LICENSES PRIOR TO JANUARY 1, 1978.)

Sec. 3. Minnesota Statutes 1980, Section 98.46, is amended by adding a subdivision to read:

Subd. 2b. The commissioner of natural resources, in commemoration of the fiftieth year of the department, shall issue Minnesota golden licenses by March 1, 1982. The license shall be issued to residents only. The fee for such licenses shall be \$100 and shall authorize the licensee to:

- (1) Take small game;*
- (2) Take fish by angling;*
- (3) Spear fish from a dark house;*
- (4) Trap fur bearing animals, except beaver;*
- (5) Take deer with firearms;*
- (6) Take deer with bow and arrows; and*
- (7) Take bear.*

The fee does not include the surcharge authorized pursuant to section 97.482 nor the state waterfowl stamp required by section 97.4841.

The license shall be issued in distinctive format on durable, gold colored material.

Sec. 4. Minnesota Statutes 1980, Section 98.46, Subdivision 3, is amended to read:

Subd. 3. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To harvest wild rice, (\$4) \$10;

- (2) To buy and sell wild ginseng, \$5.

Sec. 5. Minnesota Statutes 1980, Section 98.46, Subdivision 4, is amended to read:

Subd. 4. Fees for the following licenses, to be issued to residents only, shall be:

(1) *To trap fur bearing animals, except beaver, for residents over the age of 13 and under the age of 18, \$3.50;*

((1)) (2) To trap fur bearing animals, except beaver, for residents over the age of 18, (\$5) \$13;

((2)) (3) To buy or sell raw furs anywhere within the state including the privilege of selling to resident manufacturers or to unlicensed non-residents, representing unlicensed non-residents as a broker or agent, or conducting a fur auction wherein sales are made to unlicensed non-residents or resident manufacturers, (\$50) \$100, provided that any employee, partner or officer buying or selling at the established place of business only for (SUCH) the licensee may secure a supplemental license for (\$20) \$50;

((3)) (4) To trap beaver during an open season or by permit when doing damage, \$2.50;

((4)) (5) To guide bear hunters, \$50.

Sec. 6. Minnesota Statutes 1980, Section 98.46, Subdivision 5, is amended to read:

Subd. 5. Fees for the following licenses, to be issued to residents only, shall be:

(1) To spear fish from a dark house, (\$5) \$7.50;

(2) For any fish house or dark house used during the winter fishing season, \$3 for each fish house or dark house not rented or offered for hire, and (\$10) \$13 for each fish house or dark house rented or offered for hire. Each (SUCH) fish house or dark house shall have attached to the outside a metal tag at least two inches in diameter with a 3/16 inch hole in the center, which will be issued with a license. Each metal tag shall be stamped with a number to correspond with the fish house or dark house license and also shall be stamped with the year of issuance. The metal tag shall be attached to the fish house or dark house as designated by commissioner's order;

(3) To net whitefish, tullibees or herring from inland lakes or international waters, for domestic use only, for each net, \$3;

(4) To conduct a taxidermist business, *for three consecutive years*, (\$10) \$40;

(5) To maintain fur and game farms, including deer, (\$10) \$15;

(6) To take mussels or clams, \$25;

(7) To take, transport, purchase and possess for sale unprocessed turtles and tortoises within the state, (\$25) \$50;

(8) To prepare dressed game fish shipments for nonresidents as provided by section 97.45, subdivision 6, as amended, (\$10) \$13;

(9) Minnow dealer, (\$50) \$70 plus \$10 for each vehicle;

(10) Minnow dealer's helper, \$5 for each helper. Minnow dealer's helpers' licenses shall be issued to the minnow dealer and are transferable by the dealer at will to his own helpers;

(11) Exporting minnow dealer, (\$200) \$250, plus \$10 for each vehicle.

Each vehicle license shall cover a specified vehicle. The serial number, license number, make, and model shall be specified on the license which must be conspicuously posted in the vehicle licensed.

Sec. 7. Minnesota Statutes 1980, Section 98.46, Subdivision 5a, is amended to read:

Subd. 5a. Fees for the following licenses, to be issued to nonresidents, shall be:

(1) For an exporting minnow hauler, (\$400) \$525, plus \$10 for one vehicle license only.

(2) Each vehicle license shall cover a specified vehicle. The serial number, license number, make and model shall be conspicuously posted in the vehicle licensed.

Sec. 8. Minnesota Statutes 1980, Section 98.46, Subdivision 6, is amended to read:

Subd. 6. Fees for the following licenses to net for commercial purposes in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the junction of the Mississippi River and Lake St. Croix and from Lake St. Croix to the Iowa border, which, except in the case of helpers licenses, shall be issued to residents only, shall be:

- (1) For a seine not exceeding 500 feet, (\$20) \$25;
- (2) For a seine in excess of 500 feet, but not over 1,000 feet, (\$30) \$40;
- (3) For each 100 feet of seine in excess of 1,000 feet, (\$2) \$2.50;
- (4) For helper's license, \$5.

Sec. 9. Minnesota Statutes 1980, Section 98.46, Subdivision 7, is amended to to read:

Subd. 7. Fees for the following licenses to net for commercial purposes in the boundary waters between Wisconsin and Minnesota from Lake St. Croix to the Iowa border, which, except in the case of helpers licenses, shall be issued to residents only, shall be:

- (1) For each gill net not exceeding 500 feet in length, (\$10) \$13;
- (2) For each gill net exceeding 500 feet, but not over 1,000 feet, (\$20) \$25;
- (3) For each fyke net or hoop net, \$10;
- (4) For each bait or turtle net, (\$1) \$1.50;
- (5) For each set line, (\$10) \$13 for each identification tag to be attached to each set line;
- (6) For helper's license, \$5.

Sec. 10. Minnesota Statutes 1980, Section 98.46, Subdivision 8, is amended to read:

Subd. 8. Fees for the following licenses to take rough fish with set lines, or seines, in the Mississippi River from the St. Croix River junction to St. Anthony Falls, to be issued to residents only, shall be:

- (1) For a seine not exceeding 500 feet, (\$20) \$25; for a seine in excess of 500 feet, but not over 1,000 feet, (\$30) \$40; for each 100 feet of seine or fraction thereof in excess of 1,000 feet, \$2;
- (2) For each set line, (\$10) \$13;
- (3) For helper's license, \$5.

Sec. 11. Minnesota Statutes 1980, Section 98.46, Subdivision 9, is amended to read:

Subd. 9. A license to take rough fish with one set line, containing not more than ten hooks, in the Minnesota River from Mankato to its junction with the Mississippi River, and in the Mississippi River from St. Anthony Falls to the St. Croix junction, for domestic use, shall be issued to residents only, upon payment of the fee of (\$10) *\$13*.

Sec. 12. Minnesota Statutes 1980, Section 98.46, Subdivision 9a, is amended to read:

Subd. 9a. Licenses to net commercial fish in inland waters shall be issued annually and shall be valid for commercial fishing during the period from the day after Labor Day to the day preceding the opening of the season for the taking of walleye. License fees shall be (\$50) *\$70*, plus:

(a) (FIFTY) 75 cents for each hoop net pocket;

(b) (\$10) *\$15* for each 1,000 feet of seine. Provided that in the license application to the commissioner, each applicant shall list the number of feet of seine of each depth for which he wishes to be licensed; and

(c) \$5 for each helper's license.

Sec. 13. Minnesota Statutes 1980, Section 98.46, Subdivision 10, is amended to read:

Subd. 10. Fees for the following licenses to net fish in Lake of the Woods, to be issued to residents only, shall be:

(1) For each pound net or staked trap net, (\$35) *\$45*;

(2) For each fyke net with wings or lead not exceeding four feet in height, (\$5) *\$10*;

(3) For each fyke net with either wings or lead over four feet in height, an additional \$5 for each additional two feet or fraction thereof;

(4) For each 100 feet of gill net, (\$1.50) *\$2.50*;

(5) For each submerged trap net, \$15;

(6) For helper's license, (\$5) *\$15*;

(7) For each trawl, \$500.

Sec. 14. Minnesota Statutes 1980, Section 98.46, Subdivision 11, is amended to read:

Subd. 11. Fees for the following licenses to net fish in Rainy Lake, to be issued to residents only, shall be:

- (1) For each pound net, (\$35) \$45;
- (2) For each 100 feet of gill net, (\$1.50) \$2.50;
- (3) For helper's license, (\$5) \$15.

Sec. 15. Minnesota Statutes 1980, Section 98.46, Subdivision 12, is amended to read:

Subd. 12. (a) Fees for the following licenses to fish commercially in Lake Superior, to be issued to residents only, shall be:

(1) For not to exceed 1,000 feet (305 m) of gill net of mesh size not less than 2.25 inch (5.75 cm) nor more than 2.75 inch (7 cm) extension measure, (\$50) \$70 plus (\$1) \$2 for each additional 1,000 feet (305 m);

(2) For not to exceed 1,000 feet (305 m) of gill net of mesh size not less than 4.5 inch (11.5 cm) mesh extension measure, (\$50) \$70 plus (\$1) \$2 for each additional 1,000 feet (305 m);

(3) For a pound or trap net, (\$50) \$70 plus (\$1) \$2 for each additional pound or trap net;

(4) For a helper's license, \$5.

(b) A license to fish commercially in Lake Superior shall be issued only to a resident who, except as herein provided:

(1) Possesses 5,000 feet of gill net of mesh sizes permitted in section 102.28 or two pound nets;

(2) Landed fish in the previous year with a value of at least \$1,500, except for those state waters from Duluth to Silver Bay upon the discretion of the commissioner; and

(3) Engaged in commercial fishing for at least 50 days of the previous year.

An applicant for a license in 1978 must have met the requirements of subdivision 12, clause (b) during two of the previous three years.

An applicant shall be issued a license without meeting the requirements of subdivision 12, clause (b) if the applicant is 65 or more years of age and has held a license continuously since 1947. An applicant may be issued a license, at the discretion of the commissioner, if (HIS) failure to meet the requirements of subdivision 12, clause (b) resulted from illness or other mitigating circumstances, or (HE) *the applicant* has reached the age of 65 and has been licensed at least ten of the previous 15 years. Persons receiving licenses under the provisions for applicants 65 years of age or more must be in attendance at the setting and lifting of nets. The commissioner may issue multiple licenses to individuals who meet the requirements of subdivision 12, clause (b), and have held multiple licenses prior to 1978.

(c) A license may be issued to an applicant who has not fished commercially on Lake Superior before, if the applicant:

(1) Shows a bill of sale indicating the purchase of gear and facilities connected with an existing license; or

(2) Shows proof of inheritance of all the gear and facilities connected with an existing license; or

(3) Has served at least two years as a helper in a Minnesota Lake Superior licensed commercial fishing operation; and

(4) Has no record of conviction for violating chapters 97 to 102 in the preceding three years.

Sec. 16. Minnesota Statutes 1980, Section 98.46, Subdivision 14, is amended to read:

Subd. 14. Fees for the following licenses, to be issued to nonresidents, shall be:

(1) To take small game and unprotected quadrupeds with firearms and bow and arrows, (\$25) \$35;

(2) To take deer (AND BEAR) during the period in which the licensee may take deer, and unprotected quadrupeds with firearms and bow and arrows, (\$60) \$75;

(3) To take deer (AND BEAR) during the period in which the licensee may take deer, and unprotected quadrupeds with a bow and arrows only, (\$25) \$35;

(4) To take bear, (\$25.25) \$75;

(5) To take turkeys, \$30, in addition to a small game license;

(6) To hunt raccoon, \$100, in addition to nonresident small game license.

Sec. 17. Minnesota Statutes 1980, Section 98.46, Subdivision 15, is amended to read:

Subd. 15. Fees for the following licenses, to be issued to nonresidents, shall be:

- (1) To take fish by angling, (\$10) \$15;
- (2) A short term individual license to take fish by angling for (THREE) *seven* consecutive days, (\$5) \$10.50;
- (3) *A short term individual license to take fish by angling for one day, \$5;*
- (4) Combination husband and wife, to take fish by angling, (\$15) \$20;

((4)) (5) For any fish house used during the winter fishing season, \$15. A fish house licensed pursuant to this subdivision shall be identified as prescribed in subdivision 5. The house shall be collapsible and portable, and shall at no time be left unattended while on the ice. The provisions of section 101.42 not inconsistent herewith shall also apply to fish houses licensed pursuant to this subdivision.

Sec. 18. Minnesota Statutes 1980, Section 98.46, Subdivision 16, is amended to read:

Subd. 16. Fees for the following licenses, to be issued to non-residents, shall be:

To buy or sell raw furs, (\$400) \$500, except that a license shall not be required to buy from those licensed under subdivision 4, clause (2).

To guide bear hunters, \$400.

Sec. 19. Minnesota Statutes 1980, Section 98.46, Subdivision 17, is amended to read:

Subd. 17. Fees for the following licenses, to be issued to either residents or nonresidents, shall be:

(1) To deal in live or engage in the business of preserving minnows; minnow retailer, (\$5) \$10 plus \$10 for each vehicle used to transport minnows.

(2) To raise fish in a private hatchery, (\$25) \$50.

(3) To take under state supervision sucker eggs from public waters, for private fish hatchery purposes:

(a) To take not to exceed 100 quarts, (\$100) \$150;

(b) To take in excess of 100 quarts, (\$2) \$3 per quart for such excess.

Sec. 20. Minnesota Statutes 1980, Section 98.46, Subdivision 18, is amended to read:

Subd. 18. Fees for the following licenses, to be issued to either residents or nonresidents shall be:

(1) For a wild rice dealer's license to buy wild rice within the state for resale to anyone except consumers, or to sell wild rice imported from outside the state to anyone within the state except consumers, (\$50) \$70 if the amount of wild rice bought or sold by the licensee within the year covered by the license does not exceed 50,000 pounds, (\$200) \$250 if (SUCH) *the* amount exceeds 50,000 pounds. For the purposes hereof the weight of wild rice in its raw state shall govern. All raw rice purchased by a dealer shall be reported in accordance with clauses (2), (3), (4), and (5) of this subdivision.

(2) Every application for a license under this subdivision shall be made on oath in writing in (SUCH) *the* form (AS) the commissioner shall prescribe, stating the amount of wild rice, whether raw or processed, bought or sold by the applicant during the calendar year preceding the year for which the license is sought, the amount which the applicant estimates (HE) will (BUY) *be bought* or (SELL) *sold* under the license, and (SUCH) other pertinent information (AS) the commissioner may require. The license fee shall be paid in advance, based on (SUCH) *the* estimate, subject to adjustment as hereinafter provided; provided, that no license shall be issued for any year based on a lesser amount of wild rice than was bought or sold by the applicant during the preceding calendar year.

(3) Every licensee under this subdivision shall keep a correct and complete book record of all wild rice bought or sold (BY HIM) during the period covered by (HIS) *the* license, showing the date of each transaction, the names and addresses of all other parties thereto, and the amount of wild rice involved, whether raw or processed. Every (SUCH) record shall be open for inspection by the commissioner, the coordinator of wild rice, or any conservation officer or agent of the commissioner at all reasonable times. Every licensee shall transmit to the commissioner within ten days after the end of each calendar month during the period covered by the license a written report, in (SUCH) *the* form (AS) the commissioner shall prescribe, signed by the licensee, stating the total amount of wild rice bought or sold (BY

HIM) during (SUCH) *the* calendar month, whether raw or processed.

(4) No dealer licensee under this subdivision shall at any time buy or sell any wild rice for which a license is required hereunder in excess of the amount covered by (HIS) *the* license. In case a licensee shall desire to buy or sell any wild rice in excess of (SUCH) *the* amount, (HE) *the licensee* shall before doing so make application for a supplemental license covering the increased amount of wild rice involved, and (SUCH) *the* license shall be issued (TO HIM) upon payment of the prescribed fee therefor, less credit for the fees paid for the previous license or licenses issued (TO HIM HEREUNDER) for the same calendar year. Upon the issuance of (SUCH) *the* supplemental license, (SUCH) *the* previous license or licenses shall be surrendered to the commissioner.

(5) The wilful making of a false statement in any application for a license under this subdivision or in any report required hereunder, or the wilful making of a false entry in any record required hereunder, or any other violation of or failure to comply with any provision of this subdivision shall be a misdemeanor, punishable as provided by section 97.55, subdivision 1. Upon a second conviction within a period of three years of any person of any offense under this subdivision, any license hereunder then held by (HIM) *that person* shall immediately become null and void, and no such license shall be issued to (HIM) *that person* for one year after the date of (SUCH) *the* conviction.

Sec. 21. Minnesota Statutes 1980, Section 98.46, Subdivision 19, is amended to read:

Subd. 19. Fees for the following licenses, to be issued to either residents or nonresidents, shall be:

(1) To buy fish from licensed commercial fishermen on Lake Superior:

- (a) For the purpose of selling to retailers, (\$25) \$50;
- (b) For the purpose of retail selling only, (\$5) \$10.

(2) To buy fish from licensed commercial fishermen on Lake of the Woods, Namakan, Sand Point, or Rainy Lake:

- (a) Wholesale fish buyer's license, \$100;
- (b) Fish buyer's license to ship from one place to another on international waters only, \$10.

(3) To tan or dress raw furs, (\$10) \$15;

(4) Fish peddler's license, to peddle with the use of a motor vehicle, any fish lawfully salable within the state, (\$5) \$25. It shall be unlawful to misrepresent the species of any fish sold by any licensed fish peddler or (HIS) *peddler's* employee. Upon conviction of misrepresentation of the species of fish sold by any fish peddler licensed hereunder or (HIS) employee, (HIS) *the* license shall be revoked, and (SUCH) *the* licensee shall not be eligible to obtain a fish peddler's license for the period of one year after (SAID) revocation. Misrepresentation shall include the following acts in addition to any other acts constituting misrepresentation in fact: (1) The designation of any fish by any name other than its common name in Minnesota; (2) The designation of any fish by any other name than its common name in the locality where it was taken if it is not generally known by any common name in Minnesota.

Sec. 22. Minnesota Statutes 1980, Section 98.47, Subdivision 1, is amended to read:

Subdivision 1. Residents who have attained the age of 65 years may take fish by angling or spearing without a license. Residents under the age of 16 years may take fish (AND TRAP FUR BEARING ANIMALS EXCEPT BEAVER OR OTTER) without procuring a license. Residents under the age of 13 years may take small game without a license. Residents under the age of 16 years and over 12 may take small game provided they have in their possession while hunting a valid firearm safety certificate. Residents under 14 must be accompanied by a parent or guardian while hunting. No hunting license shall be issued to any resident under the age of 16, except that such residents who possess a valid certificate may purchase a big game hunting license. Nonresidents under the age of 16 years may take fish by angling without procuring a license, if their parent or legal guardian has obtained a nonresident fishing license. Fish so taken shall be included in the daily and possession limit of the parent or legal guardian. Any nonresident under the age of 16 years who is attending a camp adjacent to any public waters of the state conducted by a social, charitable, or welfare organization or institution, not for profit, may take fish by angling in such waters or other adjacent waters without procuring a license, provided the organization or institution conducting the camp shall have a certificate from the commissioner that the camp is qualified hereunder, describing the waters affected as determined by the commissioner, and each such nonresident shall carry with him at all times while taking or attempting to take fish by angling in such waters a certificate identifying him and describing the waters, in such form as the commissioner shall prescribe, signed and dated by the officer or agent of the organization or institution in charge of the camp within the current calendar year.

Sec. 23. Minnesota Statutes 1980, Section 98.50, Subdivision 5, is amended to read:

Subd. 5. Any resident desiring to sell the licenses referred to in subdivision 1 may either purchase for cash or obtain on consignment license blanks from a county auditor in groups of not less than five non-resident, and ten resident license blanks. In addition to the basic license fee, he shall collect a fee for issuing each license in the amount of (75 CENTS) \$1 for the license to take deer and for the sportsman license authorized in section 98.46, subdivision 2a, and (50) 75 cents for all other licenses. The state migratory waterfowl stamp required by section 97.4841 shall be considered to be a "license" within the meaning of this subdivision except when such stamp and a small game license are issued in the same transaction in which case the stamp shall be considered a part of the small game license and only one issuing fee shall be collected. In selling such licenses, he shall be deemed an agent of the county auditor and the commissioner, and he shall observe all rules and regulations promulgated by the commissioner for the accounting for and handling of such licenses.

The county auditor shall promptly deposit all moneys received from the sale of licenses with the county treasurer, and shall promptly transmit such reports as may be required by the commissioner, together with his warrant on the county treasurer for 100 percent of the surcharge imposed by section 97.482 plus 96 percent of the price to the licensee, exclusively of said surcharge and the issuing fee, for each license sold or consigned by him and subsequently sold to a licensee during the accounting period. The county auditor shall retain as his commission four percent of all license fees, excluding issuing fees for licenses consigned to sub-agents. In addition, for licenses sold for cash directly to the licensee, the auditor shall collect the same issuing fee as a sub-agent. Unsold license blanks in the hands of any agent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner therefor. Any license blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the agent possessing the same or to whom they are charged shall be accountable therefor. The commissioner shall collect the same issuing fee as a subagent for licenses sold directly through a license distribution center operated by the department of natural resources. The issuing fees so collected by the commissioner shall be credited to the game and fish fund.

Sec. 24. Minnesota Statutes 1980, Section 99.28, Subdivision 5, is amended to read:

Subd. 5. The holder of any such license shall pay an annual license fee of (\$2.50) \$10 for any such farm upon which muskrats are taken on said owner's premises.

Sec. 25. Minnesota Statutes 1980, Section 100.273, Subdivision 7, is amended to read:

Subd. 7. In taking raccoon, *bobcat*, *coyote* or *fox* when treed or at bay on private land with the aid of dogs, a person while on foot may, without permission of the landowner, enter such private land to retrieve any dogs and then shall immediately leave the premises. During the season for taking big or small game, a hunter may on foot retrieve a wounded big or small game animal from agricultural land of another which is not posted pursuant to subdivision 6, without permission of the landowner, and shall then leave as soon as possible.

Sec. 26. Minnesota Statutes 1980, Section 100.35, Subdivision 1, is amended to read:

Subdivision 1. The fee for a shooting preserve license or permit shall be (\$50) \$75.

Sec. 27. Minnesota Statutes 1980, Section 100.35, Subdivision 5, is amended to read:

Subd. 5. All harvested game except ducks which are marked in accordance with regulations of the United States fish and wildlife service shall be tagged with a selfsealing tag to be issued by the department at a cost of (FIVE) 15 cents. The tags shall be so numbered or otherwise identified that each preserve using them can be identified and (SUCH) the tag shall be maintained on each bird shot until either consumed on the premises or if removed therefrom, until actually prepared for consumption.

Sec. 28. Minnesota Statutes 1980, Section 101.44, is amended to read:

101.44 [FROGS; SEASON, REGULATION, LICENSES.]

Except as otherwise permitted, frogs may not be taken or possessed during the months of April and the first 15 days of May. During the open season, frogs not exceeding six inches in length, measured from tip of nose to tip of hind toes, legs fully extended, may be possessed in any numbers, bought, sold, and transported for angling purposes only. Except as otherwise provided under commissioner's regulations, not to exceed 150 frogs over six inches in length may be possessed in or transported through the state, except by common carrier, and may be possessed in any quantity and sold during the open season. It shall be unlawful to use cloth screens or other similar contrivances in catching frogs. Provided, the taking of frogs may be prohibited in (SUCH) areas of the state and during (SUCH) periods as the commissioner may by order prescribe. Provided, further, that no person shall be permitted to take or possess frogs unless legally entitled to take fish within the state. The commissioner shall establish regulations dealing with the purchase, possession and transportation of frogs for purposes other than bait. The fee for this license shall be (\$50) \$70 for resident;

(\$150) \$200 for nonresidents. The commissioner may issue licenses to residents to take, possess, transport and sell frogs for purposes other than bait. The license fee shall be (\$2.50) \$10.

Sec. 29. [EFFECTIVE DATE.]

This act is effective for the license year commencing March 1, 1982, and thereafter."

Delete the title and insert:

"A bill for an act relating to game and fish; increasing game and fish licenses and other fees; amending Minnesota Statutes 1980, Sections 98.46, Subdivisions 2, 2a, 3, 4, 5, 5a, 6, 7, 8, 9, 9a, 10, 11, 12, 14, 15, 16, 17, 18, 19, and by adding a subdivision; 98.47, Subdivision 1; 98.50, Subdivision 5; 99.28, Subdivision 5; 100.273, Subdivision 7; 100.35, Subdivisions 1 and 5; and 101.44."

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 619, A bill for an act relating to intoxicating liquor; correcting the wording of the ballot question for a municipal liquor store referendum; amending Minnesota Statutes 1980, Section 340.353, Subdivision 2.

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 621, A bill for an act relating to landlords and tenants; permitting certain actions in unlawful detainer to be done by nonattorneys; amending Minnesota Statutes 1980, Section 481.02, Subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 481.02, Subdivision 3, is amended to read:

Subd. 3. [(WHAT) PERMITTED ACTIONS.] The (FOREGOING) *provisions of this section* shall not prohibit:

(1) any one from drawing, without charge (FOR SO DOING), any document to which he, (OR) a person whose employee he is (OR), a firm whereof he is a member, or a corporation whose officer or employee he is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will; (AND SHALL NOT PROHIBIT)

(2) a person from drawing a will for another in an emergency wherein the imminence of death leaves insufficient time to have (THE SAME) *it* drawn and its execution supervised by a licensed attorney at law; (AND SHALL NOT PROHIBIT)

(3) any one, acting as broker for the parties or agent of one of the parties to a sale or trade or lease of property or to a loan, from drawing or assisting in drawing, with or without charge (THEREFOR), (SUCH) papers (AS MAY BE) incident to (SUCH) *the* sale, trade, lease, or loan; (AND SHALL NOT PROHIBIT)

(4) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of (SUCH) *the* policies; (AND SHALL NOT PROHIBIT ONE SUCH)

(5) a licensed attorney at law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between (SAID) *the* corporations; (AND SHALL NOT PROHIBIT)

(6) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment; (AND SHALL NOT PROHIBIT)

(7) any person from conferring or cooperating with a licensed attorney at law of another in preparing any legal document, if (SUCH) *the* attorney is not, directly or indirectly, in the employ of (SUCH) *the* person or of any person, firm, or corporation, represented by (SUCH) *the* person; (AND SHALL NOT PROHIBIT)

(8) any licensed attorney at law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or wherein it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing

and drawing (SUCH) *the* document shall not exceed the amount paid to and received and retained by (SUCH) *the* attorney, and (SUCH) *the* attorney shall not, directly or indirectly, rebate the (SAME) *fee* to or divide the (SAME) *fee* with (SUCH) *the* corporations; (AND SHALL NOT PROHIBIT)

(9) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions or any other conveyances except testamentary dispositions and instruments of trust; (AND SHALL NOT PROHIBIT)

(10) a licensed attorney at law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom he is employed and by whom no compensation is, directly or indirectly, received for (SUCH) *the* services; (AND SHALL NOT PROHIBIT)

(11) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney at law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney at law receives the entire compensation for (SUCH) *the* work; (AND SHALL NOT PROHIBIT)

(12) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers thereto, made by a licensed attorney at law, if no (SUCH) answer (BE) is accompanied or at any time preceded or followed by any charge for (SUCH ANSWER) *it*, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for (SUCH) *the* periodical or any one connected with it or suggested by it, directly or indirectly;

(13) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of rental property used for residential purposes; and

(14) any person from commencing, maintaining conducting, or defending on behalf of the plaintiff or defendant any action commenced in any county or municipal court of this state pursuant to the provisions of sections 566.175 or 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action commenced in any county or municipal court of this state for the recovery of rental

property used for residential purposes pursuant to the provisions of sections 566.02 or 566.03, subdivision 1, except that the provisions of this clause shall not authorize a person who is not a licensed attorney at law to conduct a jury trial or to appear before a district court or the supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney at law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1980, Section 566.05, is amended to read:

566.05 [COMPLAINT AND SUMMONS.]

The person complaining shall file a complaint with a (JUS- TICE OF THE PEACE) court, describing the premises of which possession is claimed, stating the facts which authorize the re- covery, and praying for restitution thereof. The (JUSTICE) court shall thereupon issue a summons, commanding the person against whom (SUCH) the complaint is made to appear before (HIM) the court on a day and at a place stated in (SUCH) the summons (NAMED, WHICH). The appearance shall not be less than (THREE) seven, nor more than (TEN) 14, days from the day of issuing the (SAME) summons. A copy of the com- plaint shall be attached to the summons, which shall state that it is so attached, and that the original has been filed.

Sec. 3. Minnesota Statutes 1980, Section 566.06, is amended to read:

566.06 [SUMMONS; HOW SERVED.]

The summons shall be served at least (THREE) seven days before the return day thereof by delivering a copy to the person against whom it is issued or if (SUCH) the person (BE) is a corporation, a minor under 14 years of age or a person under guardianship, by delivering a copy as provided in the case of (A) service of a summons in a civil action in the district court (; BUT). In case (SUCH) the person cannot be found in the county, the summons may be served on him at least (SIX) seven days before (THE) its return day (THEREOF,) by leaving a copy (THEREOF) at his last usual place of abode with a member of his family, or a person of suitable age and discretion residing (AT SUCH PLACE) there, or if he had no place of abode, by leaving a copy (THEREOF) upon the premises described in the complaint with a person of suitable age and discretion occupying the same or any part thereof. The summons may be served by the sheriff or any constable of the county, by an agent or attorney of any named party to the action, or by any other person not named a party to the action. In case the defendant cannot be found in the county, of which the return of the sheriff or constable (,) shall be prima facie proof, and further that there

is no person actually occupying the premises described in the complaint, then upon the filing of an affidavit by the plaintiff, or his attorney, in the court in which the action is brought stating that he believes the defendant is not in this state, or cannot be found therein, and either that he has mailed a copy of the summons to the defendant at his last known address, or that (SUCH) *the* address is not known to him, service of the summons may be made upon (SUCH) *the* defendant by posting the summons in a conspicuous place on the premises for not less than one week and if upon the return day the defendant, or his attorney, does not appear in court in the action then the trial thereof shall proceed.

Sec. 4. Minnesota Statutes 1980, Section 566.09, is amended to read:

566.09 [JUDGMENT; FINE; EXECUTION.]

If (, UPON THE TRIAL,) the (JUSTICE) *court* or jury (FIND) *finds* for the plaintiff, the (JUSTICE) *court* shall immediately (THEREUPON) enter judgment that the plaintiff have restitution of the premises (,) and tax the costs for him. The (JUSTICE) *court* shall issue execution in favor of the plaintiff for (SUCH) *the* costs (,) and also immediately issue a writ of restitution. (NO STAY OF THE WRIT OF RESTITUTION MAY BE GRANTED EXCEPT UPON A SHOWING BY THE DEFENDANT THAT THE RESTITUTION WOULD WORK A SUBSTANTIAL HARDSHIP UPON THE DEFENDANT. UPON A PROPER SHOWING BY THE DEFENDANT OF SUBSTANTIAL HARDSHIP, THE JUSTICE MAY STAY THE WRIT OF RESTITUTION FOR A REASONABLE PERIOD NOT TO EXCEED SEVEN DAYS, EXCEPT THAT NO STAY OF THE WRIT OF RESTITUTION SHALL EXTEND LATER THAN THREE DAYS PRIOR TO THE DATE THE RENT IS NEXT DUE) *Upon a showing by the defendant that immediate restitution of the premises would work a substantial hardship upon him or his family, the court shall stay the writ of restitution for a reasonable period, not to exceed seven days. If the (JUSTICE) court or jury (SHALL FIND) finds for the defendant, (HE) the court shall enter judgment for the defendant, tax the costs against the plaintiff, and issue execution therefor.*

Sec. 5. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes shall change the term "justice" or "justice of the peace" to "court" or another appropriate term wherever it appears in chapter 566.

Sec. 6. [EFFECTIVE DATE.]

This act shall be effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to landlords and tenants; permitting certain tenant remedies actions and certain actions in unlawful detainer to be done by nonattorneys; extending the time between service of the summons in unlawful detainer proceedings and the return day; providing for a stay of the writ of restitution in unlawful detainer proceedings in cases of hardship; changing obsolete terms in certain landlord and tenant statutes; amending Minnesota Statutes 1980, Sections 481.02, Subdivision 3; 566.05; 566.06; and 566.09."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 636, A bill for an act relating to unemployment compensation; providing for work weeks to begin on Monday; requiring vacation pay not to be deducted from benefits; amending Minnesota Statutes 1980, Sections 268.04, Subdivision 27; 268.07, Subdivision 2.

Reported the same back with the following amendments:

Page 1, lines 9 to 13, delete section 1

Page 1, line 14, delete "Sec. 2." and insert "Section 1."

Page 2, line 34, after the period insert "*Holiday pay is not earnings and is not deductible from the weekly benefit amount.*"

Amend the title as follows:

Page 1, line 2, delete "providing for"

Page 1, line 3, delete "work weeks to begin on Monday;"

Page 1, line 3, delete "vacation" and insert "holiday"

Page 1, line 5, delete "Sections 268.04, Subdivision 27;" and insert "Section"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 659, A bill for an act relating to retirement; St. Paul teachers retirement fund association; removing an expiration date on authority to provide post retirement increases in certain instances; authorizing reduced early retirement in certain instances; amending Laws 1979, Chapter 109, Section 1.

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 695, A bill for an act relating to commerce; regulating franchises; providing a penalty; amending Minnesota Statutes 1980, Sections 80C.01, Subdivisions 4, 13, and by adding subdivisions; 80C.03; 80C.09, by adding a subdivision; 80C.14; 80C.17, Subdivision 3, and by adding a subdivision; 80C.18, Subdivision 2; and 80C.19, Subdivision 1.

Reported the same back with the following amendments:

Page 1, line 25, strike the period and insert “; or”

Page 1, line 26, strike ““Franchise” shall include”

Page 1, line 27, after “agreement” insert “, *either express or implied, whether oral or written, for a definite or indefinite period, between two or more persons,*”

Page 2, line 3, strike the period and insert “; or”

Page 2, line 4, delete ““Franchise” shall include”

Page 2, line 6, after the first “purchaser” insert “, *other than the sale of sales demonstration equipment, materials or samples for a total price of \$500 or less to any one person,*”

Page 2, after line 24, insert:

“(e) “Franchise” does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in subdivision 4, paragraph (b), clause (2).”

Page 2, delete section 2

Page 4, line 7, after "Minnesota" insert "who has not requested it"

Page 4, line 7, delete "and"

Page 4, delete lines 8 to 22 and insert:

"(c) The franchisor deposits all franchisee fees in an escrow account until all obligations of the franchisor to the franchisee which are, pursuant to the terms of the franchise agreement, to be performed prior to the opening of the franchise, have been performed. The franchisor shall provide the franchisee with a purchase receipt for the franchise fees paid, a copy of the escrow agreement and the name, address and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. All such franchise fees shall be deposited in the escrow account within two business days after receipt; and

(d) The franchisor has filed with the commissioner, no later than ten business days prior to the date of the first sale, a written notice of its intention to offer or sell franchises pursuant to the exemptions set forth in this paragraph, which notice shall be accompanied by a fee of \$50, together with a copy of the disclosure document and standard franchise agreement of the franchisor, which documents are required to be supplied by the franchisor to the franchisee pursuant to rules of the federal trade commission."

Page 4, line 23, delete "(7)" and insert "(6)"

Page 4, line 24, delete "(8)" and insert "(7)"

Page 4, delete lines 29 to 31 and insert:

"(8) The offer or sale of a franchise to a resident of a foreign state, territory, or country who is neither domiciled in this state nor actually present in this state, if the franchise business is not to be operated wholly or partly in this state, and if the sale of this franchise is not in violation of any law of the foreign state, territory, or country concerned."

Page 4, delete section 6

Page 5, line 8, after the period, insert "For the purpose of rules defining the words "unfair and inequitable" the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of motor vehicle fuel franchises, motor vehicle franchises, hardware franchises and franchises which require that the franchisee make an initial, unfinanced investment in excess of \$200,000."

Page 5, line 15, after "agreements" insert "*other than those classifications of franchises specifically recognized by the commissioner pursuant to subdivision 1 of this section,*"

Page 6, delete section 8

Page 7, line 4, delete "11" and insert "8"

Renumber the sections

Amend the title as follows:

Page 1, line 4, delete "Subdivisions 4, 13," and insert "Subdivision 4,"

Page 1, line 5, delete "80C.09, by adding a subdivision;"

Page 1, line 6, delete "Subdivision 3, and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 696, A bill for an act relating to the city of East Grand Forks; permitting the city to acquire and develop certain land for industrial purposes.

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 707, A bill for an act relating to Independent School District No. 281, Robbinsdale; providing an alley system for at large election of school board members.

Reported the same back with the following amendments:

Page 2, delete lines 12 and 13 and insert:

"Section 1 applies to Independent School District No. 281 upon approval by a majority of the voters of the district, voting on the question at an election."

Page 2, delete lines 15 to 17 and insert:

"Section 1 is effective on the day of compliance with Minnesota Statutes, Section 645.021, Subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 751, A bill for an act relating to creation of a budget stabilization bookkeeping account; providing for transfers into and out of the account; providing for the maintenance and administration of the account; relating the operation of the account to the budget process of this state; prescribing the powers and duties of certain state officers; amending Minnesota Statutes 1980, Sections 16A.11, by adding a subdivision; 16A.15, Subdivision 1; and proposing new law coded in Minnesota Statutes, Chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [16A.1531] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] When used in sections 1 to 5 the following terms shall have the meanings given them.

Subd. 2. [APPROVED APPROPRIATIONS.] "Approved appropriations" means those funds appropriated from the general fund in a bill passed by the legislature and approved by the governor.

Subd. 3. [GENERAL FUND REVENUE.] "General fund revenue" means all sums deposited during a fiscal year in the fund defined by Minnesota Statutes, Section 16A.54.

Subd. 4. [REVENUE DEFICIENCY.] "Revenue deficiency" means a fiscal year in which estimated general fund revenue is less than approved appropriations. However, there is no revenue deficiency to the extent that approved appropriations were in excess of estimated general fund revenue at the time the appropriations were approved by the governor.

Subd. 5. [STABILIZATION AMOUNT.] "Stabilization amount" means the unrestricted final general fund balance at the end of a fiscal year excluding the first \$25 million.

Sec. 2. [16A.1532] [BUDGET STABILIZATION RESERVE ACCOUNT CREATED.]

A budget stabilization reserve account is created in the general fund of the treasury. Its purpose is to provide revenue during a revenue deficiency. It may not be used for a purpose other than an approved appropriation, for supplying funds for an emergency, or for an unforeseen need. It is administered by the commissioner of finance.

Sec. 3. [16A.1533] [FUNDING OF ACCOUNT.]

Subdivision 1. [TRANSFER.] The commissioner of finance shall annually transfer the stabilization amount from the unrestricted general fund balance to the budget stabilization reserve account to be used for the purposes stated in section 2 and subject to the limitations in sections 1 to 5 effective the date the state closes its accounts for a fiscal year.

Subd. 2. [LIMITATIONS ON TRANSFER.] The stabilization amount shall not exceed the amount necessary to raise the budget stabilization reserve account to a balance no greater than four percent of the approved appropriations for the current biennium.

Sec. 4. [16A.1534] [USE OF ACCOUNT.]

The commissioner of finance shall determine whether, pursuant to section 16A.15, there will be a revenue deficiency. The commissioner may then, upon approval of the governor, transfer from the budget stabilization reserve account to the unreserved general fund balance the amount necessary either to reduce or eliminate it. The governor shall promptly notify the chairman of the senate finance committee and the house of representatives appropriations committee of any transfer of funds from the budget stabilization reserve account to the unreserved general fund balance.

Sec. 5. [16A.1535] [MANAGEMENT OF FUNDS APPROPRIATED.]

Amounts transferred as provided by section 3, subdivision 1, shall be accounted for in the budget stabilization reserve account. Funds in the budget stabilization reserve account may be combined by the commissioner of finance with other funds in the general fund for purposes of cash management.

Sec. 6. Minnesota Statutes 1980, Section 16A.11, is amended by adding a subdivision to read:

Subd. 3a. [BUDGETING FOR STABILIZATION ACCOUNT.] In addition to the budget message and detailed budget estimates, the governor shall provide a report of budget stabilization reserve account activity during the biennium, the

current condition of the budget stabilization reserve account, and an estimate of the condition of the account at the end of the next fiscal biennium.

Sec. 7. Minnesota Statutes 1980, Section 16A.15, Subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, and after notice to the agency concerned, *either*:

(a) *transfer from the budget stabilization reserve account established in section 2, to the unreserved general fund balance the amount necessary to balance revenue and expenditures;*

(b) *reduce the amount allotted or to be allotted so as to prevent a deficit; or*

(c) *make any combination of transfers and reductions as provided by clauses (a) and (b).*

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1981."

Delete the title and insert:

"A bill for an act relating to creation of a budget stabilization reserve account; providing for transfers into and out of the account; providing for the maintenance and administration of the account; relating to the operation of the account to the budget process of this state; prescribing the powers and duties of certain state officers; amending Minnesota Statutes 1980, Sections 16A.11, by adding a subdivision; 16A.15, Subdivision 1; and proposing new law coded in Minnesota Statutes, Chapter 16A."

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 Local and Urban Affairs to which was referred:

H. F. No. 763, A bill for an act relating to taxation; imposing certain requirements and restrictions on the use of tax increment financing; amending Minnesota Statutes 1980, Sections 273.73, Subdivision 10; 273.74, Subdivisions 1, 2, 3, and 4, and by adding a subdivision; 273.75, Subdivisions 4 and 6, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapter 273; repealing Minnesota Statutes 1980, Section 273.76, Subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 273.73, Subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) The land is predominantly occupied by buildings, streets, utilities or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) The land is predominantly occupied by buildings, streets, utilities or other improvements and 20 percent of the buildings are structurally substandard and an additional 30 percent of the buildings are found to require substantial renovation or clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety and general well being of the community; or

(3) The land is not predominantly occupied by buildings, streets, utilities or other improvements, but *due to unusual terrain, subterrain or soil deficiencies* at least 80 percent of the total acreage of (SUCH) *the* land has a fair market value upon inclusion in the redevelopment district which, when added to the estimated cost of preparing the land for (USE, INCLUDING UTILITIES) *development, excluding costs directly related to roads within the scope of section 160.01 and local improvements as described in sections 429.021, subdivision 1, clauses 1 to 7,*

11, and 12; and 430.01, if any, exceeds its anticipated fair market value after completion of said preparation; or

(4) The property consists of underutilized air rights existing over a public street, highway or right-of-way; or

(5) *The property consists of vacant, unused, underused, inappropriately used or infrequently used railyards, rail storage facilities or excessive or vacated railroad rights-of-way.*

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. "Predominantly occupied" shall mean at least 50 percent of the parcels comprising at least 50 percent of the acreage.

Sec. 2. Minnesota Statutes 1980, Section 273.74, Subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.]
A tax increment financing plan shall contain:

(a) A statement of objectives of an authority for the improvement of a district (. THE PLAN SHALL CONTAIN);

(b) A statement as to the development program for the district, including the property within the district, if any, which the authority intends to acquire (. IT SHALL ALSO CONTAIN);

(c) *A list of any development activities which the plan proposes to take place within the district, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;*

(d) *Identification or description of the type of any other specific development reasonably expected to take place within the district, and the date when the development is likely to occur;*

(e) Estimates of the following:

(1) Cost of the district, including administration expenses;

(2) Amount of bonded indebtedness to be incurred;

(3) Sources of revenue to finance or otherwise pay public costs;

(4) The most recent assessed value of taxable real property within the district;

(5) The estimated captured assessed value of the district at completion; and

(6) The duration of the district's existence (. THE PLAN SHALL ALSO CONTAIN); and

(f) A statement of the authority's estimate of the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the district is located in whole or in part.

Sec. 3. Minnesota Statutes 1980, Section 273.74, Subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] Before formation of a tax increment financing district, the authority shall provide an opportunity to the members of the county boards of commissioners of any county in which any portion of the proposed district is located and the members of the school board of any school district in which any portion of the proposed district is located to meet with the authority. The authority shall present to the members of the county boards of commissioners and the school boards its estimate of the fiscal and economic implications of the proposed tax increment financing district. The members of the county boards of commissioners and the school boards may present their comments at the public hearing on the tax increment financing plan required by subdivision 3. *An authority shall not request certification of a tax increment financing district pursuant to section 273.76, subdivision 1, until the county board of commissioners has presented to the authority its written comments on the plan or until 30 days have passed from the date of the initial transmittal to the county of the authority's estimate regarding the fiscal and economic implication of the district, whichever happens first.* Upon adoption of the tax increment financing plan, the authority shall file the same with the state planning agency.

Sec. 4. Minnesota Statutes 1980, Section 273.74, Subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] No county auditor shall certify the original assessed value of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority which proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall

obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. This hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, *and shall set forth in writing the bases or reasons for each determination*:

(a) That the proposed tax increment financing district is a redevelopment district, a housing district or an economic development district (AND THE SPECIFIC BASES FOR SUCH DETERMINATION).

(b) That the proposed development or redevelopment, in the opinion of the municipality, would not occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(c) That the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(d) That the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the district by private enterprise.

(e) That the municipality elects the method of tax increment computation set forth in section 273.76, subdivision 3, clause (b), if applicable.

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for such financing.

Sec. 5. Minnesota Statutes 1980, Section 273.74, Subdivision 4, is amended to read:

Subd. 4. [MODIFICATION OF PLAN.] A tax increment financing plan may be modified by an authority, provided that any reduction or enlargement of geographic area (,); increase in amount of bonded indebtedness to be incurred, *including a deter-*

mination to capitalize interest on the debt; increase in the portion of the captured assessed value to be retained by the authority (,); increase in total estimated tax increment expenditures or designation of additional property to be acquired by the authority shall be approved upon the notice and after the discussion, public hearing, and findings required for approval of the original plan.

The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original assessed value by the county auditor or five years from August 1, 1979, for tax increment financing districts authorized prior to August 1, 1979, except that development districts created pursuant to chapter 472A prior to August 1, 1979, may be reduced but shall not be enlarged after five years following the date of designation of such district.

Sec. 6. Minnesota Statutes 1980, Section 273.77, is amended to read:

273.77 [TAX INCREMENT BONDING.]

Any other law, general or special, notwithstanding, after August 1, 1979 no bonds, payment for which tax increment is pledged, shall be issued in connection with any project for which tax increment financing has been undertaken other than as is authorized hereby and the proceeds therefrom shall be used only in accordance with section 273.75, subdivision 4 as if said proceeds were tax increment, except that a tax increment financing plan need not be adopted for any project for which tax increment financing has been undertaken prior to August 1, 1979, pursuant to statutes not requiring a tax increment financing plan. Such bonds shall not be included for purposes of computing the net debt of any municipality.

(a) A municipality may issue general obligation bonds to finance any expenditure by the municipality or an authority the jurisdiction of which is wholly or partially within that municipality, pursuant to section 273.75, subdivision 4 in the same manner and subject only to the same conditions as those provided in chapter 475 for bonds financing improvement costs reimbursable from special assessments. *A municipality may also issue general obligation temporary bonds in the same manner and subject only to the same conditions as those provided for temporary improvement bonds in section 429.091, subdivision 3, except that the general obligation temporary bonds may be payable from the proceeds of definitive bonds issued pursuant to clauses (b) and (c) of this section, as well as definitive general obligation bonds pursuant to this clause thereby required to be issued to the extent that the general obligation temporary bonds cannot be paid as otherwise provided in section 429.091, subdivision 3.* Any pledge of tax increment, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this subdivision, except when the authority

and the municipality are the same, shall be made by written agreement by and between the authority and the municipality and filed with the county auditor. When the authority and the municipality are the same, the municipality may by covenant pledge tax increment, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this subdivision and thereupon shall file the resolution containing such covenant with the county auditor. When tax increment, assessments and other revenues are pledged, the estimated collections of said tax increment, assessments and any other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or the collections thereof may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1 or 3.

(b) When the authority and the municipality are not the same, an authority may, by resolution, authorize, issue and sell its general obligation bonds to finance any expenditure which that authority is authorized to make by section 273.75, subdivision 4. Said bonds of the authority shall be authorized by its resolution, shall mature as determined by resolution of the authority in accordance with Laws 1979, Chapter 322, and may be issued in one or more series and shall bear such date or dates, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in medium of payment at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine, and any provision of any law to the contrary notwithstanding, the bonds shall be fully negotiable. In any suit, actions, or proceedings involving the validity of enforceability of any bonds of the authority or the security therefor, any bond reciting in substance that it has been issued by the authority to aid in financing a district shall be conclusively deemed to have been issued for such purpose, and the district shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of Laws 1979, Chapter 322. Neither the authority, nor any director, commissioner, council member, board member, officer, employee or agent of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds of the authority, and such bonds shall so state on their face, shall not be a debt of any municipality, the state or any political subdivision thereof, and neither the municipality nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall such bonds be payable out of any funds or properties other than those of the authority and any tax increment and revenues of a tax increment financing district pledged therefor.

(c) Notwithstanding any other law general or special, an authority may, by resolution, authorize, issue and sell revenue bonds payable solely from all or a portion of revenues, including but not limited to tax increment revenues and assessments, derived from a tax increment financing district located wholly or partially within the municipality to finance any expenditure which the authority is authorized to make by section 273.75, subdivision 4. The bonds shall mature as determined by resolution of the authority in accordance with Laws 1979, Chapter 322 and may be issued in one or more series and shall bear such date or dates, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in medium of payment at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine, and any provision of any law to the contrary notwithstanding, shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any bonds of the authority or the security therefor, any bond reciting in substance that it has been issued by the authority to aid in financing a district shall be conclusively deemed to have been issued for such purpose, and the district shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of Laws 1979, Chapter 322. Neither the authority, nor any director, commissioner, council member, board member, officer, employee or agent of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds may be further secured by a pledge and mortgage of all or any portion of the district in aid of which the bonds are issued and such covenants as the authority shall deem by such resolution to be necessary and proper to secure payment of the bonds. The bonds, and the bonds shall so state on their face, shall not be payable from nor charged upon any funds other than the revenues and property pledged or mortgaged to the payment thereof, nor shall the issuing authority be subject to any liability thereon or have the powers to obligate itself to pay or pay the bonds from funds other than the revenues and properties pledged and mortgaged and no holder or holders of the bonds shall ever have the right to compel any exercise of any taxing power of the issuing authority or any other public body, other than as is permitted or required under Laws 1979, Chapter 322 and pledged therefor hereunder, to pay the principal of or interest on any such bonds, nor to enforce payment thereof against any property of the authority or other public body other than that expressly pledged or mortgaged for the payment thereof.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective with respect to a district for which certification is requested after January 1, 1982."

Further amend the title as follows:

Page 1, line 6, delete everything after "and 4" and insert
"; and 273.77"

Page 1, delete lines 7 to 9

Page 1, line 10, delete everything except the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 770, A bill for an act relating to children; requiring stepparents to support their unadopted stepchildren; proposing new law coded in Minnesota Statutes, Chapter 257.

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 774, A bill for an act relating to children; providing for reports of dependency, neglect, and abuse of children; allowing for courts to compel testimony under certain circumstances; amending Minnesota Statutes 1980, Sections 254A.09; and 626.-556, Subdivisions 7, 8, 10, and 11.

Reported the same back with the following amendments:

Page 1, line 24, delete "*dependent*,"

Page 2, line 6, delete "*dependency*,"

Pages 2 and 3, delete sections 2, 3 and 4

Page 4, lines 29 to 36, reinstate the stricken language

Page 4, line 34, delete "*ten*"

Page 5, lines 1 to 7, reinstate the stricken language

Renumber the sections

Delete the title and insert:

"A bill for an act relating to children; providing for confidentiality of records of reports of neglect, and abuse of children; allowing for sharing of records under certain circumstances; amending Minnesota Statutes 1980, Sections 254A.09; and 626.556, Subdivision 11."

With the recommendation that when so amended the bill pass.

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 780, A bill for an act relating to elections; providing a penalty for broadcasting certain false information; amending Minnesota Statutes 1980, Section 210A.04, Subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 210A.04, is amended to read:

Subdivision 1. Every person who (WRITES, PRINTS, POSTS, OR DISTRIBUTES, OR CAUSES TO BE WRITTEN, PRINTED, POSTED, OR DISTRIBUTED, EXCEPT BY BROADCASTING, ANY CIRCULAR, POSTER, OR OTHER WRITTEN OR PRINTED MATTER CONTAINING FALSE INFORMATION) *intentionally participates in the preparation or dissemination of paid political advertising or campaign material with respect to the personal or political character or acts of any candidate, which is known by that person to be false and which is designed or tends to elect, injure or defeat any candidate for nomination or election to a public office, (SHALL BE) is guilty of a gross misdemeanor.*

Subd. 2. Subdivision 1 (SHALL) *does not apply to a printer or manufacturer of campaign material whose sole act is the printing or manufacturing of campaign material and delivery to the person who orders it, and who does not know (SUCH) the printed matter is false; nor does it apply to a broadcaster for a radio or television broadcast station or cable system whose sole act is the dissemination of the false information as advertising paid for in the regular course of business, and who does not know the information is false."*

Delete the title and insert:

"A bill for an act relating to elections; providing a penalty for preparing or disseminating certain false information; exempting certain broadcasters; amending Minnesota Statutes 1980, Section 210A.04."

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 826, A bill for an act relating to health; proposing a population-based, statewide cancer and birth defects surveillance system; establishing an advisory task force; designing a system and pilot test; appropriating money.

Reported the same back with the following amendments:

Page 2, delete lines 9 to 16

Renumber the sections

Amend the title as follows:

Page 1, line 4, delete "establishing an advisory task force;"

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 Local and Urban Affairs to which was referred:

H. F. No. 834, A bill for an act relating to the cities of Minneapolis and St. Paul; authorizing the implementation of energy conservation programs; authorizing the financing of residential energy conservation programs; authorizing the issuance of qualified mortgage bonds.

Reported the same back with the following amendments:

Page 1, line 12, after "that" insert "implementing"

Page 1, line 13, after "conservation" insert "measures"

Page 1, line 15, delete "this" and insert "energy conservation"

Page 2, line 3, delete "such" and insert "the"

Page 2, lines 12 and 17, delete "utilization" and insert "use"

Page 2, line 18, delete "such" and insert "a"

Page 3, lines 7 and 11, delete "this act" and insert "sections 1 to 5"

Page 3, line 19, delete "this" and insert "sections 1 to 5"

Page 3, line 20, delete "act"

Page 3, line 23, delete "Chapter" and insert "Chapter 462C or"

Page 4, line 7, delete "equal to the"

Page 4, line 8, delete "greater of (1)" and insert "not to exceed"

Page 4, line 8, after "\$16,000,000" delete the balance of the line

Page 4, delete lines 9 to 13

Page 4, line 14, delete "preceding three years"

Page 4, after line 15, insert:

"Nothing contained within this subdivision shall authorize the issuance of qualified mortgage bonds for a program which would otherwise be subject to Minnesota Statutes, Chapter 462C, without compliance with that chapter."

Page 4, line 21, delete "equal to the" and insert "not to exceed \$8,500,000."

Page 4, delete lines 22 to 27

Page 4, after line 29, insert:

"Nothing contained within this subdivision shall authorize the issuance of qualified mortgage bonds for a program which would otherwise be subject to Minnesota Statutes, Chapter 462C, without compliance with that chapter."

Sec. 7. [REPORT.]

By January 1, 1982, the cities of St. Paul and Minneapolis shall report to the appropriate committees of the legislature on the implementation of the program created in sections 1 to 5. The report shall include but is not limited to information on the

amount of bonds issued and the number and types of dwelling units served, whether single family, multifamily of four units or less, or multifamily of more than four units."

Renumber the sections

Amend the title as follows:

Page 1, line 6, before the period, insert "; requiring a report to the legislature"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 849, A bill for an act relating to health; prohibiting the possession of skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

Reported the same back with the following amendments:

Page 1, line 11, after "any" insert "live"

Page 1, line 11, after "skunk" insert "or raccoon"

Page 1, line 14, after "any" insert "live"

Page 1, line 14, after "skunks" insert "or raccoons"

Page 1, lines 16 and 18, after "skunk" insert "or raccoon"

Page 1, after line 22, insert:

"Sec. 2. [EFFECTIVE DATE.]

The provisions of section 1, subdivision 1, shall be effective August 1, 1981 except that an individual may possess any live skunks until December 31, 1981."

Amend the title as follows:

Page 1, line 2, after "of" insert "live"

Page 1, line 3, after "skunks" insert "or raccoons"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 850, A bill for an act relating to local and metropolitan government; regulating transportation planning and zoning; allowing official maps to show state trunk highway corridors; permitting loans by the metropolitan council for the purpose of purchasing certain highway rights-of-way under certain conditions; authorizing a tax levy in the metropolitan area; amending Minnesota Statutes 1980, Sections 394.22, Subdivision 12; 462.352, Subdivision 10; and 473.167.

Reported the same back with the following amendments:

Page 1, line 20, delete "corridors" and insert "rights of way"

Page 2, line 8, delete "corridors" and insert "rights of way"

Page 3, line 6, delete "corridor"

Page 3, line 15, after "conversion" insert "or the granting of approvals which would allow the conversion"

Page 3, line 20, after the period insert: "*A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement.*"

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 855, A bill for an act relating to education; changing the time period for filing an application to be placed on the ballot for board elections; amending Minnesota Statutes 1980, Section 123.32, Subdivision 4.

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

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 862, A bill for an act relating to Otter Tail county; authorizing the county board to grant certain powers for a district created under Minnesota Statutes, Chapter 116A.

Reported the same back with the following amendments:

Page 1, line 22, delete "*Ottertail*" and insert "*Otter Tail*"

Page 1, line 23, after "*Long Lake*" insert "*and their connecting waterways*"

Page 2, line 3, delete "*a septic tank*" and insert "*an on site wastewater disposal system*"

Page 2, line 3, after "*inspect,*" insert "*construct,*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 883, A bill for an act relating to metropolitan government; changing procedures for financial assistance to the metropolitan transit commission; establishing a program to assist demonstrations of alternative methods of providing public transit service for certain communities; providing for alternative uses of metropolitan transit tax levies; amending Minnesota Statutes 1980, Sections 174.24, Subdivision 3; 473.411, Subdivision 1; and 473.446; proposing new law coded in Minnesota Statutes, Chapter 174; repealing Minnesota Statutes 1980, Section 174.28.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 174.24, Subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the operating deficit of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles, provided that any financial assistance received from any agency of the federal government for the operation of a public transit system shall be treated as revenue for the purposes of determining the operating deficit. To be eligible for financial assistance an applicant or recipient shall provide

to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine the amount of assistance which may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section. The commissioner may adopt rules establishing performance standards for public transit systems for use in determining the amount of assistance which may be paid to an eligible recipient. Except as otherwise provided in this subdivision, payments shall not exceed two-thirds of the operating deficit of a public transit system. The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district as defined in section 473.-446, subdivision 2. Payments to those private operators shall be based on the uniform performance standards and shall not exceed 100 percent of the operating deficit. (PAYMENTS TO THE METROPOLITAN TRANSIT COMMISSION SHALL BE BASED UPON A PERFORMANCE FUNDING SYSTEM AS PROVIDED IN SECTION 174.28.)

Sec. 2. Minnesota Statutes 1980, Section 174.24, is amended by adding a subdivision to read:

Subd. 3a. [TRANSIT COMMISSION.] The commissioner shall provide financial assistance by contract to the metropolitan transit commission from appropriations provided for that purpose.

Sec. 3. [174.265] [METROPOLITAN TRANSIT SERVICE DEMONSTRATION PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them, unless the context requires otherwise.

(a) "Available local transit funds" means an amount equal to 90 percent of the tax proceeds which would accrue to the metropolitan transit commission from a tax levied in the applicant community or communities in accordance with section 473.-446, subdivision 1, clauses (a) to (c).

(b) "Off-peak hours" has the meaning given it in section 473.408, subdivision 1.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] A metropolitan transit service demonstration program is established to provide financial assistance for projects designed to test the efficiency and effectiveness of alternative methods of providing public transit service for communities that are within the metropolitan transit taxing district but are not adequately served by existing regular route transit.

Subd. 3. [ELIGIBILITY.] *The commissioner may provide assistance under the program to any statutory or home rule charter city or town, or group of such cities or towns, which: (a) is located within the metropolitan transit taxing district, as defined in section 473.446, subdivision 2; (b) is not served by the metropolitan transit commission or is served only with bus routes which end or begin within the city or town, or group of cities or towns; and (c) has fewer than four scheduled runs of bus service provided by the commission during off-peak hours. Eligible cities or towns may apply on behalf of any operator of public transit with whom they propose to contract for service.*

Subd. 4. [ASSISTANCE FOR REPLACEMENT SERVICE.] *An application for financial assistance for replacement services shall: describe the existing service provided to the applicant by the metropolitan transit commission, including the estimated number of passengers carried and the routes, schedules, and fares; describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize replacement services, and the amount of state assistance requested for the replacement services. Financial assistance shall not be granted under this subdivision unless the commissioner determines that the service proposed for funding is intended and designed to replace and substitute for that provided by the metropolitan transit commission at the time of application and that the average subsidy per passenger for the replacement service will not exceed the average subsidy per passenger during the six months preceding the application on the commission's routes which serve the applicant communities. If the applicant communities are not served by the commission at the time of the application, the average subsidy per passenger for the replacement service shall not exceed the average subsidy per passenger during the six months preceding the application on all routes of the commission extending into zone four. After the first year of replacement service, the maximum subsidy shall be escalated at a rate equal to the rate of inflation in the revised consumer price index for all urban consumers in the Minneapolis-St. Paul metropolitan area. The amount of financial assistance provided for replacement service under this subdivision shall not exceed the sum of: (a) the portion of the available local transit funds which the applicant proposes to use to subsidize the service, and (b) an amount of state assistance bearing an identical proportional relationship to the amount under (a) as the total amount of state assistance available to the metropolitan transit commission under section 2 bears to the total amount of taxes collected by the commission under section 473.446, subdivision 1, clauses (a) to (c). The commissioner shall transfer the amounts provided to the recipient from the assistance available to the metropolitan transit commission pursuant to section 174.24, subdivision 3.*

Subd. 5. [ASSISTANCE FOR ADDITIONAL SERVICE.] Any city or town or group of cities or towns receiving financial assistance under subdivision 4 may also receive assistance pursuant to section 174.24, subdivision 3, or section 174.25. In addition to the information required of applicants for assistance under those sections, an application shall describe the portion of the available local transit funds which are not obligated to subsidize replacement service, under the assistance contract entered into pursuant to subdivision 4, and which the applicant proposes to use to subsidize additional services. An applicant which has exhausted its available local transit funds may use any other local subsidy funds to complete the required local share. If the commissioner grants financial assistance pursuant to this subdivision, the commissioner shall transfer the portion of the available local transit funds which the applicant proposes to use to subsidize the additional service from the assistance available to the metropolitan transit commission pursuant to section 174.24, subdivision 3.

Sec. 4. Minnesota Statutes 1980, Section 174.31, is amended to read:

174.31 [(SPECIAL DEMONSTRATION PROJECT;) COORDINATION OF SPECIAL TRANSPORTATION SERVICE IN THE METROPOLITAN AREA.]

Subdivision 1. [ESTABLISHMENT; OBJECTIVES.] A (SPECIAL DEMONSTRATION) project for coordination of special transportation service in the metropolitan area as defined in section 473.121, subdivision 2, shall be established and implemented by the commissioner with the following objectives:

(a) To provide greater access to transportation for the elderly, handicapped and others with special transportation needs in the metropolitan area and particularly to fill all unmet needs for that transportation in the transit taxing district as defined in section 473.446, subdivision 2; (AND)

(b) To develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner (USING EXISTING PUBLIC AND PRIVATE PROVIDERS OF SERVICE); and

(c) To use existing public and private providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

For the purpose of this section "project" means the (DEMONSTRATION) project established under this subdivision.

Subd. 2. [FINANCING; IMPLEMENTATION; MANAGEMENT AND ADVISORY GROUPS.] The project shall be operated pursuant to the rules governing and funded with money available under the paratransit grant program. The commissioner shall not operate the project but shall contract for services necessary for its operation. All transportation service provided through the project shall be provided under a contract between the commissioner and the provider which specifies the service to be provided and the rates for providing it. The commissioner shall establish a committee to set management policies for the project. The management policy committee shall include the commissioner or his designee, representatives of persons contracting to provide services for the project, a representative of the metropolitan council, a representative of the metropolitan transit commission and at least two representatives of the task force established to advise the committee. The meetings of the management policy committee shall be public and minutes of all meetings shall be taken, preserved and made available for public inspection. The commissioner shall establish an advisory task force of individuals representing the elderly, handicapped and other users of service provided by the project to advise the management policy committee.

Subd. 3. [DUTIES OF COMMISSIONER.] In implementing the project the commissioner shall:

(a) Encourage participation in the project by public and private providers of special transportation service currently receiving capital or operating assistance from a public agency;

(b) Contract with public and private providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) Encourage individuals using service provided through the project to use the type of service most appropriate to their particular needs;

(d) Insure that all persons providing service through the project receive equitable treatment in the allocation of the ridership;

(e) Encourage shared rides to the greatest extent practicable;

(f) Insure that a full range of service is made available through the project to all parts of the metropolitan transit taxing district;

(g) Encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with the project and to allow

reimbursement for services provided through the project at rates that reflect the public cost of providing those services.

Subd. 4. [COORDINATION REQUIRED.] The commissioner shall not grant any financial assistance under section 174.24 or 174.25 to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the project in the manner determined by the commissioner. (A RECIPIENT OF A GRANT MADE BEFORE JUNE 8, 1979 SHALL COORDINATE ITS PROGRAM WITH THE PROJECT AS FAR AS PRACTICABLE BUT SHALL NOT BE DENIED ANY ADDITIONAL GRANT FOR WHICH IT IS OTHERWISE QUALIFIED SOLELY BECAUSE IT IS NOT COORDINATED WITH THE PROJECT.)

Subd. 5. [(COMPLIANCE WITH) OPERATING AND SERVICE STANDARDS.] A vehicle providing special transportation service which is subject to the operating standards adopted pursuant to section 174.30 shall not be allowed to provide service through the project after January 1, 1981, unless a current certificate of compliance has been issued to the vehicle. *A person operating or assisting the operation of a vehicle may leave the vehicle to enter premises in order to help a passenger who does not require emergency ambulance service. Operators and assistants shall provide the help necessary for door-through-door service, including help in entering and leaving the vehicle and help through the exterior entrance and over any exterior steps at either departure or destination buildings, provided that both the steps and the wheelchair are in good repair. If an operator or assistant refuses help because of the condition of the steps or the wheelchair, the operator of the service shall send letters to the commissioner of transportation and the person denied service describing the corrective measures necessary to qualify for service.*

Subd. 6. [EVALUATION AND REPORTS.] The commissioner shall evaluate the project and submit a report to the legislature in January, 1981, including the following information:

(a) All amounts of money spent or obligated for the project by the commissioner and the persons receiving those amounts;

(b) The types of service provided, number of individuals served and areas covered;

(c) A comparison of the cost of providing different types of service;

(d) A review of the achievements or failures of the project, problems encountered in implementation and conclusions and recommendations concerning future action.

The commissioner shall submit a preliminary report to the legislature in January, 1980, covering the above information to the extent it is available at that time.

Subd. 7. [EXPIRATION OF PROJECT.] The project shall expire June 30, 1981, and the commissioner shall not enter a contract or make any grant the proceeds of which may be expended for the purpose of implementing or continuing the project beyond June 30, 1981.

Sec. 5. Minnesota Statutes 1980, Section 473.408, Subdivision 6, is amended to read:

Subd. 6. [MONTHLY PASSES.] The commission (SHALL) *may* offer monthly passes for regular route bus service for sale to the general public. (THE PASSES SHALL BE OFFERED AT A DISCOUNT AT LEAST AS GREAT AS THE DISCOUNT PROVIDED ON PASSES SOLD BY THE COMMISSION IN JANUARY, 1979.)

Sec. 6. Minnesota Statutes 1980, Section 473.408, Subdivision 7, is amended to read:

Subd 7. [EMPLOYEE PLAN.] The commission (SHALL) *may* offer monthly passes for regular route bus service for sale to employers at a special discount subject to the provisions of this subdivision. An employer (IS) *may be* eligible to purchase passes at a special discount if the employer agrees to establish a payroll deduction plan as a means for its employees to purchase the passes at a price at or below the amount charged by the commission. The special discount on passes sold pursuant to this subdivision shall be (TWO DOLLARS ON A SINGLE ZONE PASS AND A PROPORTIONATE AMOUNT ON OTHER PASSES. THE SPECIAL DISCOUNT IS IN ADDITION TO THE DISCOUNT PROVIDED ON PASSES SOLD TO THE GENERAL PUBLIC) *determined by the commission.*

Sec. 7. Minnesota Statutes 1980, Section 473.411, Subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT PROGRAM.] The commission shall prepare and submit in the manner provided in and satisfying the requirements of section 473.161, a (TRANSPORTATION) development program, providing for the implementation of the policy plan adopted by the council. In preparing the program, the commission shall consult with counties and municipalities in the metropolitan area, the state transportation department and the state planning agency, and for that purpose may create such advisory committees as may be necessary.

(SUCH) *The* program shall provide for coordination of routes and operations of all publicly and privately owned (TRANS-

PORTATION) *transit and paratransit* facilities within the transit area to the end that combined efficient and rapid (TRANSPORTATION) *transit and paratransit* may be provided for the use of the public in the entire area. The commission may designate a segment of the system planned as a pilot or demonstration (TRANSPORTATION) *transit or paratransit* project using, without limitation, new technology including airborne systems, or traditional systems of evolved or modern form. The (TRANSPORTATION) development program shall include the general alignment and profile, approximate points of access, facility classification, approximate cost, relation to other existing and planned (TRANSPORTATION) *transit and paratransit* routes and facilities, and a statement of the expected general effect on present and future use of the property within the corridor. The program shall be accompanied with a statement of need for the proposed construction or improvement, a description of alternate routes which were considered, and an explanation of the advantages and disadvantages in the selection of any route considered. The (TRANSPORTATION) *transit and paratransit* development program shall also contain a description of the type of right-of-way or routes required; the type of transit service to be provided in each portion of the system; designation of transit mode; and appropriate general operating criteria. The program shall also contain an operational improvement program which shall at least describe performance objectives and standards which the commission proposes to achieve in satisfying policies, purposes, and goals established by the legislature and the council; identify performance indicators by which to monitor and assess progress in achieving the objectives and standards; and establish a route deficit limit as provided in section 174.28, subdivision 5. The program may include such other information as the council or the commission deems necessary.

Sec. 8. Minnesota Statutes 1980, Section 473.446, is amended to read:

473.446 [TRANSIT TAX LEVIES.]

Subdivision 1. [(AMOUNT) TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.-401 to 473.451 and the metropolitan transit system, *except as otherwise provided in this subdivision* the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined (HEREIN) in subdivision 2, a transit tax consisting of:

(a) An amount equal to 1.72 mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating (REGULAR ROUTE BUS) *transit and paratransit* service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

In any statutory or home rule charter city or town in the metropolitan transit taxing district which is receiving financial assistance under section 2, the commission shall levy a tax equal to ten percent of the sum of levies provided for in clauses (a) to (c), plus a levy sufficient to yield the amounts of available local transit funds transferred pursuant to section 2 from the state assistance available to the commission, less any amount paid to the commission by the city or town under a contract for service entered into pursuant to subdivision 2 of this section.

Subd. 1a. [TAXATION WITHIN TRANSIT AREA.] For the purposes of sections 473.401 to 473.451, and the metropolitan transit system, the metropolitan transit commission shall levy upon all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district, defined (HEREIN) in subdivision 2, a transit tax, which shall be equal to ten percent of the sum of the levies provided in subdivision 1, clauses (a) to (c). *The proceeds of this tax shall be used only for paratransit services or ride sharing programs designed to serve persons located within the transit area but outside of the transit taxing district.*

Subd. 2. [TRANSIT TAXING DISTRICT.] The metropolitan transit taxing district is hereby designated as that portion of the metropolitan transit area lying within the following named cities, towns, or unorganized territory within the counties indicated:

(a) Anoka county. Anoka, Blaine, Centerville, Columbia Heights, Coon Rapids, Fridley, Circle Pines, Hilltop, Lexington, Lino Lakes, Spring Lake Park;

(b) Carver county. Chanhassen, the city of Chaska, Victoria;

(c) Dakota county. Apple Valley, Burnsville, Eagan, Inver Grove Heights, Lillydale, Mendota, Mendota Heights, Rosemount, South St. Paul, Sunfish Lake, West St. Paul;

(d) Ramsey county. All of the territory within Ramsey county;

(e) Hennepin county. Bloomington, Brooklyn Center, Brooklyn Park, Champlin, Chanhassen, Crystal, Deephaven, Eden Prairie, Edina, Excelsior, Golden Valley, Greenwood, Hopkins, Long Lake, Maple Grove, Medicine Lake, Minneapolis, Minnetonka, Minnetonka Beach, Mound, New Hope, Orono, Osseo, Plymouth, Richfield, Robbinsdale, St. Anthony, St. Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland, the unorganized territory of Hennepin county;

(f) Scott county. Prior Lake, Savage, Shakopee;

(g) Washington county. Baytown, the city of Stillwater, White Bear Lake, Bayport, Birchwood, Cottage Grove, Dellwood, Lake Elmo, Landfall, Mahtomedi, Newport, Oakdale, Oak Park Heights, Pine Springs, St. Paul Park, Willernie, Woodbury.

The commission in its sole discretion may provide transit service by contract beyond the boundaries of the metropolitan transit taxing district *or to cities and towns within the taxing district which are receiving financial assistance under section 2*, upon petition therefor by an interested city, township or political subdivision within the metropolitan transit area. The commission may establish such terms and conditions as it deems necessary and advisable for providing the transit service, including such combination of fares and direct payments by the petitioner as will compensate the commission for the full capital and operating cost of the service and the related administrative activities of the commission. The amount of the levy made by any municipality to pay for the service shall be disregarded when calculation of levies subject to limitations is made, *provided that cities and towns receiving financial assistance under section 2 shall not make a special levy under this subdivision without having first exhausted the available local transit funds as defined in section 2*. The commission shall not be obligated to extend service beyond the boundaries of the taxing district, *or to cities and towns within the taxing district which are receiving financial assistance under section 2*, under any law or contract unless or until payment therefor is received.

Subd. 2a. [PROTECTION OF RIGHTS OF HOLDERS OF OUTSTANDING INDEBTEDNESS.] The provisions of (SUBDIVISION) *subdivisions 1 and 2* or any other law changing the boundaries of the metropolitan transit taxing district *or reducing the levy otherwise required to be levied within the district* shall not be deemed to impair the rights of holders of outstanding indebtedness of the commission to require the levy of property taxes, if necessary to provide for any deficiency in accordance with the conditions of such indebtedness, on all property within the limits of the metropolitan transit taxing district as such limits were in effect at the date of issuance of such indebtedness.

Subd. 3. [CERTIFICATION AND COLLECTION.] On or before October 10 in each year the commission shall certify the total amount of the tax levied pursuant to subdivision 1 to the auditor of each metropolitan county. Each county auditor shall then assess and extend upon the tax rolls in his county that proportion of the tax which the assessed value of taxable property in his county bears to the assessed value of all taxable property in the metropolitan area. Each county treasurer shall collect and make settlement of such taxes with the treasurer of the commission. The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or municipality or by the commission for other purposes authorized by law and shall be in addition to any other property tax authorized by law.

Sec. 9. [APPROPRIATIONS.]

Subdivision 1. [PUBLIC TRANSIT.] The sum of \$78,490,000 is appropriated from the general fund to the commissioner of transportation. Of this amount, \$39,245,000 shall be available for expenditure the first year and \$39,245,000 for expenditure the second year of the biennium. Any unencumbered balance remaining in the first year shall not cancel but be available for the second year of the biennium. The appropriations shall be available for the purposes indicated in this subdivision.

(a) \$21,250,000 each year is for the metropolitan transit commission established under chapter 473. Effective July 1, 1981, the commission shall eliminate zone charges.

(b) Up to \$4,200,000 each year is for social fare reimbursements under section 174.24, subdivision 4.

(c) Up to \$1,035,000 each year is for private operators within the Twin Cities metropolitan area.

(d) Up to \$4,200,000 each year is for public transit systems outside the Twin Cities metropolitan area.

(e) Up to \$3,700,000 each year is for paratransit grants statewide. Expenditures for the "metro mobility" project operated pursuant to section 174.31 shall not be eligible for grants from this appropriation.

(f) Up to \$4,700,000 each year is for the metro mobility project operated under section 174.31. No more than \$2,500,000 of this appropriation shall be available each year for "project mobility" operated by the metropolitan transit commission.

(g) Up to \$150,000 each year is for public transit capital grants under section 174.245.

(h) Up to \$10,000 each year is for an evaluation of transit systems receiving financial and technical assistance under sections 174.24 and 174.25, and for assistance to the legislature in evaluating alternative methods of allocating state subsidy funds. The evaluation studies shall be designed and carried out in consultation with members and staffs of the local and urban affairs committee of the house of representatives and the transportation committee of the senate. The study shall be completed by December 1, 1982.

Subd. 2. [RIDE SHARING.] The sums of \$1,000,000 the first year and \$930,000 the second year are appropriated to the commissioner of transportation from the trunk highway fund for the ride sharing program established by section 174.257. The program shall be administered so as to ensure the maximum use of available federal money.

Subd. 3. [PARK AND RIDE.] The sum of \$200,000 each year is appropriated to the commissioner of transportation from the trunk highway fund for the park and ride program established by section 174.256.

Sec. 10. [REPEALER.]

Minnesota Statutes 1980, Sections 174.28; and 174.31, Subdivisions 6 and 7 are repealed.

Sec. 11. [APPLICATION.]

Sections 5 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to public transit; providing for financial assistance for local transit services; providing for the coordination and financing of metropolitan transit; establishing a metropolitan transit service demonstration program; providing for alternative uses of metropolitan transit tax levies; appropriating money; amending Minnesota Statutes 1980, Sections 174.24, Subdivision 3, and by adding a subdivision; 173.31; 473.408, Subdivisions 6 and 7; 473.411, Subdivision 1; 473.446; proposing new law coded in Minnesota Statutes, Chapter 174; repealing Minnesota Statutes 1980, Sections 174.28; and 174.31, Subdivisions 6 and 7."

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 906, A bill for an act relating to resolution of disputes; authorizing establishment of dispute resolution mechanisms; appropriating money; proposing new law coded as Minnesota Statutes, Chapter 494.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [494.01] [DEFINITIONS.]

For purposes of sections 1 to 5 the following terms have the meanings given them.

(a) *The term "committee" means the judicial planning committee.*

(b) *The terms "dispute resolution mechanism" or "dispute resolution program" mean:*

(1) *a forum other than a court which provides for arbitration, mediation, conciliation, voluntary agreement between disputing parties, or a similar procedure;*

(2) *a governmental agency, mechanism, or program other than a court with the objective of resolving minor disputes.*

(c) *The term "grant recipient" means any local government, local government agency, or non-profit organization which receives a grant under section 2.*

(d) *The term "local" means of or pertaining to any political subdivision of this state.*

(e) *The term "mediator" means a person not a party to the dispute who attempts to assist the parties to resolve their dispute.*

Sec. 2. [494.02.] [JUDICIAL PLANNING COMMITTEE AUTHORIZED TO MAKE GRANTS.]

Subdivision 1. [GRANTS.] The judicial planning committee is hereby authorized to study alternative forms of dispute resolution mechanisms and to make grants to dispute resolution programs. For the purposes of performing the committee functions pursuant to sections 1 to 4 only, the director of the bureau of mediation services or his designee shall be a member of the judicial planning committee. The committee shall also receive an annual report and accounting from each grant recipient for each fiscal year that the grant recipient receives state moneys pursuant to this section for the operation of a dispute resolution mechanism.

Sec. 3. [494.03.] [APPLICATIONS; CONTENTS; CRITERIA FOR GRANTS.]

Subdivision 1. [APPLICATIONS.] Local governments, local government agencies, and non-profit organizations may apply for grants pursuant to this section. The application shall be addressed to the judicial planning committee, and shall contain a proposed plan demonstrating the manner in which the financial assistance will be used to establish a new dispute resolution mechanism which satisfies the criteria specified in subdivision 2.

Subd. 2. [CRITERIA FOR GRANT AWARDS.] The committee has discretion to award grants, within the limits of section 4, for dispute resolution mechanism proposals which are receiving or have assurance that they will receive private or local government funding and to mechanisms which utilize the services of volunteer mediators, except proposed dispute resolution mechanisms which would have as their exclusive or primary purpose the resolution of intra-professional disputes or disputes between merchants or other businesses.

Sec. 4. [494.04.] [LIMITS ON USE OF STATE GRANT MONEYS.]

Subdivision 1. [LIMITS ON USE OF GRANT.] Financial assistance available under section 2 may be used only for the following purposes:

(a) compensation of personnel engaged in the administration, mediation, conciliation, or settlement of minor disputes, including personnel whose function is to assist in the preparation and resolution of claims;

(b) recruiting, organizing, training, and educating personnel described in clause (a);

(c) leasing of buildings, rooms, and other facilities and equipment needed to improve the settlement of minor disputes; and

(d) other necessary expenditures directly related to the operation of dispute resolution mechanisms.

Subd. 2. [ATTORNEY FEES PROHIBITED.] Financial assistance available under this section shall not be used for the compensation of attorneys for the representation of disputants or claimants or for otherwise providing assistance in any adversary capacity.

Subd. 3. [PROFIT PROHIBITED.] No program or mechanism for dispute resolution shall make any profit during any year for which it receives a grant under section 2.

Subd. 4. [RECIPIENTS MUST KEEP RECORDS.] Each grant recipient shall keep such records as the committee shall require, including records which fully disclose the amount and disposition by such grant recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the project or undertaking supplied by other sources, and such other records as will assist in effective financial and performance audits.

The committee or its authorized representative shall have access for purposes of audit and examination to any relevant books, documents, papers, and records of grant recipients for three years following the close of the last fiscal year for which a grant was received pursuant to section 2. The legislative auditor may conduct periodic post-award audits at those times as may be requested by the judicial planning committee and approved by the legislative audit commission.

Sec. 5. [494.05] [SUPREME COURT; RULE-MAKING AUTHORITY.]

The supreme court may make rules of procedure for dispute resolution mechanisms if the supreme court determines that rules are necessary. If the court makes rules for this purpose, they shall be written in a simple, non-technical manner so that persons without legal education may easily follow and administer the rules.

Sec. 6. [APPROPRIATIONS.]

For purposes of sections 1 to 5 there is appropriated to the state court administrator the sum of \$50,000 for fiscal year 1982 and \$50,000 for fiscal year 1983.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1981."

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 Local and Urban Affairs to which was referred:

H. F. No. 928, A bill for an act relating to the city of Isanti; authorizing the city to issue general obligation bonds for the acquisition and betterment of a municipal building.

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

The report was adopted.

Anderson, I., from the Committee on Taxes to which was referred:

H. F. No. 932, A bill for an act relating to taxation; income; property tax refund; making technical corrections; deleting obsolete provisions; amending Minnesota Statutes 1980, Sections 290.01, Subdivisions 3, 19, 20, 21, 22, 23, 25, 26, and 27; 290.011; 290.032, Subdivision 2; 290.06, Subdivisions 1, 2c, 3e, 3f, and 11; 290.07, Subdivision 3; 290.071, Subdivisions 2 and 3; 290.075; 290.077, Subdivisions 1 and 2; 290.079, Subdivision 6; 290.081; 290.085; 290.09, Subdivisions 1, 2, 4, 5, 6, 7, 10, 15, 18, 21, and 29; 290.10; 290.101, Subdivision 9; 290.12, Subdivisions 1, 2, and 4; 290.13, Subdivision 5; 290.131, Subdivision 3; 290.132, Subdivision 1; 290.133, Subdivision 2; 290.134, Subdivision 1; 290.135, Subdivision 1; 290.14; 290.16, Subdivisions 1, 3, 7, 8, 9, 12, and 13; 290.17, Subdivision 2; 290.18, Subdivisions 1 and 2; 290.21, Subdivisions 1, 3, 3a, 4, and 7; 290.23, Subdivisions 2, 3, 5, 9, 10, and 15; 290.25, Subdivisions 2, 3, and 4; 290.26, Subdivisions 1, 2a, and 3; 290.28, Subdivision 1; 290.281, Subdivision 2; 290.31, Subdivisions 2, 3, 4, 6, 9, 10, 11, 21, and by adding a subdivision; 290.32; 290.34, Subdivision 3; 290.35; 290.39, Subdivision 1; 290.42; 290.45, Subdivision 3; 290.46; 290.48, Subdivision 2; 290.49, Subdivisions 1 and 4; 290.50, Subdivisions 1, 3, and 5; 290.53, Subdivisions 1 and 4; 290.56, Subdivisions 2, 3, and 4; 290.92, Subdivisions 1, 5, 6, 16, and 19; 290.93, Subdivisions 5 and 6; 290.932, Subdivisions 1 and 4; 290A.03, Subdivisions 3 and 13; 290A.04, Subdivisions 2 and 2c; 290A.06; and 290A.07, Subdivision 2; repealing Minnesota Statutes 1980, Sections 290.076; 290.131, Subdivisions 4, 5, 6, and 7; 290.133, Subdivision 3; 290.134, Subdivisions 2, 3, and 4; 290.135, Subdivisions 2, 3, and 4; 290.23, Subdivisions 11, 12, 13, and 14; 290.24; 290.26, Subdivisions 4 and 7; 290.60; 290.65, Subdivision 17; 290.931, Subdivision 4; 290.932, Subdivision 3; 290.933, Subdivision 3; and 290.934, Subdivision 6.

Reported the same back with the following amendments:

Page 2, line 13, delete "*estates, and*"

Page 2, line 14, delete "*trusts,*"

Page 2, line 36, strike "*section*" and insert "*subdivision*"

Page 2, line 36, after the period insert "*For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year,*

with the modifications specified in this subdivision and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed."

Page 6, line 31, after "interest" insert ", taxes"

Page 11, line 13, after "((1))" insert "(d)" and reinstate "amounts"

Page 11, reinstate lines 14 to 19

Page 11, line 20, reinstate the stricken language to "this" and insert "chapter" and reinstate "and" and "amounts"

Page 11, reinstate lines 21 to 24

Page 11, line 25, reinstate "this" and insert "chapter"

Page 11, line 25, reinstate the stricken period

Page 11, line 26, strike "(d)" and insert "(e)"

Page 30, after line 31 insert:

"Sec. 24. Minnesota Statutes 1980, Section 290.08, Subdivision 8, is amended to read:

Subd. 8. [INTEREST FROM UNITED STATES OR STATE OF MINNESOTA.] Interest upon obligations of the United States, its possessions, its agencies, or its instrumentalities, so far as immune from state taxation under federal law; *and interest upon obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities. This subdivision shall not apply to corporations taxable under sections 290.02 or 290.361 or to individuals, estates, or trusts."*

Page 52, line 18, strike "(E)" and insert "(C)"

Page 53, after line 19, insert:

"Sec. 38. Minnesota Statutes 1980, Section 290.095, Subdivision 2, is amended to read:

Subd. 2. [DEFINED AND LIMITED.] (a) The term "net operating loss" as used in this section shall mean the excess of the deductions of the kind provided for in section 290.09, permitted to be taken in computing a taxpayer's taxable net income, as that term is defined in section 290.01, subdivision 22, over the gross income used in computing such taxable net income, with the modifications specified in subdivision 4. *The deductions provided in section 290.21 cannot be used in the determination of a new operating loss.*

(b) The term "net operating loss deduction" as used in this section means the aggregate of the net operating loss carrybacks and carryovers to the taxable year, computed in accordance with subdivision 3."

Page 57, line 31, strike "GIFT, DEVISE, BEQUEST, ETC" and insert "GIFTS"

Page 61, after line 25, insert:

"Sec. 45. Minnesota Statutes 1980, Section 290.131, Subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTIONS OF PROPERTY.] (a) Except as otherwise provided in this chapter, a distribution of property (as defined in section 290.133, subdivision 2, clause (a)) made by a corporation to a shareholder with respect to its stock shall be treated in the manner provided in clause (c).

(b) Amount distributed:

(1) For purposes of this subdivision, the amount of any distribution shall be:

(A) If the shareholder is not a corporation, the amount of money received, plus the fair market value of the other property received.

(B) If the shareholder is a corporation, the amount of money received, plus whichever of the following is the lesser:

(i) the fair market value of the other property received; or

(ii) the adjusted basis (in the hands of the distributing corporation immediately before the distribution) of the other property received, increased in the amount of gain to the distributing corporation which is recognized under clause (b) or (c) of section (290.132, SUBDIVISION 1) 311 of the Internal Revenue Code of 1954, as amended through December 31, 1980.

(2) The amount of any distribution determined under paragraph (1) shall be reduced (but not below zero) by:

(A) the amount of any liability of the corporation assumed by the shareholder in connection with the distribution, and

(B) the amount of any liability to which the property received by the shareholder is subject immediately before, and immediately after, the distribution.

(3) For purposes of this subdivision, fair market value shall be determined as of the date of the distribution.

(c) In the case of a distribution to which clause (a) applies:

(1) That portion of the distribution which is a dividend (as defined in section 290.133, subdivision 1) shall be included in gross income.

(2) That portion of the distribution which is not a dividend shall be applied against and reduce the adjusted basis of the stock.

(3) Amount in excess of basis.

(A) Except as provided in subparagraph (B), that portion of the distribution which is not a dividend, to the extent that it exceeds the adjusted basis of the stock, shall be treated as gain from the sale or exchange of property.

(B) That portion of the distribution which is not a dividend, to the extent that it exceeds the adjusted basis of the stock and to the extent that is out of increase in value accrued before January 1, 1933, shall be exempt from tax.

(d) The basis of property received in a distribution to which clause (a) applies shall be:

(1) If the shareholder is not a corporation, the fair market value of such property.

(2) If the shareholder is a corporation, whichever of the following is the lesser:

(A) the fair market value of such property; or

(B) the adjusted basis (in the hands of the distributing corporation immediately before the distribution) of such property, increased in the amount of gain to the distributing corporation which is recognized under clause (b) or (c) of section (290.132, SUBDIVISION 1) *311 of the Internal Revenue Code of 1954, as amended through December 31, 1980.*"

Page 83, line 11, strike "290.28" and insert "290.25"

Page 86, line 1, after "290.10" insert "(8)."

Page 86, line 36, delete "estates, and trusts,"

Page 92, after line 13, insert:

"Sec. 67. Minnesota Statutes 1980, Section 290.22, is amended to read:

290.22 [ESTATES AND TRUSTS, IMPOSITION OF TAX.]

The taxes imposed by this chapter upon individuals shall apply to the income of estates or of any kind of property held in trust, including:

(1) Income accumulated in trust for the benefit of unborn or unascertained person or persons with contingent interests, and income accumulated or held for future distribution under the terms of the will or trust;

(2) Income which is to be distributed currently by the fiduciary to the beneficiaries, and income collected by a guardian of an infant which is to be held or distributed as the court may direct;

(3) Income received by estates of deceased persons during the period of administration or settlement of the estate; and,

(4) Income which, in the discretion of the fiduciary, may be either distributed to the beneficiaries or accumulated.

(THE TAX SHALL BE COMPUTED UPON THE NET INCOME OF THE ESTATE OR TRUST AND PAID BY THE FIDUCIARY, EXCEPT AS PROVIDED IN SECTION 290.27, RELATING TO REVOCABLE TRUSTS, AND SECTION 290.28, RELATING TO INCOME FOR BENEFIT OF THE GRANTOR.)"

Pages 92 and 93, delete section 64

Page 94, line 17, strike "290.28" and insert "290.25"

Page 94, line 18; after "means" insert "*the same as that term is defined in section 643(a) of the Internal Revenue Code of 1954, as amended through December 31, 1980*"

Page 94, line 18, strike ", with respect to any"

Page 94, strike line 19

Page 94, line 20, strike "computed"

Page 94, line 20, strike "modifications" and insert "*modification.*"

Page 94, strike lines 21 to 36

Page 95, strike lines 1 to 5

Page 95, line 6, strike "(d)"

Page 95, line 7, strike "290.08, subdivisions 7 and 8" and insert "290.01, subdivision 20, clause (b), subparagraph (1)"

Page 95, line 13, strike "subdivision 2," insert "section 642(c) of the Internal Revenue Code of 1954, as amended through December 31, 1980,"

Page 95, line 13, strike "specified in"

Page 95, line 14, strike "subparagraph (d)"

Page 95, line 16, strike "subdivision 2" and insert "that section of the Internal Revenue Code"

Page 95, line 17, strike "that subparagraph" and insert "the modification"

Page 95, line 23, strike "For purposes of this section and section 290.22"

Page 95, line 24, after "income," insert "and the term 'beneficiary' have the same meaning as those terms are defined in section 643(b) and (c) of the Internal Revenue Code of 1954, as amended through December 31, 1980."

Page 95, line 24, strike "when not preceded by the words 'taxable net,'"

Page 95, strike lines 25 to 34

Page 96, line 3, strike "(1) Subject to paragraph 2, there shall be"

Page 96, lines 4 to 36, strike the old language and delete the new language

Page 97, lines 1 to 23, strike the old language and delete the new language and insert "The provisions of sections 652, 662, 663 and 664(b) of the Internal Revenue Code of 1954, as amended through December 31, 1980, shall apply to inclusion of amounts in gross income of beneficiaries."

Pages 97 and 98, delete section 68

Page 99, after line 7, insert:

"Sec. 72. Minnesota Statutes 1980, Section 290.25, Subdivision 1, is amended to read:

Subdivision 1. (TRUST INCOME, DEDUCTIONS, AND CREDITS ATTRIBUTABLE TO GRANTORS AND OTHERS

AS SUBSTANTIAL OWNERS.] WHERE IT IS SPECIFIED IN THIS SECTION AND SECTIONS 290.27 AND 290.28 THAT THE GRANTOR OR ANOTHER PERSON SHALL BE TREATED AS THE OWNER OF ANY PORTION OF A TRUST, THERE SHALL THEN BE INCLUDED IN COMPUTING THE TAXABLE NET INCOME AND CREDITS OF THE GRANTOR OR THE OTHER PERSON THOSE ITEMS OF INCOME, DEDUCTIONS, AND CREDITS AGAINST TAX OF THE TRUST WHICH ARE ATTRIBUTABLE TO THAT PORTION OF THE TRUST TO THE EXTENT THAT SUCH ITEMS WOULD BE TAKEN INTO ACCOUNT UNDER THIS CHAPTER IN COMPUTING TAXABLE NET INCOME OR CREDITS AGAINST THE TAX OF AN INDIVIDUAL. ANY REMAINING PORTION OF THE TRUST SHALL BE SUBJECT TO SECTION 290.23. NO ITEMS OF A TRUST SHALL BE INCLUDED IN COMPUTING THE TAXABLE NET INCOME AND CREDITS OF THE GRANTOR OR OF ANY OTHER PERSON SOLELY ON THE GROUNDS OF HIS DOMINION AND CONTROL OVER THE TRUST UNDER SECTION 290.01, SUBDIVISION 20 (RELATING TO DEFINITION OF GROSS INCOME) OR ANY OTHER PROVISION OF THIS CHAPTER, EXCEPT AS SPECIFIED IN THIS SECTION AND SECTIONS 290.27 AND 290.28.)

The provisions of sections 671 to 679, 681 and 682 of the Internal Revenue Code of 1954, as amended through December 31, 1980, shall apply to grantors and others treated as substantial owners and other provisions concerning estates and trusts."

Pages 99 to 104, delete sections 70 to 72

Pages 105 and 106, delete section 76

Page 126, line 26, after "return" insert "within 90 days"

Page 126, line 27, delete "and does report such change or files a"

Page 126, line 28, delete "copy of such amended return"

Page 126, line 28, delete "within 90 days"

Page 126, line 28, delete ", as required by"

Page 126, line 29, delete "subdivision 2"

Pages 127 to 130, delete section 105

Page 132, line 13, reinstate "claims" delete "is allowed" and insert "and which are allowable"

Page 143, line 20, after "sections" insert "124.213," and strike "273.132" and after "(AND)" delete ";

Page 146, line 33, after "290.076;" insert "290.08, subdivisions 7 and 13;"

Page 146, line 36, after "Subdivisions" insert "1, 2, 6, 7, 8, 10,"

Page 146, line 36, after "290.24;" insert "290.25, Subdivisions 2, 3, 4, 5;"

Page 147, line 1, after "7;" insert "290.27; 290.28;"

Page 147, line 5, delete "113 and 121" and insert "111 and 119"

Page 147, line 6, delete "114 to 117 and 119" and insert "112 to 115 and 117"

Page 147, line 9, delete "118" and insert "116"

Renumber the sections

Amend the title as follows:

Page 1, line 9, after "6;" insert "290.08, Subdivision 8;"

Page 1, line 11, after "29;" insert "290.095, Subdivision 2;"

Page 1, line 13, delete "Subdivision 3" and insert "Subdivisions 1 and 3"

Page 1, line 18, after "7;" insert "290.22;"

Page 1, line 19, delete "2," and delete "10,"

Page 1, line 20, delete "Subdivision 2, 3, and 4" and insert "Subdivision 1"

Page 1, line 21, delete "290.28, Subdivision 1;"

Page 1, line 28, delete "1,"

Page 1, line 33, after "290.076;" insert "290.08, Subdivisions 7 and 13;"

Page 1, line 36, after "Subdivisions" insert "1, 2, 6, 7, 8, 10,"

Page 1, line 36, after "290.24;" insert "290.05, Subdivisions 2, 3, 4, and 5;"

Page 1, line 37, after "7;" insert "290.27; 290.28;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 937, A bill for an act relating to the city of Duluth; authorizing the city to continue to issue the number of liquor licenses it was authorized to issue in the year 1980.

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

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 960, A bill for an act relating to local government; permitting certain cities to post certain accounts; amending Minnesota Statutes 1980, Sections 412.191, Subdivision 3; and 471.698, Subdivision 1.

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 970, A bill for an act relating to marriage; making the age of consent requirements for boys the same as for girls; amending Minnesota Statutes 1980, Section 517.02.

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

The report was adopted.

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

H. F. No. 976, A bill for an act relating to retirement; Minneapolis teachers retirement fund association; authorizing the establishment of a lump sum post retirement adjustment program; authorizing service credit for parental leaves.

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

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 978, A bill for an act relating to local improvements; regulating the issuance of temporary improvement bonds; amending Minnesota Statutes 1980, Section 429.091, Subdivision 3, and by adding subdivisions.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 979, A bill for an act relating to health; encouraging philanthropic support of hospitals; providing that funds derived from specified types of gifts or grants shall not be deducted from the operating costs of a hospital; proposing new law coded in Minnesota Statutes, Chapter 144.

Reported the same back with the following amendments:

Page 1, line 16, after "For" insert "the"

Page 1, delete lines 17 to 20

Page 1, line 21, delete "operating costs of hospitals" and insert "determining reasonable revenue necessary for the delivery of services furnished by hospitals, and for the purposes of third party cost payors in determining reasonable costs of services furnished by hospitals, the following unrestricted grants, gifts and income from endowments from non-governmental sources shall be excluded"

Page 2, line 2, after "board;" insert "and"

Page 2, delete lines 3 to 5

Page 2, line 6, delete "(d)" and insert "(c)"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 990, A resolution memorializing the President and Congress to adopt legislation requiring a health hazard notice be required on all bottles of alcoholic beverage.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Mann from the Committee on Transportation to which was referred:

H. F. No. 997, A bill for an act relating to drivers licenses; providing for the filing of photographic negatives; restricting the use of the negatives; amending Minnesota Statutes 1980, Section 171.07, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1015, A bill for an act relating to education; modifying the provisions governing teachers placed on unrequested leave of absence in experimental paired districts; providing for the combination of teachers into one unit in cooperating and paired districts; amending Minnesota Statutes 1980, Sections 122.85, Subdivision 4; and 179.63, Subdivision 17.

Reported the same back with the following amendments:

Page 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete "providing"

Page 1, delete line 5

Page 1, line 6, delete "cooperating and paired districts;"

Page 1, line 7, delete "; and" and insert a period

Page 1, delete line 8

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1021, A bill for an act relating to elections; changing certain requirements for voting by absent and disabled voters; amending Minnesota Statutes 1980, Sections 207.02; and 207.03, Subdivision 1.

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1045, A bill for an act relating to sheriffs; repealing the law prohibiting persons elected to the office of sheriff from holding public office; amending Minnesota Statutes 1980, Section 387.13.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1980, Section 375.09, is amended to read:

375.09 [MAY NOT HOLD OTHER OFFICE; NO INTEREST IN CONTRACT; VIOLATION; MALFEASANCE.]

No county commissioner shall be appointed or elected by the board of which he is a member to any office or position of trust or emolument *nor employed by the county in which he is a commissioner*, and no commissioner shall receive any money or other valuable thing as a condition of voting or inducement to vote for

any contract or other thing under consideration by the board, or become a party to, or directly or indirectly interested in, any contract made by the board; and every appointment or election made and every contract or payment voted for or made contrary to the provisions of this section shall be void. Any violation of the provisions of this section shall be a malfeasance in office."

Page 1, line 17, reinstate "; nor shall any sheriff" and "be eligible to any"

Page 1, line 17, after "to" insert "hold"

Page 1, line 18, reinstate "other" and "civil office,"

Page 1, line 18, after "office," insert "*for which compensation is paid*"

Renumber the remaining section

Delete the title and insert:

"A bill for an act relating to local government; removing a prohibition on public office holding for deputy sheriffs; prohibiting deputy sheriffs from serving as county commissioner; amending Minnesota Statutes 1980, Sections 375.09; and 387.13."

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1051, A bill for an act relating to health; changing the claim limitations on cost of removing nuisances; authorizing the commissioner of health to issue orders concerning well water quality; clarifying the commissioner's authority over water wells and exploratory boring to include repairs and abandonment; changing the penalties for violations; amending Minnesota Statutes 1980, Sections 145.22; 156A.02, Subdivisions 1, 2, and 3; 156A.03, Subdivisions 1 and 2; 156A.05; 156A.07, Subdivisions 1 and 4; and 156A.08.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1070, A bill for an act relating to health; exempting students in schools of dental assisting from the requirement of a dental license; amending Minnesota Statutes 1980, Section 150A.05, Subdivision 2.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1080, A bill for an act relating to children; authorizing counties to establish multidisciplinary child protection teams; proposing new law coded in Minnesota Statutes, Chapter 626.

Reported the same back with the following amendments:

Page 1, delete lines 10 and 11

Renumber the subdivisions

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1095, A bill for an act relating to handicapped persons; providing that certain social services be available to recipients of attendant care; proposing new law coded in Minnesota Statutes, Chapter 256C.

Reported the same back with the following amendments:

Page 1, line 11, after "services" insert "as needed"

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1120, A bill for an act relating to public safety; authorizing the sale to and use by engineers of fireworks; amending Minnesota Statutes 1980, Section 624.21.

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1156, A bill for an act relating to the city of Crystal; providing for the designation of polling places in a certain precinct.

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1160, A bill for an act relating to commerce; removing the auctioneer's exception to the definition of "real estate broker"; exempting certain real estate brokers and salespersons from the licensing requirements for mobile home manufacturers and dealers; amending Minnesota Statutes 1980, Sections 82.18; and 327.55, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 31, insert:

"Sec. 2. Minnesota Statutes 1980, Section 82.34, Subdivision 7, is amended to read:

Subd. 7. When any aggrieved person obtains a final judgment in any court of competent jurisdiction against any person licensed under this chapter, on grounds of fraudulent, deceptive or dishonest practices, or conversion of trust funds arising directly out of any transaction when the judgment debtor was licensed and performed acts for which a license is required under this chapter, *or performed acts permitted by section 3*, and which cause of action occurred on or after July 1, 1973, the aggrieved person may, upon the judgment becoming final, and upon termination of all proceedings, including reviews and appeals, file a verified application in the court in which the judgment was entered for an order directing payment out of the recovery portion of the fund of the amount of actual and direct out of pocket loss in such transaction, but excluding interest on the loss and on any judgment obtained as a result of such loss, up to the sum of \$20,000 of the amount unpaid upon the judgment, provided that nothing in this chapter shall be construed to obligate the fund for more than \$20,000 per transaction, subject to the limita-

tions set forth in subdivisions 12 and 14, regardless of the number of persons aggrieved or parcels of real estate involved in such transaction. A copy of the verified application shall be served upon the commissioner and upon the judgment debtor, and a certificate or affidavit of such service filed with the court."

Renumber the remaining section

Page 2, line 36, delete "*are exempt*" and insert "*shall not be required to obtain a license or a bond as required by this section, but shall comply with all other provisions of sections 327.55 to 327.56. Any real estate broker or salesperson who violates a provision of sections 327.551 to 327.554 in selling or offering for sale a used mobile home shall be deemed to have violated a provision of chapter 82.*"

Page 3, delete line 1

Amend the title as follows:

Page 1, line 6, before "amending" insert "setting a penalty;"

Page 1, line 7, after the semicolon insert "82.34, Subdivision 7;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1178, A bill for an act relating to the board of medical examiners; allowing temporary suspension of physicians' licenses without a hearing under certain conditions; amending Minnesota Statutes 1980, Section 147.021, by adding a subdivision.

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

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1182, A bill for an act relating to veterans; changing the method of appointment of the administrator of its Minnesota veterans home; amending Minnesota Statutes 1980, Section 198.06.

Reported the same back with the following amendments:

Page 1, line 14, delete "The"

Page 1, lines 15 to 17, delete the new language

Page 1, line 18, delete "heard." and insert *"The administrator's term of service may be terminated by the commissioner upon service by certified mail of written notice setting forth the grounds for the termination. The termination shall be effective immediately upon receipt of the written notice. The administrator may submit to the commissioner, within 30 days after receipt of the written termination notice, a written request for hearing before a state hearing examiner to determine the adequacy of the stated grounds for the termination. The hearing shall be held within 30 days of receipt of the administrator's request and shall be conducted in accordance with Minnesota Statutes, Chapter 15, except that neither the administrator nor the commissioner shall have a right to judicial review of the hearing examiner's decision. If the hearing examiner finds that insufficient grounds exist for the termination, the administrator shall be ordered reinstated with full salary and benefits from the date of termination to the date of reinstatement."*

Page 1, line 21, after the period insert:

"The commissioner, whenever he deems it practicable, shall appoint an administrator that is a veteran as defined under section 197.447."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1190, A bill for an act relating to counties; providing that the compensation of members of the St. Louis county board of commissioners be set pursuant to general law; amending Minnesota Statutes 1980, Section 375.055, Subdivision 1; repealing Laws 1965, Chapter 843.

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

The report was adopted.

Jude from the Committee on Judiciary to which was referred:

H. F. No. 1200, A bill for an act relating to courts; extending application of the provision of law providing for payment of travel expenses for certain district court judges; amending Laws 1980, Chapter 614, Section 162.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1211, A bill for an act relating to public welfare; providing medical assistance payments for attendant care on an equivalent basis with other providers; appropriating money; amending Minnesota Statutes 1980, Section 256B.02, Subdivision 8.

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1221, A bill for an act relating to elections; providing for special elections to fill vacancies in statutory city offices; amending Minnesota Statutes 1980, Sections 205.10; 205.17, by adding a subdivision; and 412.02, Subdivision 2, and by adding a subdivision.

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

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1225, A bill for an act relating to education; allowing area vocational-technical institutes to grant degrees under certain conditions; proposing new law coded in Minnesota Statutes, Chapter 121.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [121.218] [VOCATIONAL-TECHNICAL INSTITUTES; AWARDING DEGREES.]

The state board for vocational education shall approve, disapprove, or modify a plan for awarding degrees at an area vocational-technical institute. The board shall approve a plan only

when a degree is required by a licensing authority and is offered in cooperation with a collegiate institution. If cooperation with a collegiate institution is not practicable the plan of an area vocational-technical institute to offer a degree shall be presented to the higher education coordinating board for review and recommendation pursuant to Minnesota Statutes, Section 136A.04, Subdivision 1, Clause (d).

Sec. 2. [EXCEPTION.]

Associate degrees offered by the area vocational-technical institutes prior to January 1, 1981, shall not be subject to the provisions of section 1.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1231, A bill for an act relating to state lands; directing conveyance of certain lands in Washington County.

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

The report was adopted.

Voss from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1237, A bill for an act relating to the city of Blaine; permitting all council members to serve on the housing and redevelopment authority.

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

The report was adopted.

Rice from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1242, A bill for an act relating to public employment; altering the definition of supervisors in public sector col-

lective bargaining; amending Minnesota Statutes 1980, Section 179.63, Subdivision 9a; repealing Minnesota Statutes 1980, Section 179.63, Subdivision 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 179.63, Subdivision 9, is amended to read:

Subd. 9. "Supervisory employee", when the reference is to other than essential employees as defined in subdivision 11, means any person having authority in the interests of the employer to hire, transfer, suspend, promote, discharge, assign, reward or discipline other employees or responsibly to direct them or adjust their grievances on behalf of the employer (, OR TO EFFECTIVELY RECOMMEND ANY OF THE AFORESAID ACTIONS), if in connection with the foregoing the exercise of such authority is not merely routine or clerical in nature but requires the use of independent judgment. Any determination of "supervisory employee" may be appealed to the public employment relations board.

Sec. 2. Minnesota Statutes 1980, Section 179.71, Subdivision 3, is amended to read:

Subd. 3. The director shall determine appropriate units, except where appropriate units are defined by section 179.741. In determining the appropriate unit he shall take into consideration, along with other relevant factors, the principles and the coverage of uniform comprehensive position classification and compensation plans of the employees, involvement of professions and skilled crafts and other occupational classifications, relevant administrative and supervisory levels of authority, geographical location, and the recommendation of the parties, and shall place particular importance upon the history and extent of organization and the desires of the petitioning employee representatives.

In addition, with regard to the inclusion or exclusion of supervisory employees, the director must find that an employee may perform (OR EFFECTIVELY RECOMMEND) a majority of those functions referred to in section 179.63, subdivision 9 or 9a, before an employee may be excluded as supervisory. However, in every case the administrative head, and his assistant, of a municipality; municipal utility, police or fire department shall be considered a supervisory employee.

He shall not designate an appropriate unit which includes employees subject to section 179.63, subdivision 11, with employees not included in section 179.63, subdivision 11.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public employment labor relations; modifying the definition of non-essential supervisory employees; amending Minnesota Statutes 1980, Sections 179.63, Subdivision 9; and 179.71, Subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1247, A bill for an act relating to elections; fixing the majority necessary to approve an amendment to a home rule charter; amending Minnesota Statutes 1980, Section 410.12, Subdivision 4.

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

The report was adopted.

Nelson K., from the Committee on Energy to which was referred:

H. F. No. 1269, A bill for an act relating to energy; confidentiality of certain energy data; powers and duties of Minnesota energy agency; subdivision regulations; providing for certain inspections; extending biomass plan deadline; amending Minnesota Statutes 1980, Sections 116H.07; 116H.08; 116H.129, Subdivision 4; 116H.19, Subdivision 1; 462.358, Subdivision 2a; proposing new law coded in Minnesota Statutes, Chapter 15.

Reported the same back with the following amendments:

Pages 1 to 3, delete section 2

Page 3, after line 32, insert:

"(f) Provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;"

Page 3, line 33, delete "(f)" and insert "(g)"

Page 3, line 33, after "state" insert a comma

Page 3, line 34, after "guidelines," insert "except for the crisis fuel assistance and low income weatherization programs administered by the department of economic security,"

Page 3, line 34, delete "such" and insert "the"

Page 4, delete section 4

Page 4, line 14, strike "shall" and insert "may"

Page 4, line 15, strike ", to"

Page 4, line 16, strike the existing language and delete the new language

Page 4, line 17, delete "1982"

Page 5, line 26, delete "6" and insert "4"

Renumber the sections

Amend the title as follows:

Page 1, line 2, after "energy;" insert "providing for the"

Page 1, line 3, delete "powers and" and insert "changing the"

Page 1, line 4, delete "providing for certain"

Page 1, line 5, delete "inspections;"

Page 1, line 5, after "biomass" insert "center"

Page 1, line 6, delete "116H.07;"

Page 1, line 7, delete "116H.129, Subdivision 4;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 1276, A bill for an act relating to occupations and professions; providing for oral examinations of electricians by

the board of electricity; amending Minnesota Statutes 1980, Section 326.242, Subdivision 7.

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

The report was adopted.

Swanson from the Committee on Health and Welfare to which was referred:

H. F. No. 1292, A bill for an act relating to public welfare; providing the commissioner with authority to control expenditures in specified instances; modifying the payment responsibility for costs of care for mentally retarded persons in state institutions; changing resource limits for recipients of aid to families with dependent children; prorating the first month's grant; reducing the scope of services provided under the medical assistance program; limiting payments to vendors; eliminating certain income disregards; making free choice of vendor under general assistance medical care an option for counties; reducing the income disregard for general assistance; providing for the closing of two state hospitals over the next biennium; amending Minnesota Statutes 1980, Sections 245.0313; 256.73, Subdivision 2; 256.76, Subdivision 1; 256B.02, Subdivision 8; 256B.03; 256B.06, Subdivision 1; 256D.03, Subdivision 3; 256D.04; 256D.06, Subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [COMMISSIONER'S AUTHORITY TO CONTROL EXPENDITURES.]

Subdivision 1. [CIRCUMSTANCES.] To ensure that expenditures for programs under his control do not exceed amounts authorized in the biennial budget for fiscal years 1982 and 1983 and to permit adjustments if the commissioner of finance reduces funds allotted to the department of public welfare pursuant to Minnesota Statutes, Section 16A.15, the commissioner of public welfare, notwithstanding the provisions of Minnesota Statutes, Section 16A.57 or any other law to the contrary, after review by the legislative advisory committee may make the following adjustments, which must be made in the following order of priority.

Subd. 2. [PRIORITIES.] Whenever funds for a given program or activity are insufficient, the commissioner of public welfare may transfer from one program to another and from one activity to another, funds which have been appropriated by

the legislature to the department of public welfare. Funds must first be transferred from any program or activity which has a surplus, and no more than ten percent of the total amount appropriated in a biennium for a given program or activity may be transferred out of that program or activity.

Subd. 3. [ADJUSTMENT IN COUNTY SHARE.] *Further, the commissioner of public welfare may adjust the state share of the costs of services provided pursuant to sections 256.72 through 256.873 and pursuant to chapters 256B and 256D. In no case may the percentage change in state share be more than ten percent.*

Subd. 4. [ELIGIBILITY LIMITS.] *If, despite action taken pursuant to subdivisions 2 and 3, funds for any given program or activity continue to be insufficient, the commissioner of public welfare may first adjust payment levels and then adjust eligibility limits, but only with respect to programs or activities for which funds continue to be insufficient.*

Subd. 5. [PRO RATA CHANGE.] *If, despite action taken pursuant to subdivisions 2, 3 and 4, funds continue to be insufficient, the commissioner of public welfare may make a single pro rata adjustment to affect all programs and activities.*

Subd. 6. [PROCEDURE.] *Adjustments made pursuant to subdivisions 3, 4 and 5 are exempt from the rulemaking provisions of the administrative procedure act.*

Sec. 2. Minnesota Statutes 1980, Section 245.0313, is amended to read:

245.0313 [AID TO THE DISABLED; MENTALLY RETARDED.]

Notwithstanding any provision of law to the contrary, the cost of care not met by federal funds for any mentally retarded patient eligible for the medical assistance program or the supplemental security income for the aged, blind and disabled program in institutions under the control of the commissioner of public welfare shall be paid (FOR FROM STATE FUNDS) by the state and county in the same proportion as provided in section 256B.19 for division of costs.

Sec. 3. Minnesota Statutes 1980, Section 254A.03, is amended by adding a subdivision to read:

Subd. 3. *The commissioner of public welfare shall establish, by rule, criteria to be used in determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term treatment programs, for each recipient of public as-*

sistance seeking treatment for alcohol or other drug dependency and abuse problems. The criteria shall address, at least, the family relationship, past treatment history, medical or physical problems, arrest record, and employment situation.

Sec. 4. Minnesota Statutes 1980, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Except as provided in clause (3), the ownership by father, mother, child, children, or any combination thereof, of property as follows shall be a bar to any allowance under sections 256.72 to 256.87:

(1) Real property other than the homestead, except as described in clause (3); or

(2) Personal property of a reasonable market value in excess of (\$600) \$400 for a one child recipient or (\$1,000) \$600 for more than one child recipient, exclusive of personal property used as the home, one automobile, insurance carried by a parent which does not exceed a cash surrender value of \$500, clothing and necessary household furniture and equipment, the earnings of a dependent child which are placed in a savings account to be used for a future purpose approved by the county agency in accordance with the rules of the commissioner of public welfare, and such property that produces a net income applicable to the family's needs.

(3) 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 shall not be a bar to an allowance under sections 256.72 to 256.87. Net income shall be the residue after payment from gross income of taxes, insurance, maintenance, and interest on encumbrances, if any, on the property, provided that in computing net income the gross income shall not be charged with any expenses toward betterment of the property as improvements or by payment on the principal of a mortgage; provided, that the net income thus derived shall be applied on the family budget.

Sec. 5. Minnesota Statutes 1980, Section 256.74, Subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for (SUCH) the dependent child shall be determined by the county agency with due regard to the resources and necessary expenditures of the family and the conditions existing in each case and in accordance with the rules (AND REGULATIONS) made by the state agency and shall be sufficient, when added to all other

income and support available to the child, to provide (SUCH) the child with a reasonable subsistence compatible with decency and health. *Resources shall include mortgage, rent, utility, and child care payments made on behalf of an AFDC applicant or recipient family, by a private individual not included in the grant.* In making its determination the county agency shall exclude the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance; and

(3) The first \$30 plus one-third of the remainder of the combined monthly earnings of any dependent child not included under clause (1), and any adult who is a recipient of aid for families with dependent children. With respect to any month, the county welfare agency shall not disregard under clause (2) any earned income of any person who has:

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. If an individual without good cause leaves employment or reduces his earnings and applies for assistance so that he might later return to employment with advantages of income disregard, he shall not have the benefit of the disregard of income provisions.

Sec. 6. Minnesota Statutes 1980, Section 256.76, Subdivision 1, is amended to read:

Subdivision 1. Upon the completion of such investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87, determine the amount of such assistance, and the date on which such assistance shall begin. *The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time.* It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until such grant is modified or vacated. The county agency shall notify the applicant of its decision in writing. Such assistance shall be paid monthly to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. The county agency shall, upon the granting of assistance under these sections, file an order on the form to be approved by the state agency with the auditor of the county and thereafter warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.

Sec. 7. Minnesota Statutes 1980, Section 256B.02, Subdivision 8, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

(1) Inpatient hospital services *except that:*

(a) *reimbursement for hospital emergency room services will be limited to six visits per year per recipient; and*

(b) *week-end hospital admissions during the period that begins at noon on Friday and ends at noon on Sunday shall be limited to emergency admissions when a physician certifies that loss of life or limb function is threatened or in cases of pregnancy; and*

(c) *recipient days spent in a hospital awaiting nursing home placement shall be reimbursed at the average metropolitan per diem rate for all skilled nursing home facilities, rather than at the usual hospital per diem rate, and in conformance with the Social Security Act.*

(2) Skilled nursing home services and services of intermediate care facilities. Payment shall be made for reserved-bed days for an eligible individual in a nursing home or facility as follows:

- (a) up to nine days per year for hospital leave;
- (b) up to 18 days per year for therapeutic leave;
- (c) up to seven days per year for camp leave.

(3) Physicians' services.

(4) Outpatient hospital or clinic services.

(5) Home health care services.

(6) Private duty nursing services.

(7) (PHYSICAL THERAPY AND RELATED SERVICES) no payments shall be made pursuant to this chapter directly to physical therapists, occupational therapists, speech pathologists and audiologists. Restorative therapy and specialized maintenance therapy which must be provided by physical therapists, occupational therapists, speech pathologists and audiologists in a nursing home, boarding care home or supervised living facility shall be included in the per diem rate of the facility. Specialized maintenance therapy which must be provided by a therapist shall not include ambulation, passive range of motion, transfer and activities of daily living, and teaching and follow-up which are considered nursing care services. The per diem rate shall be increased beyond the ten percent annual growth of payment rate limitation in order to encourage nursing homes, boarding care homes and supervised living facilities to contract with or hire a physical therapist, occupational therapist, speech pathologist or audiologist to provide restorative therapy to residents. Payments to medicare-certified rehabilitation agencies shall be limited to payments for physician services and restorative therapy provided by physical therapists, occupational therapists, speech pathologists and audiologists.

(8) Dental services, excluding cast metal restorations.

(9) Laboratory and x-ray services and the commissioner shall encourage preadmission diagnostic testing to be performed in a physician's office in order to reduce hospital utilization.

(10) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. Payments for prescribed drugs shall be limited as follows: (a) One prescription fee per maintenance drug per month; (b) Three prescription fees per month per recipient; (c) no adjustments

which result in changes of a value of less than \$2.01. "Drug formulary" means the list of drugs approved by the commissioner upon the advice of the drug formulary committee that are reimbursable under the state medical assistance program. The formulary shall not include: (a) Drugs lacking FDA approval for safety and efficacy; (b) Over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under age 7; (c) Nutritional products; (d) Anorectics; and (e) Drugs for which medical value has not been established. The drug formulary committee shall review all drugs and advise the commissioner as to their inclusion or exclusion from the drug formulary. The formulary committee shall be comprised of one representative each of: the university of Minnesota's school of dentistry, school of medicine and college of pharmacy; the Minnesota medical association; the Minnesota state pharmaceutical association; the Minnesota society of hospital pharmacists; the department of health, and the department of public welfare. The commissioner or his agent shall serve as secretary to the committee.

(11) Diagnostic, screening, and preventive services.

(12) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

By July 1, 1982 medical assistance recipients of a categorical aid residing in a county where two or more prepaid health care plans or health maintenance organizations offer services shall enroll in one of the plans, or a co-payment, to be established by rule, shall be required for utilization of any optional services as described in regulations implementing Title XIX of the Social Security Act which is authorized by chapter 256B, except intermediate care facility services. The prepaid plans shall provide necessary utilization information to the commissioner. The services expected to be offered by prepaid plans shall be as provided in section 62D.02.

(13) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident

occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

(15) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

(16) *Reimbursement for the costs of the treatment of alcoholism, chemical dependency or drug addiction shall be limited to 21 days or 100 hours of non-residential care in each 12 month period when prior authorization is received and when treatment is rendered in:*

(a) *a licensed hospital;*

(b) *a residential treatment program licensed by the state of Minnesota pursuant to diagnosis or recommendation by a physician; or*

(c) *a nonresidential treatment program approved or licensed by the state of Minnesota.*

(17) Any other medical or remedial care licensed and recognized under state law *unless otherwise prohibited by law.*

Sec. 8. Minnesota Statutes 1980, Section 256B.03, is amended to read:

256B.03 [PAYMENTS TO VENDORS.]

Subdivision 1. [GENERAL LIMIT.] All payments for medical assistance hereunder must be made to the vendor. The amount of \$_____ is appropriated to the department of public welfare for the biennium ending June 30, 1983, for medical assistance and general assistance medical care. All payments

for vendors of medical care shall be limited to the 60th percentile of usual and customary fees based upon billings during calendar year 1978 for physician services, dental care, vision care, podiatric services, chiropractic care, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services. If the appropriation is inadequate to meet all billings, the commissioner shall prorate the payments among all eligible vendors in proportion to their share of the total available appropriation. Limits established pursuant to this section shall not be subject to the provisions of section 15.0412.

If the commissioner refuses to pay all or a part of the charge for a health service, the unpaid portion of the charge shall be deemed to be an unconscionable fee, against the public policy of this state, and unenforceable in any action brought for the recovery of moneys owed.

Subd. 2. [LIMIT ON ANNUAL INCREASES.] For the biennium ending June 30, 1983, annual growth of payment rates for any provider of health care services shall not exceed ten percent. The period for measuring growth shall be the state fiscal year.

Sec. 9. [256B.031] [LIMIT ON ANNUAL INCREASE TO LONG-TERM CARE PROVIDERS.]

The commissioner shall establish the rates of reimbursement for nursing homes and intermediate care facilities based upon the state fiscal year and may modify reporting requirements as necessary.

The commissioner shall have the authority to review and adjust the rates of all nursing homes and intermediate care facilities which were in operation under the same owner during the fiscal year ending June 30, 1981 so that the rate of reimbursement to a nursing home or intermediate care facility for care of medical assistance recipients during the state fiscal year 1982 shall not be more than ten percent greater than the average rate established for the facility for the same level of care to medical assistance recipients during the state fiscal year 1981. The rate of reimbursement in the state fiscal year 1983 shall not be more than ten percent greater than the average rate established for the facility during the state fiscal year 1982. The average rate for each facility shall be the sum of the rates established for the facility each month of the state fiscal year divided by 12.

A facility operating less than a year prior to June 30, 1981 or a facility which changed owners during the state fiscal year 1981 shall remain at the June 30, 1981 rate for care of medical assistance recipients until a cost report is submitted and actual costs are audited by the department during the state fiscal year 1982. The rate of reimbursement for the months remaining in the

state fiscal year 1982 shall not be more than ten percent greater than the audited historic cost per diem for the first year of operation.

The interim rate for the care of medical assistance recipients established for a facility starting operation or changing owners during the state fiscal year 1982 shall not be more than ten percent greater than the average rate established for similar facilities which started operation or were sold during the state fiscal year 1981. Similar facilities are facilities of comparable size, level of care and geographic location.

Notwithstanding the provisions of section 256B.45, subdivision 1, the commissioner shall not conduct a public hearing to adjust the percentages to be used in determining the investment allowance for nursing homes or intermediate care facilities.

Sec. 10. Minnesota Statutes 1980, Section 256B.06, Subdivision 1, is amended to read:

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,) *individually* does not (HAVE) *own* 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,) *or \$5,000 for two family members (husband and wife, parent and child, or two siblings), plus \$200 for each additional legal dependent, except that the value of the homestead, defined as one house and the adjoining land upon which it is situated, limited to one lot in a platted or laid out city or town or the smallest practicable parcel allowed under applicable zoning regulations in unplatted land, and one (AUTOMOBILE) motor vehicle 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) *husband* 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 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, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1. 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; and

(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. 11. Minnesota Statutes 1980, Section 256B.17, is amended to read:

256B.17 [TRANSFERS OF PROPERTY.]

(ANY PERSON WHO HAS TRANSFERRED ANY REAL OR PERSONAL PROPERTY WITHIN THREE YEARS IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR MEDICAL ASSISTANCE HEREUNDER OR WHO TRANSFERS ANY SUCH PROPERTY WHILE RECEIVING MEDICAL ASSISTANCE HEREUNDER WITHOUT RECEIVING A REASONABLE CONSIDERATION THEREFOR SHALL BE PRESUMED TO HAVE DONE SO IN ORDER TO BECOME OR REMAIN ELIGIBLE FOR MEDICAL ASSISTANCE HEREUNDER OR TO HAVE DEPRIVED HIMSELF OR HIS SPOUSE OF A RESOURCE THAT MIGHT OTHERWISE HAVE BEEN USED TO MEET HIS OR THEIR CURRENT NEEDS. SUCH PERSON SHALL HAVE THE BURDEN OF OVERCOMING SUCH PRESUMPTION TO THE SATISFACTION OF THE COUNTY AGENCY.)

Subdivision 1. [TRANSFERS FOR LESS THAN MARKET VALUE.] In determining the resources of an individual and an eligible spouse, there shall be included any resource or interest therein which was given away or sold for less than fair market value within the 24 months preceding application for medical assistance or during the period of eligibility.

Subd. 2. [PRESUMPTION OF PURPOSE.] Any transaction described in subdivision 1 shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance under this chapter unless the individual or eligible spouse furnishes convincing evidence to establish that the transaction was exclusively for another purpose.

Subd. 3. [RESOURCE VALUE.] For purposes of subdivision 1, the value of the resource or interest shall be the fair market value at the time it was sold or given away, less the amount of compensation received.

Subd. 4. [PERIOD OF INELIGIBILITY.] In any case where the uncompensated value of transferred resources exceeds \$12,000, the commissioner shall require a period of ineligibility

which exceeds 24 months, provided that the period of ineligibility bears a reasonable relationship to the excess uncompensated value of the transferred asset.

Subd. 5. The provisions of this section shall be effective with respect to applications for benefits made the day after final enactment.

Sec. 12. Minnesota Statutes 1980, Section 256D.02, Subdivision 4a, is amended to read:

Subd. 4a. "General assistance medical care" means payment of all or part of the cost of medical care and services approved by the commissioner pursuant to section 256D.03, subdivision 3, for individuals whose income and resources are insufficient to meet the cost of care. *The categories of care for which payment shall be made in accordance with this chapter are inpatient hospital care, outpatient hospital care, prescription drugs, physician's services, medical transportation, and dental care.*

Sec. 13. Minnesota Statutes 1980, Section 256D.02, Subdivision 13, is amended to read:

Subd. 13. "(SUITABLE) Employment" means an (APPROPRIATE) income producing job including, but not limited to, all public subsidized jobs (PROCURED THROUGH THE WORK EQUITY PROGRAM.)

Sec. 14. Minnesota Statutes 1980, Section 256D.02, is amended by adding a subdivision to read:

Subd. 15. "Verification" means confirmation by the local agency of the applicant's name, current address, income and resources.

Sec. 15. Minnesota Statutes 1980, Section 256D.03, Subdivision 2, is amended to read:

Subd. 2. (AFTER DECEMBER 31, 1979, AND BEFORE JANUARY 1, 1981,) State aid shall be paid to local agencies for (60) 65 percent (AND, AFTER DECEMBER 31, 1980, FOR 75 PERCENT) of all general assistance grants up to the standards of section 256D.01, subdivision 1, and according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, Subdivision 1.

Sec. 16. Minnesota Statutes 1980, Section 256D.03, Subdivision 3, is amended to read:

Subd. 3. State aid shall be paid to local agencies or counties for (90) 75 percent of the cost of general assistance medical care paid by the local agency or county pursuant to section 256D.02, subdivision 4a on behalf of persons eligible according to standards established by the commissioner of public welfare in accordance with the rates established by rule of the commissioner. Persons eligible for benefits under sections 256D.01 to 256D.21 shall be eligible for general assistance medical care (AND HAVE FREE CHOICE IN THE SELECTION OF A VENDOR OF THE MEDICAL CARE). *At the option of the county board, reimbursement for services under this subdivision may be limited to designated medical care providers. In designating providers, counties shall consider alternatives designed to promote cost efficiency in the delivery of quality health care services.* Any local agency or county may, from its own resources, make payments for medical care for persons not otherwise eligible for the care pursuant to standards established by the commissioner.

The commissioner of public welfare shall promulgate rules to establish administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. The rules may include:

(a) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law;

(b) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a;

(c) procedures by which the local agencies may contract with the commissioner of public welfare for state administration of general assistance medical care payments;

(d) standards of eligibility, utilization of services and payment levels (WHICH SHALL CONFORM TO THOSE OF MEDICAL ASSISTANCE PURSUANT TO CHAPTER 256B); and

(e) general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor of general assistance medical care, and for the imposition of sanctions against such vendor of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a to 2.

Sec. 17. Minnesota Statutes 1980, Section 256D.04, is amended to read:

256D.04 [DUTIES OF THE COMMISSIONER.]

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise the administration of general assistance and general assistance medical care by local agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21 to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all local agencies and other interested persons; in promulgating rules, the provisions of sections 15.041 to 15.052, shall apply;

(3) Allocate moneys appropriated for general assistance and general assistance medical care to local agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public (;)

((8) REPORT AT LEAST ANNUALLY TO THE GOVERNOR AND LEGISLATURE THE COST OF LIVING IN THE VARIOUS COUNTIES AND METROPOLITAN AREAS AS RELATED TO THE STANDARDS OF ASSISTANCE AND THE AMOUNTS EXPENDED FOR ASSISTANCE, AND MAKE THIS INFORMATION AVAILABLE TO THE PUBLIC; AND)

((9) ISSUE EMERGENCY RULES NECESSARY TO IMPLEMENT THE WORK EQUITY PROGRAM AND PROMULGATE ALL RULES PURSUANT TO CHAPTER 15 NECESSARY TO CARRY OUT THE PROGRAM SO THAT ITS DEMONSTRATIONAL PROJECT MAY BE ADMINISTERED UNIFORMLY THROUGHOUT PARTICIPATING COUNTIES. RULES SHALL BE FURNISHED IMMEDIATELY TO ALL LOCAL AGENCIES AND OTHER INTERESTED PERSONS).

Sec. 18. Minnesota Statutes 1980, Section 256D.05, is amended by adding a subdivision to read:

Subd. 2a. [TIME LIMITATION.] No recipient may receive general assistance benefits for more than three months per calendar year. Exceptions to these limitations can be made by the local agency.

Sec. 19. Minnesota Statutes 1980, Section 256D.06, is amended by adding a subdivision to read:

Subd. 4. When a general assistance grant is used to pay a negotiated rate for a recipient living in a licensed or certified facility, the rate payable hereunder to that facility shall be no greater than that paid by an individual not receiving general assistance.

Sec. 20. Minnesota Statutes 1980, Section 256D.06, is amended by adding a subdivision to read:

Subd. 5. [INTERIM ASSISTANCE.] Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be obligated to (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard or locally adjusted standard, applicable to that time period, whichever is higher.

Sec. 21. Minnesota Statutes 1980, Section 256D.11, Subdivision 1, is amended to read:

Subdivision 1. Every person who is (A) *an applicant for or recipient of general assistance, not employed, and not described in subdivision 1a, shall be required, unless exempt by subdivision 6, to register for employment services with the commissioner*

of economic security and the local agency. *In addition to registration, the recipient must be actively seeking employment, be participating in all related employment services, and accept any (SUITABLE) employment that is offered him.*

Sec. 22. Minnesota Statutes 1980, Section 256D.11, Subdivision 4, is amended to read:

Subd. 4. The commissioner or a local agency may contract with the federal government, or with any department, agency, subdivision or instrumentality of the state, or with any nonprofit organization approved by the commissioner of public welfare for work, training and vocational counseling services for participants on such terms and conditions as may be agreed upon, with or without consideration paid to the local agency. (IN A COUNTY WHERE THE WORK EQUITY PROGRAM IS IN OPERATION, THE COMMISSIONER SHALL HAVE THE SOLE AUTHORITY TO CONTRACT WITH THE FEDERAL GOVERNMENT AND WITH ANY OTHER STATE DEPARTMENT, AND NO CONSIDERATION SHALL BE PAID TO THE LOCAL AGENCY, EXCEPT FOR CONSIDERATION ATTRIBUTABLE TO ADDITIONAL ADMINISTRATION EXPENSES. THE CONTRACT AGREED UPON BY THE COMMISSIONER SHALL PROVIDE FOR THE NECESSARY METHODS OF FUNDING WORK EQUITY PROGRAM JOBS, WHICH METHODS MAY INCLUDE A TRANSFER OF STATE AND LOCAL AGENCY GENERAL ASSISTANCE GRANT MONEYS DIRECTLY TO THE GOVERNOR'S MANPOWER OFFICE. THE CONTRACT MAY PROVIDE THAT AN INTENDED RECIPIENT MAY RECEIVE A PAY CHECK EQUAL TO OR GREATER THAN HIS DESIGNATED AMOUNT OF ASSISTANCE INSTEAD OF RECEIVING HIS GRANT.)

Sec. 23. Minnesota Statutes 1980, Section 256D.11, Subdivision 8, is amended to read:

Subd. 8. (1) Any nonexempt person who refuses to accept suitable employment, vocational counseling or training when offered him or is not actively seeking employment or participating in all related employment services required by this section, shall lose his eligibility for general assistance for the period in which his refusal continues and, if a member of a family receiving general assistance, that portion of the grant attributable to said person shall not be paid during that period unless they agree to comply. Any person who is found to be ineligible for aid under this subdivision on three or more occasions will be considered presumptively ineligible for future general assistance grants.

The commissioner may further provide by rule that vendor payments may be made with respect to any family in which a person who is obligated to accept suitable employment and training has refused to do so.

(2) The provisions of section 256D.10 providing for notice and opportunity to be heard prior to a decision to reduce, suspend or terminate benefits shall be applicable to determinations made under clause (1).

Sec. 24. Minnesota Statutes 1980, Section 256D.11, Subdivision 9, is amended to read:

Subd. 9. The commissioner and the local agencies shall establish procedures to insure that any recipient of general assistance desiring to improve his ability to support himself and his family shall be promptly referred to the department of economic security or any other agency, public or private, operating a work training, work experience, vocational rehabilitation or other similar program. The commissioner of economic security shall assure that at least the same level of services and agency efforts are available to general assistance recipients as are available to unemployment compensation recipients who register for work pursuant to section 268.08, subdivision 1, clause (1).

Informational meetings on the general assistance work program shall be provided for nonexempt recipients of aid within three working days of the day that eligibility is established. Individual interviews with employment counselors shall be provided within two weeks of the informational meeting.

Sec. 25. [STATE HOSPITAL CLOSINGS.]

Subdivision 1. [FIRST HOSPITAL.] The commissioner of public welfare shall, after appropriate planning, consultation, public hearing, and advice from the legislature, effect the closing of one of the state hospitals under his control by June 30, 1982.

Subd. 2. [TRANSFER OF PATIENTS.] Prior to that date the commissioner shall arrange for the transfer of all affected patients committed pursuant to Minnesota Statutes, Section 253A.07 who are still in need of institutional care and treatment to other state hospitals. The commissioner shall undertake those transfers pursuant to the authority vested in him by Minnesota Statutes, Section 253A.14.

All patients who had been admitted to the state hospital on a voluntary basis pursuant to Minnesota Statutes, Section 253A.03, who would still be resident on June 30, 1982, may elect to discontinue hospital care or treatment pursuant to the provisions of that section, or may be admitted as voluntary patients to another operating state hospital.

In the transfer of patients, the commissioner shall consider the individualized patient plan required by Minnesota Statutes, Section 253A.17, Subdivision 9 and the recommendations of the re-

view board appointed pursuant to Minnesota Statutes, Section 253A.16.

Subd. 3. [RECORDS.] The records of patients who are transferred or seek admission to another state hospital shall be forwarded to the appropriate state hospital. All other patient records shall be stored by the commissioner consistent with Minnesota Statutes, Section 246.13 and existing rules and policies of the department of public welfare regarding the maintenance of hospital patient records.

Subd. 4. [BUILDINGS.] The commissioner of public welfare shall certify to the commissioner of administration pursuant to the provisions of Minnesota Statutes, Section 94.09, Subdivision 2 that the state hospital campus is no longer needed for the department of public welfare.

Subd. 5. [EMPLOYEES.] The commissioner of personnel shall monitor the orderly reassignment of affected employees of the state hospital pursuant to authority invested in him pursuant to Minnesota Statutes, Section 246.60.

Subd. 6. [SECOND HOSPITAL.] By June 30, 1983, the commissioner of public welfare shall, in accord with the procedures of this section, effectuate the closing of a second state hospital under his control.

Sec. 26. [INSTRUCTION TO REVISOR.]

In the appropriate editions of Minnesota Statutes, the revisor shall delete all references to any hospital closed pursuant to section 24. The revisor may also make any necessary editorial changes to effectuate the deletions consistent with proper grammar and style."

Delete the title and insert:

"A bill for an act relating to public welfare; providing the commissioner with authority to control expenditures in specified instances; modifying the payment responsibility for costs of care for mentally retarded persons in state institutions; changing resource limits for recipients of aid to families with dependent children and expanding the definition of resource; prorating the first month's grant; reducing the scope of services provided under the medical assistance program; limiting payments to vendors and reducing resource limits; limiting the transfer of assets under medical assistance; limiting the services for which state reimbursement is available under general assistance medical care, reducing state aid, and making free choice of vendor an option with counties; time limiting general assistance grants and providing for interim assistance repayments; adjusting work program requirements under general assistance; providing for

the closing of two state hospitals over the next biennium; amending Minnesota Statutes 1980, Sections 245.0313; 254A.03, by adding a subdivision; 256.73, Subdivision 2; 256.74, Subdivision 1; 256.76, Subdivision 1; 256B.02, Subdivision 8; 256B.03; 256B.06, Subdivision 1; 256B.17; 256D.02, Subdivisions 4a, 13, and by adding a subdivision; 256D.03, Subdivisions 2 and 3; 256D.04; 256D.05, by adding a subdivision; 256D.06, by adding subdivisions; 256D.11, Subdivisions 1, 4, 8 and 9; proposing new law coded in Minnesota Statutes, Chapter 256B."

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

The report was adopted.

McCarron from the Committee on Reapportionment and Elections to which was referred:

H. F. No. 1295, A bill for an act relating to elections; providing for automatic recounts in certain judicial elections; amending Minnesota Statutes 1980, Sections 204A.51, Subdivisions 2 and 3; and 204A.53, Subdivisions 2 and 3.

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1301, A bill for an act relating to consumer protection; providing for a definition of building materials which may contain urea formaldehyde; providing for exceptions; amending Minnesota Statutes 1980, Section 325F.18, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 14 to 16 and insert "*but*"

Page 1, line 18, delete "*not installed as part of the*"

Page 1, line 19, delete "*construction of a mobile home*"

Page 1, delete line 21

Page 1, line 22, delete "*present are phenalic;*"

Page 1, line 23, delete "*(3)*" and insert "*(2)*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson, C., from the Committee on Education to which was referred:

H. F. No. 1329, A bill for an act relating to education; authorizing the sale of bonds for the maximum effort school loan fund; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 124.

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

The report was adopted.

Eken from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 10, A house resolution expressing the anguish of the people of Minnesota at the continuing news of the disappearance and murder of more than twenty children in Atlanta, Georgia, and extending condolences to the citizens of Atlanta and to the parents, relatives and friends of the children.

Reported the same back with the following amendments:

Page 1, line 10, delete "twenty" and insert "twenty-two"

Amend the title as follows:

Page 1, line 4, delete "twenty" and insert "twenty-two"

With the recommendation that when so amended the resolution be adopted.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 616, A bill for an act relating to commerce; requiring that consumer contracts be written in clear and coherent language; providing remedies; proposing new law coded in Minnesota Statutes, Chapter 325G.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325G.29] [CITATION.]

Sections 1 to 7 may be cited as the "plain language contract act."

Sec. 2. [325G.30] [DEFINITIONS.]

Subdivision 1. [TERMS.] As used in sections 2 to 7, the terms defined in this section shall have the meanings given them.

Subd. 2. [CONSUMER.] "Consumer" means any individual who, primarily for personal, family or household purposes, leases, contracts for, or otherwise gives consideration for any interest in any goods, services or personal property, including money, or who rents or leases residential premises for personal, family or household use.

Subd. 3. [CONSUMER CONTRACT.] "Consumer contract" means any written contract to which an individual is a party as a consumer and where the amount involved, excluding interest or finance charges, is less than \$50,000.

Sec. 3. [325G.31] [PLAIN LANGUAGE REQUIRED.]

Except as provided in section 4, every consumer contract shall be written in a clear and coherent manner using words with common and everyday meanings and shall be appropriately divided and captioned by its various sections.

Sec. 4. [325G.32] [EXCEPTIONS.]

Subdivision 1. [OTHER STATUTES OR REGULATIONS.] Section 3 shall not apply to any consumer contract for which federal or state statute, rule or regulation prescribe standards of readability applicable to the entire contract. Section 3 shall not apply to particular words, phrases, provisions or forms of agreement whose use is specifically required, recommended or endorsed by state or federal statute, rule or regulation.

Subd. 2. [CUSTOMARILY USED TECHNICAL TERMS.] A consumer contract may include technical terms to describe, define or explain the goods, services, property or premises which are the subject of the contract, if the terms are customarily used by consumers in connection with the goods, services, property or premises.

Subd. 3. [USE OF U.C.C. TERMS.] Any term specifically defined in Minnesota Statutes, Chapter 336 shall retain its specified definition in a consumer contract only if that definition is set forth in that contract in a clear and coherent manner using words with common and everyday meanings.

Sec. 5. [325G.33] [REMEDIES.]

Subdivision 1. [ENFORCEMENT AUTHORITY.] Any violation of section 3 shall be deemed a violation of a law referred to in section 8.31, subdivision 1.

Subd. 2. [ADDITIONAL REMEDIES.] In addition to the remedies provided in section 8.31, if a court reviewing a consumer contract whose obligations have not been fully performed finds that:

- (1) a material provision of the contract violates section 3;*
- (2) the violation caused the consumer to be substantially confused about any of the rights, obligations or remedies of the contract; and*
- (3) the violation has caused or is likely to cause financial detriment to the consumer, the court may reform or limit the application of the provision so as to avoid an unfair result. If the court so reforms or limits the application of a provision of a consumer contract, the court shall also make such orders as may be necessary to avoid conferring any unjust enrichment on the consumer.*

Sec. 6. [325G.34] [LIMITS ON REMEDIES.]

Subdivision 1. [PENALTIES.] In any proceeding in which the attorney general claims civil penalties from a party for a violation of section 3, it shall be an affirmative defense to that claim that the party had made a good faith and reasonable effort to comply with section 3.

Subd. 2. [CLASS ACTION ATTORNEY'S FEES.] In any class action or series of class actions which arise from the use by a particular individual of a particular consumer contract found to violate section 3, the amount of attorney's fees assessed against that individual and in favor of the consumer class or classes shall not exceed \$10,000.

Subd. 3. [LIMITS ON CONSUMER ACTIONS.] Violation of section 3 shall not constitute a defense to a breach of contract action or to an action for unlawful detainer. A consumer may recover damages for a violation of section 3 only if the violation relates to a material provision of a consumer contract and caused the consumer to be substantially confused about any of the rights, obligations or remedies of the contract.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 shall take effect on January 18, 1983. Sections 1 to 6 shall not affect any consumer contract executed before

the effective date. A previously existing consumer contract renewed after January 17, 1983, shall be subject to sections 1 to 6. For the purposes of this section, periodic tenancies shall be deemed to renew at the commencement of each rental period."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1304, 1305, 155, 234, 253, 291, 298, 421, 427, 453, 491, 534, 560, 583, 586, 619, 621, 636, 659, 695, 696, 707, 763, 774, 780, 834, 849, 855, 862, 928, 932, 937, 960, 970, 976, 978, 979, 997, 1015, 1021, 1045, 1051, 1070, 1080, 1120, 1156, 1160, 1178, 1182, 1190, 1200, 1221, 1225, 1231, 1237, 1242, 1247, 1269, 1276, 1295, 1301 and 616 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 692, 365, 454, 375 and 917 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Reif and Drew introduced:

H. F. No. 1353, A bill for an act relating to Ramsey county; modifying procedures for the publication of a board journal; amending Laws 1974, Chapter 435, Section 2.05, as amended.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Peterson, D.; Anderson, I.; Skoglund and Brandl introduced:

H. F. No. 1354, A bill for an act relating to taxation; real property; allowing property used by certain disabled veterans to qualify for 3cc classification; amending Minnesota Statutes 1980, Section 273.13, Subdivision 7.

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

Peterson, D. introduced:

H. F. No. 1355, A bill for an act relating to elections; authorizing changing of certain precinct boundaries; amending Minnesota Statutes 1980, Section 204A.06, Subdivision 1.

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

Piepho, Welker, Zubay, Heap and Carlson, D., introduced:

H. F. No. 1356, A resolution memorializing the President and Congress of the United States to express the legislature's support of President Reagan's Economic Recovery Plan.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Elioff, Minne and Lemen introduced:

H. F. No. 1357, A bill for an act relating to the Mountain Iron joint recreation board; regulating its tax levy.

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

Welch and Clawson introduced:

H. F. No. 1358, A bill for an act relating to retirement; authorizing the purchase of prior service credit by a certain member of the Minnesota state retirement system.

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

McDonald introduced:

H. F. No. 1359, A bill for an act relating to local government; fixing dollar limitations for bidding procedures; amending Minnesota Statutes 1980, Sections 160.17, Subdivision 2; 365.37; 375.21, Subdivision 1; 412.311; 429.041, Subdivisions 1 and 2 and 471.345, Subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Valan introduced:

H. F. No. 1360, A bill for an act relating to the town of Oak Port in Clay county; authorizing the town to exercise certain powers.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Stumpf and Simoneau introduced:

H. F. No. 1361, A bill for an act relating to education; providing for the preparation of a report by the legislative commission on employee relations analyzing current insurance programs available to teachers and other public school employees in Minnesota; amending Minnesota Statutes 1980, Section 3.855, Subdivision 3.

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

Munger; Begich; Battaglia; Peterson, B., and Skoglund introduced:

H. F. No. 1362, A bill for an act relating to the environment; requiring notice of intent to develop uranium; creating an advisory committee; requiring adoption of a state policy; appropriating money; imposing a penalty; proposing new law coded in Minnesota Statutes, Chapter 116C.

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

Jude, Ellingson, Dempsey, Schreiber and Welch introduced:

H. F. No. 1363, A bill for an act relating to courts; authorizing electronic media and still photography coverage in the appellate and trial courts; requiring the supreme court to promulgate standards of conduct and technology governing electronic media and still photographic coverage of judicial proceedings; proposing new law coded in Minnesota Statutes, Chapters 480 and 631.

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

Niehaus; Johnson, C.; Gruenes; Otis and Esau introduced:

H. F. No. 1364, A bill for an act relating to education; requiring transportation costs for a handicapped child to be paid by the district of residence; authorizing the district of residence to claim transportation aid; amending Minnesota Statutes 1980, Section 120.17, Subdivisions 4, 6 and 7.

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

Pogemiller introduced:

H. F. No. 1365, A bill for an act relating to cities; authorizing city rehabilitation loan programs for small and medium sized commercial buildings; and providing for the issuance of revenue bonds to finance the programs; proposing new law coded in Minnesota Statutes, Chapter 459.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Jude, Ellingson, Sarna, Schreiber and Evans introduced:

H. F. No. 1366, A bill for an act relating to liens for improvements made to real property; prescribing notice requirements to owners by subcontractors; defining owner; amending Minnesota Statutes 1980, Section 514.011, Subdivisions 2 and 5.

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

Jude, Evans, Dempsey, Voss and Anderson, B., introduced:

H. F. No. 1367, A bill for an act relating to the attorney general; providing that the attorney general shall render bond counsel services to state agencies and political subdivisions; appropriating money; proposing new law coded in Minnesota Statutes, Chapter 8.

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

Long, Otis, Schreiber and Searles introduced :

H. F. No. 1368, A bill for an act relating to taxation; increasing the maximum homestead credit amount; decreasing the homestead credit percentage; amending Minnesota Statutes 1980, Section 273.13, Subdivisions 6, 7 and 14a.

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

Piepho; Zubay; Johnson, C., and Kalis introduced :

H. F. No. 1369, A bill for an act relating to public welfare; changing a definition regarding determination of the county of financial responsibility for purposes of the general assistance program; amending Minnesota Statutes 1980, Section 256D.18, Subdivisions 2 and 3.

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

Voss, for the Committee on Local and Urban Affairs, introduced :

H. F. No. 1370, A bill for an act relating to local government aids; clarifying and updating statutory language relating to the distribution formula; creating a legislative study commission; appropriating money; amending Minnesota Statutes 1980, Section 477A.03; proposing new law coded in Minnesota Statutes, Chapter 477A; repealing Minnesota Statutes 1980, Section 477A.01.

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

Rodriguez, C.; Ogren and Sarna introduced :

H. F. No. 1371, A bill for an act relating to commerce; protecting consumers; prohibiting certain price increases of items already displayed for sale; providing a penalty; proposing new law coded in Minnesota Statutes, Chapter 325F.

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

Vanasek and Welker introduced:

H. F. No. 1372, A bill for an act relating to education; exempting students who participate on a high school swimming team from certain state high school league rules; proposing new law coded in Minnesota Statutes, Chapter 129.

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

Simoneau introduced:

H. F. No. 1373, A bill for an act relating to metropolitan government; providing for review by the metropolitan council of the entire budget of the metropolitan waste control commission; amending Minnesota Statutes 1980, Section 473.163, Subdivision 2.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Anderson, G.; Wynia; Sherwood; Kalis and Carlson, D., introduced:

H. F. No. 1374, A bill for an act relating to criminal justice; imposing a tax on alcoholic beverages sold for resale by the drink; providing for the distribution of the proceeds to local units of government to meet the costs of enforcement of laws relating to driving offenses involving alcohol or drugs; requiring payment of certain costs by persons receiving treatment for alcoholism; providing penalties; appropriating money; proposing new law coded in Minnesota Statutes, Chapters 169 and 340.

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

Battaglia introduced:

H. F. No. 1375, A bill for an act relating to local government; Lake County, Independent School District No. 381, and the town of Beaver Bay; providing for the valuation and assessment for property taxes of certain unique mining property.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Anderson, R.; Evans; Aasness; Fjoslien and Valan introduced:

H. A. No. 20, A proposal to study water levels and recreational and other potentials of Otter Tail river.

The advisory was referred to the Committee on Environment and Natural Resources.

Clawson; Clark, J.; Skoglund; Blatz and Aasness introduced:

H. A. No. 21, A proposal to examine the adequacy of accessibility standards in housing for the handicapped.

The advisory was referred to the Committee on Health and Welfare.

Clawson, Kostohryz, Sarna, McEachern and Metzen introduced:

H. A. No. 22, A proposal to amend the House Permanent Rules to establish a Committee on Foreign Relations.

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

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, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 117, A bill for an act relating to general assistance; removing the presumption of eligibility from general assistance; providing that applications be permitted no later than four days after assistance is requested; requiring that determinations be made with respect to the need for emergency general assistance; providing that eligibility determination for general assistance be made no later than 30 days following application; providing that the first general assistance grant be computed for eligible

applicants from the time when assistance is requested; requiring vendor payments of grants until eligibility determinations are complete; amending Minnesota Statutes 1980, Sections 256D.07 and 256D.09, Subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hokanson moved that the House concur in the Senate amendments to H. F. No. 117 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 117, A bill for an act relating to general assistance; removing the presumption of eligibility from general assistance; providing that applications be permitted no later than four days after assistance is requested; requiring that determinations be made with respect to the need for emergency general assistance; providing that eligibility determinations for general assistance be made no later than 30 days following application; providing that the first general assistance grant be computed for eligible applicants from the time when assistance is requested; requiring vendor payments of grants until eligibility determinations are complete; amending Minnesota Statutes 1980, Sections 256D.07 and 256D.09, Subdivision 1.

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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Kelly	Ogren	Simoneau
Ainley	Fjoslien	Knickerbocker	Olsen	Skoglund
Anderson, B.	Forsythe	Kvam	Onnen	Stadum
Anderson, G.	Friedrich	Laidig	Osthoff	Staten
Anderson, I.	Greenfield	Lehto	Otis	Stowell
Battaglia	Gruenes	Lemen	Peterson, D.	Stumpf
Begich	Gustafson	Levi	Piepho	Sviggum
Berkelman	Halberg	Long	Pogemiller	Swanson
Blatz	Hanson	Ludeman	Redalen	Valan
Brandl	Harens	Mann	Reding	Valento
Brinkman	Hauge	Marsh	Rees	Vanasek
Carlson, D.	Haukoos	McCarron	Reif	Vellenga
Carlson, L.	Heap	McDonald	Rodriguez, C.	Voss
Clark, J.	Heinitz	McEachern	Rodriguez, F.	Weaver
Clawson	Himle	Metzen	Rose	Welch
Dahlvang	Hoberg	Minne	Rothenberg	Welker
Dempsey	Hokanson	Munger	Samuelson	Wenzel
Den Ouden	Jacobs	Murphy	Sarna	Wieser
Drew	Jennings	Nelsen, B.	Schafer	Wynia
Eken	Johnson, C.	Nelson, K.	Schoenfeld	Zubay
Elioff	Johnson, D.	Niehaus	Schreiber	Spkr. Sieben, H.
Ellingson	Jude	Norton	Searles	
Erickson	Kahn	Novak	Shea	
Esau	Kaley	Nysether	Sherman	
Evans	Kalis	O'Connor	Sieben, M.	

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

Mr. Speaker:

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

S. F. No. 291.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 291, A bill for an act relating to counties; repealing the law prohibiting persons holding the office of deputy sheriff from holding public office; prohibiting county commissioners from being employed by their counties; providing a penalty; amending Minnesota Statutes 1980, Sections 375.09; and 387.13.

The bill was read for the first time.

Schoenfeld moved that S. F. No. 291 and H. F. No. 1045, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 275 was reported to the House.

Wenzel moved to amend S. F. No. 275, as follows:

Page 1, line 16, strike "some" and insert "*a qualified legal*"

Page 2, line 2, delete "A" and insert "*An advertised*"

The motion prevailed and the amendment was adopted.

S. F. No. 275, A bill for an act relating to counties; permitting escalation clauses or negotiated price changes in county contracts; clarifying advertising requirements; amending Minnesota Statutes 1980, Section 375.21, Subdivision 1.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness

Ainley

Anderson, B.

Anderson, G.

Anderson, I.

Anderson, R.	Forsythe	Knickerbocker	O'Connor	Sieben, M.
Battaglia	Friedrich	Kostohryz	Ogren	Simoneau
Begich	Greenfield	Kvam	Olsen	Skoglund
Berkelman	Gruenes	Laidig	Onnen	Stadum
Blatz	Gustafson	Lehto	Osthoff	Staten
Brandl	Halberg	Lemen	Otis	Stowell
Brinkman	Hanson	Levi	Peterson, D.	Stumpf
Byrne	Harens	Long	Piepho	Swiggum
Carlson, D.	Hauge	Ludeman	Pogemiller	Swanson
Carlson, L.	Haukoos	Mann	Redalen	Valan
Clark, J.	Heap	Marsh	Reding	Valento
Clark, K.	Heinitz	McCarron	Rees	Vanasek
Clawson	Himle	McDonald	Reif	Vellenga
Dahlvang	Hoberg	McEachern	Rice	Voss
Dempsey	Hokanson	Mehrkens	Rodriguez, C.	Weaver
Den Ouden	Hokr	Metzen	Rodriguez, F.	Welch
Drew	Jacobs	Minne	Rose	Welker
Eken	Jennings	Munger	Rothenberg	Wenzel
Elioff	Johnson, C.	Murphy	Samuelson	Wieser
Ellingson	Johnson, D.	Nelsen, B.	Sarna	Wynia
Erickson	Jude	Nelson, K.	Schafer	Zubay
Esau	Kahn	Niehaus	Schreiber	Spkr. Sieben, H.
Evans	Kaley	Norton	Searles	
Ewald	Kalis	Novak	Shea	
Fjoslien	Kelly	Nysether	Sherman	

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

S. F. No. 347, A bill for an act relating to Hennepin county; providing for the administration of the county library system; repealing Laws 1957, Chapter 788, as amended; and Extra Session Laws 1967, Chapter 24, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Den Ouden	Heinitz	Long	Onnen
Ainley	Drew	Himle	Ludeman	Osthoff
Anderson, B.	Eken	Hoberg	Mann	Otis
Anderson, G.	Elioff	Hokanson	Marsh	Peterson, B.
Anderson, I.	Ellingson	Hokr	McCarron	Peterson, D.
Anderson, R.	Erickson	Jacobs	McDonald	Piepho
Battaglia	Esau	Jennings	McEachern	Pogemiller
Begich	Evans	Johnson, C.	Mehrkens	Redalen
Berkelman	Ewald	Johnson, D.	Metzen	Reding
Blatz	Fjoslien	Jude	Minne	Rees
Brandl	Forsythe	Kahn	Munger	Reif
Brinkman	Friedrich	Kaley	Murphy	Rice
Byrne	Greenfield	Kalis	Nelsen, B.	Rodriguez, C.
Carlson, D.	Gruenes	Kelly	Nelson, K.	Rodriguez, F.
Carlson, L.	Gustafson	Knickerbocker	Niehaus	Rose
Clark, J.	Halberg	Kostohryz	Norton	Rothenberg
Clark, K.	Hanson	Kvam	Novak	Samuelson
Clawson	Harens	Laidig	Nysether	Sarna
Dahlvang	Hauge	Lehto	O'Connor	Schafer
Dean	Haukoos	Lemen	Ogren	Schoenfeld
Dempsey	Heap	Levi	Olsen	Schreiber

Searles	Skoglund	Sviggum	Vellenga	Wenzel
Shea	Stadum	Swanson	Voss	Wieser
Sherman	Staten	Valan	Weaver	Wynia
Sieben, M.	Stowell	Valento	Welch	Zubay
Simoneau	Stumpf	Vanasek	Welker	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 159 was reported to the House.

Dempsey moved to amend H. F. No. 159, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [489.06] [ABOLISHMENT OF OFFICE OF COURT COMMISSIONER.]

The county board of commissioners of a county may by resolution abolish the office of court commissioner in that county. The office shall be abolished effective upon the expiration of the present incumbent's term of office.”

Delete the title and insert:

“A bill for an act relating to courts; authorizing counties to abolish the office of court commissioner; proposing new law coded in Minnesota Statutes, Chapter 489.”

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 58 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Aasness	Fjoslien	Johnson, D.	Nelsen, B.	Schreiber
Ainley	Forsythe	Jude	Niehaus	Searles
Anderson, R.	Friedrich	Kaley	Nysether	Sherman
Blatz	Gruenes	Knickerbocker	Olsen	Stadum
Carlson, D.	Halberg	Kvam	Onnen	Stowell
Dempsey	Haukoos	Laidig	Piepho	Sviggum
Den Ouden	Heap	Lemen	Redalen	Valan
Drew	Heinitz	Levi	Rees	Valento
Erickson	Himle	Ludeman	Reif	Weaver
Esau	Hoberg	Marsh	Rose	Welker
Evans	Hokr	McDonald	Rothenberg	
Ewald	Jennings	Mehrkens	Schafer	

Those who voted in the negative were:

Anderson, B.	Brandl	Clawson	Gustafson	Johnson, C.
Anderson, G.	Brinkman	Dahlvang	Hanson	Kahn
Anderson, I.	Byrne	Eken	Harens	Kalis
Battaglia	Carlson, L.	Elioff	Hauge	Kelly
Begich	Clark, J.	Ellingson	Hokanson	Kostohryz
Berkelman	Clark, K.	Greenfield	Jacobs	Lehto

Long	Nelson, K.	Pogemiller	Simoneau	Wenzel
Mann	Norton	Reding	Skoglund	Wieser
McCarron	Novak	Rice	Staten	Wynia
McEachern	O'Connor	Rodriguez, C.	Stumpf	Zubay
Metzen	Ogren	Rodriguez, F.	Swanson	Spkr. Sieben, H.
Minne	Osthoff	Samuelson	Vanasek	
Munger	Otis	Schoenfeld	Vellenga	
Murphy	Peterson, D.	Sieben, M.	Voss	

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

H. F. No. 159, A bill for an act relating to court commissioners; abolishing the office of court commissioner; amending Minnesota Statutes 1980, Section 489.01.

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	Esau	Kahn	Niehaus	Searles
Ainley	Evans	Kaley	Norton	Shea
Anderson, B.	Ewald	Kalis	Novak	Sherman
Anderson, G.	Fjoslien	Kelly	Nysether	Sieben, M.
Anderson, I.	Forsythe	Knickerbocker	O'Connor	Simoneau
Anderson, R.	Friedrich	Kostohryz	Ogren	Skoglund
Battaglia	Greenfield	Kvam	Olsen	Stadum
Begich	Gruenes	Laidig	Osthoff	Staten
Berkelman	Gustafson	Lehto	Otis	Stowell
Blatz	Halberg	Lemen	Peterson, B.	Stumpf
Brandl	Hanson	Levi	Peterson, D.	Sviggum
Brinkman	Harens	Long	Piepho	Swanson
Byrne	Hauge	Ludeman	Pogemiller	Valan
Carlson, D.	Haukoos	Mann	Redalen	Valento
Carlson, L.	Heap	Marsh	Reding	Vanasek
Clark, J.	Heinitz	McCarron	Rees	Vellenga
Clark, K.	Himle	McDonald	Rodriguez, C.	Voss
Clawson	Hoberg	McEachern	Rodriguez, F.	Weaver
Dahlvang	Hokanson	Mehrkens	Rose	Welch
Dean	Hokr	Metzen	Rothenberg	Welker
Dempsey	Jacobs	Minne	Samuelson	Wenzel
Drew	Jennings	Munger	Sarna	Wieser
Eken	Johnson, C.	Murphy	Schafer	Wynia
Elioff	Johnson, D.	Nelsen, B.	Schoenfeld	Zubay
Ellingson	Jude	Nelson, K.	Schreiber	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 6, A bill for an act relating to commerce; prohibiting the sale of certain petroleum products on any basis other than gross volume; amending Minnesota Statutes 1980, Section 296.-05, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kahn	Norton	Searles
Ainley	Esau	Kaley	Novak	Shea
Anderson, B.	Evans	Kalis	Nysether	Sherman
Anderson, G.	Ewald	Kelly	O'Connor	Sieben, M.
Anderson, I.	Fjoslien	Knickerbocker	Ogren	Simoneau
Anderson, R.	Forsythe	Kostohryz	Olsen	Skoglund
Battaglia	Friedrich	Kvam	Onnen	Stadum
Begich	Greenfield	Laidig	Osthoff	Staten
Berkelman	Gruenes	Lehto	Otis	Stowell
Blatz	Gustafson	Lemen	Peterson, B.	Stumpf
Brandl	Halberg	Levi	Peterson, D.	Swiggum
Brinkman	Hanson	Long	Piepho	Swanson
Byrne	Harens	Ludeman	Pogemiller	Valan
Carlson, D.	Hauge	Mann	Redalen	Valento
Carlson, L.	Haukoos	Marsh	Reding	Vanasek
Clark, J.	Heap	McCarron	Rees	Vellenga
Clark, K.	Heinitz	McDonald	Reif	Weaver
Clawson	Himle	McEachern	Rodriguez, C.	Welch
Dahlvang	Hoberg	Mehrkens	Rodriguez, F.	Welker
Dean	Hokanson	Metzen	Rose	Wenzel
Dempsey	Hokr	Minne	Rothenberg	Wieser
Den Ouden	Jacobs	Munger	Samuelson	Wynia
Drew	Jennings	Murphy	Sarna	Zubay
Eken	Johnson, C.	Nelsen, B.	Schafer	Spkr. Sieben, H.
Elioff	Johnson, D.	Nelson, K.	Schoenfeld	
Ellingson	Jude	Niehaus	Schreiber	

Those who voted in the negative were:

Voss

The bill was passed and its title agreed to.

H. F. No. 138, A bill for an act relating to courts; authorizing the judges of the sixth judicial district to set the salaries of court reporters.

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

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

Those who voted in the affirmative were:

Aasness	Brandl	Dempsey	Ewald	Harens
Ainley	Brinkman	Den Ouden	Fjoslien	Hauge
Anderson, B.	Byrne	Drew	Forsythe	Haukoos
Anderson, I.	Carlson, D.	Eken	Friedrich	Heap
Anderson, R.	Carlson, L.	Elioff	Greenfield	Heinitz
Battaglia	Clark, J.	Ellingson	Gruenes	Himle
Begich	Clark, K.	Erickson	Gustafson	Hoberg
Berkelman	Dahlvang	Esau	Halberg	Hokanson
Blatz	Dean	Evans	Hanson	Hokr

Jacobs	Ludeman	O'Connor	Rothenberg	Swanson
Jennings	Mann	Ogren	Samuelson	Valan
Johnson, C.	Marsh	Olsen	Sarna	Valento
Johnson, D.	McCarron	Onnen	Schafer	Vellenga
Jude	McDonald	Osthoff	Schoenfeld	Voss
Kahn	McEachern	Otis	Schreiber	Weaver
Kaley	Mehrrens	Peterson, B.	Searles	Welch
Kalis	Metzen	Peterson, D.	Shea	Welker
Kelly	Minne	Piepho	Sherman	Wenzel
Knickerbocker	Munger	Pogemiller	Sieben, M.	Wieser
Kostohryz	Murphy	Redalen	Simoneau	Wynia
Kvam	Nelsen, B.	Reding	Skoglund	Zubay
Laidig	Nelson, K.	Rees	Stadum	Spkr. Sieben, H.
Lehto	Niehaus	Reif	Staten	
Lemen	Norton	Rodriguez, C.	Stowell	
Levi	Novak	Rodriguez, F.	Stumpf	
Long	Nysether	Rose	Sviggun	

The bill was passed and its title agreed to.

H. F. No. 365, A bill for an act relating to building code inspectors; authorizing certain municipalities to choose between two options to enforce the provisions of the building code related to access for handicapped persons; amending Minnesota Statutes 1980, Section 16.861, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Aasness	Erickson	Kahn	Norton	Searles
Ainley	Esau	Kaley	Novak	Sherman
Anderson, B.	Evans	Kalis	Nysether	Sieben, M.
Anderson, G.	Ewald	Kelly	O'Connor	Simoneau
Anderson, I.	Fjoslien	Knickerbocker	Ogren	Skoglund
Anderson, R.	Forsythe	Kostohryz	Olsen	Stadum
Battaglia	Friedrich	Kvam	Onnen	Staten
Begich	Greenfield	Laidig	Osthoff	Stowell
Berkelman	Gruenes	Lehto	Otis	Stumpf
Blatz	Gustafson	Lemen	Peterson, B.	Sviggun
Brandl	Halberg	Levi	Peterson, D.	Swanson
Brinkman	Hanson	Long	Piepho	Valan
Byrne	Harens	Ludeman	Pogemiller	Valento
Carlson, D.	Hauge	Mann	Redalen	Vanasek
Carlson, L.	Haukoos	Marsh	Reding	Vellenga
Clark, J.	Heap	McCarron	Rees	Voss
Clark, K.	Heinitz	McDonald	Reif	Weaver
Clawson	Himle	McEachern	Rodriguez, C.	Welch
Dahlvang	Hoberg	Mehrrens	Rodriguez, F.	Welker
Dean	Hokanson	Metzen	Rose	Wenzel
Dempsey	Hokr	Minne	Rothenberg	Wieser
Den Ouden	Jacobs	Munger	Samuelson	Wynia
Drew	Jennings	Murphy	Sarna	Zubay
Eken	Johnson, C.	Nelsen, B.	Schafer	Spkr. Sieben, H.
EHoff	Johnson, D.	Nelson, K.	Schoenfeld	
Ellingson	Jude	Niehaus	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 413, A bill for an act relating to handicapped persons; prohibiting persons serving as foreign language interpreters or interpreters for persons with hearing or speaking impairments from disclosing communications made to them during the course of civil, criminal or administrative proceedings; amending Minnesota Statutes 1980, Sections 546.44, by adding a subdivision; 595.02; 611.30; 611.31; and 611.33, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Novak	Searles
Ainley	Evans	Kalis	Nysether	Shea
Anderson, B.	Ewald	Kelly	O'Connor	Sherman
Anderson, G.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kostohryz	Olsen	Skoglund
Anderson, R.	Friedrich	Kvam	Onnen	Stadum
Battaglia	Greenfield	Laidig	Osthoff	Staten
Begich	Gruenes	Lehto	Otis	Stowell
Berkelman	Gustafson	Lemen	Peterson, B.	Stumpf
Blatz	Halberg	Levi	Peterson, D.	Sviggum
Brandl	Hanson	Long	Piepho	Swanson
Brinkman	Harens	Ludeman	Pogemiller	Valan
Byrne	Hauge	Mann	Redalen	Valento
Carlson, D.	Haukoos	Marsh	Reding	Vanasek
Carlson, L.	Heap	McCarron	Rees	Vellenga
Clark, J.	Heinitz	McDonald	Reif	Voss
Clark, K.	Himle	McEachern	Rice	Weaver
Clawson	Hoberg	Mehrkins	Rodriguez, C.	Welch
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Welker
Dean	Hokr	Minne	Rose	Wenzel
Dempsey	Jacobs	Munger	Rothenberg	Wieser
Den Ouden	Jennings	Murphy	Samuelson	Wynia
Drew	Johnson, C.	Nelsen, B.	Sarna	Zubay
Elioff	Johnson, D.	Nelson, K.	Schafer	Spkr. Sieben, H.
Ellingson	Jude	Niehaus	Schoenfeld	
Erickson	Kahn	Norton	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 522, A bill for an act relating to family; clarifying circumstances in which parent with custody of child may move to another state; amending Minnesota Statutes 1980, Section 518.175, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kahn	Novak	Searles
Ainley	Esau	Kaley	Nysether	Shea
Anderson, B.	Evans	Kalis	O'Connor	Sherman
Anderson, G.	Ewald	Kelly	Ogren	Sieben, M.
Anderson, I.	Fjoslien	Knickerbocker	Olsen	Simoneau
Anderson, R.	Forsythe	Kostohryz	Onnen	Skoglund
Battaglia	Friedrich	Kvam	Osthoff	Stadum
Begich	Greenfield	Laidig	Otis	Staten
Berkelman	Gruenes	Lehto	Peterson, B.	Stowell
Blatz	Gustafson	Lemen	Peterson, D.	Stumpf
Brandl	Halberg	Levi	Piepho	Sviggum
Brinkman	Hanson	Long	Pogemiller	Swanson
Byrne	Harens	Ludeman	Redalen	Tomlinson
Carlson, D.	Hauge	Mann	Reding	Valan
Carlson, L.	Haukoos	Marsh	Rees	Valento
Clark, J.	Heap	McDonald	Reif	Vanasek
Clark, K.	Heinitz	McEachern	Rice	Vellenga
Clawson	Himle	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hoberg	Metzen	Rodriguez, F.	Weaver
Dean	Hokanson	Minne	Rose	Welch
Dempsey	Hokr	Munger	Rothenberg	Welker
Den Ouden	Jacobs	Murphy	Samuelson	Wenzel
Drew	Jennings	Nelsen, B.	Sarna	Wieser
Eken	Johnson, C.	Nelson, K.	Schafer	Wynia
Elioff	Johnson, D.	Niehaus	Schoenfeld	Zubay
Ellingson	Jude	Norton	Schreiber	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 536, A bill for an act relating to retirement; city of St. Paul public housing agency; transferring retirement coverage for certain public employees; amending Laws 1977, Chapter 228, Section 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Clawson	Gruenes	Kahn	McEachern
Ainley	Dahlvang	Gustafson	Kaley	Mehrkens
Anderson, B.	Dean	Halberg	Kalis	Metzen
Anderson, G.	Dempsey	Hanson	Kelly	Minne
Anderson, I.	Den Ouden	Hauge	Knickerbocker	Munger
Anderson, R.	Drew	Haukoos	Kostohryz	Murphy
Battaglia	Eken	Heap	Kvam	Nelsen, B.
Begich	Elioff	Heinitz	Laidig	Nelson, K.
Berkelman	Ellingson	Himle	Lehto	Niehaus
Blatz	Erickson	Hoberg	Lemen	Norton
Brandl	Esau	Hokanson	Levi	Novak
Brinkman	Evans	Hokr	Long	Nysether
Byrne	Ewald	Jacobs	Ludeman	O'Connor
Carlson, D.	Fjoslien	Jennings	Mann	Ogren
Carlson, L.	Forsythe	Johnson, C.	Marsh	Olsen
Clark, J.	Friedrich	Johnson, D.	McCarron	Onnen
Clark, K.	Greenfield	Jude	McDonald	Osthoff

Otis	Rice	Schreiber	Stowell	Voss
Peterson, B.	Rodriguez, C.	Searles	Stumpf	Weaver
Peterson, D.	Rodriguez, F.	Shea	Sviggum	Welch
Piepho	Rose	Sherman	Swanson	Welker
Pogemiller	Rothenberg	Sieben, M.	Tomlinson	Wenzel
Redalen	Samuelson	Simoneau	Valan	Wieser
Reding	Sarna	Skoglund	Valento	Wynia
Rees	Schafer	Stadum	Vanasek	Zubay
Reif	Schoenfeld	Staten	Vellenga	Spkr. Sieben, H.

The bill was passed and its title agreed to.

H. F. No. 630, A bill for an act relating to open meetings; requiring availability of certain materials; prescribing penalties; amending Minnesota Statutes 1980, Section 471.705, Subdivision 2; and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Novak	Searles
Ainley	Evans	Kalis	Nysether	Shea
Anderson, B.	Ewald	Kelly	O'Connor	Sherman
Anderson, G.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kostohryz	Olsen	Simoneau
Anderson, R.	Friedrich	Kvam	Onnen	Skoglund
Battaglia	Greenfield	Laidig	Osthoff	Stadum
Begich	Gruenes	Lehto	Otis	Staten
Berkelman	Gustafson	Lemen	Peterson, B.	Stowell
Blatz	Halberg	Levi	Peterson, D.	Stumpf
Brandl	Hanson	Long	Piepho	Sviggum
Brinkman	Harens	Ludeman	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Haukoos	Marsh	Reding	Valan
Carlson, L.	Heap	McCarron	Rees	Valento
Clark, J.	Heinitz	McDonald	Reif	Vanasek
Clark, K.	Himle	McEachern	Rice	Vellenga
Clawson	Hoberg	Mehrrens	Rodriguez, C.	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Weaver
Dean	Hokr	Minne	Rose	Welch
Dempsey	Jacobs	Munger	Rothenberg	Welker
Drew	Jennings	Murphy	Samuelson	Wenzel
Eken	Johnson, C.	Nelsen, B.	Sarna	Wieser
Elioff	Johnson, D.	Nelson, K.	Schafer	Wynia
Ellingson	Jude	Niehaus	Schoenfeld	Zubay
Erickson	Kahn	Norton	Schreiber	Spkr. Sieben, H.

Those who voted in the negative were:

Den Ouden

The bill was passed and its title agreed to.

H. F. No. 646, A bill for an act relating to courts; authorizing chief judges of judicial districts to serve more than two consecutive terms; amending Minnesota Statutes 1980, Section 484.69, Subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Kelly	O'Connor	Shea
Ainley	Ewald	Knickerbocker	Ogren	Sherman
Anderson, B.	Fjoslien	Kostohryz	Olsen	Sieben, M.
Anderson, G.	Forsythe	Kvam	Onnen	Simoneau
Anderson, I.	Friedrich	Laidig	Osthoff	Skoglund
Anderson, R.	Greenfield	Lehto	Otis	Stadum
Battaglia	Gruenes	Lemen	Peterson, B.	Staten
Begich	Gustafson	Levi	Peterson, D.	Stowell
Berkelman	Halberg	Long	Piepho	Stumpf
Blatz	Harens	Ludeman	Pogemiller	Sviggum
Brinkman	Hauge	Mann	Redalen	Swanson
Carlson, D.	Haukoos	Marsh	Reding	Tomlinson
Carlson, L.	Heap	McCarron	Rees	Valan
Clark, J.	Heinitz	McDonald	Reif	Valento
Clark, K.	Himle	McEachern	Rice	Vanasek
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Vellenga
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Weaver
Dean	Hokr	Minne	Rose	Welch
Dempsey	Jacobs	Munger	Rothenberg	Welker
Drew	Jennings	Murphy	Samuelson	Wenzel
Eken	Johnson, C.	Nelsen, B.	Sarna	Wieser
Elioff	Johnson, D.	Niehaus	Schafer	Wynia
Ellingson	Jude	Norton	Schoenfeld	Zubay
Erickson	Kaley	Novak	Schreiber	Spkr. Sieben, H.
Esau	Kalis	Nysether	Searles	

Those who voted in the negative were:

Byrne	Hanson	Kahn	Nelson, K.	Voss
Den Ouden				

The bill was passed and its title agreed to.

H. F. No. 704, A bill for an act relating to motor vehicles; providing for the taxation and registration of certain collector's vehicles; including additional vehicles entitled to classic car license plates; increasing the tax thereon; amending Minnesota Statutes 1980, Section 168.10, Subdivision 1b.

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 2 nays as follows:

Those who voted in the affirmative were:

Aasness	Erickson	Kaley	Novak	Searles
Ainley	Esau	Kalis	Nysether	Shea
Anderson, B.	Evans	Kelly	O'Connor	Sherman
Anderson, G.	Ewald	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kostohryz	Olsen	Simoneau
Anderson, R.	Friedrich	Kvam	Onnen	Skoglund
Battaglia	Greenfield	Laidig	Osthoff	Stadum
Begich	Gruenes	Lehto	Otis	Staten
Berkelman	Gustafson	Lemen	Peterson, B.	Stowell
Blatz	Halberg	Levi	Peterson, D.	Stumpf
Brandt	Hanson	Long	Piepho	Sviggun
Brinkman	Harens	Ludeman	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Haukoos	Marsh	Reding	Valan
Carlson, L.	Heap	McCarron	Rees	Valento
Clark, J.	Heinitz	McDonald	Reif	Vanasek
Clark, K.	Himle	McEachern	Rice	Vellenga
Clawson	Hoberg	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Weaver
Dean	Hokr	Minne	Rose	Welch
Dempsey	Jacobs	Munger	Rothenberg	Welker
Den Ouden	Jennings	Murphy	Samuelson	Wenzel
Drew	Johnson, C.	Nelsen, B.	Sarna	Wynia
Eken	Johnson, D.	Nelson, K.	Schafer	Zubay
Elioff	Jude	Niehaus	Schoenfeld	Spkr. Sieben, H.
Ellingson	Kahn	Norton	Schreiber	

Those who voted in the negative were:

Fjoslien Wieser

The bill was passed and its title agreed to.

H. F. No. 847, A bill for an act relating to highway traffic regulations; providing for the designation and undesignation of routes to carry certain gross weights; amending Minnesota Statutes 1980, Section 169.832, Subdivision 11; repealing Minnesota Statutes 1980, Section 169.832, Subdivision 12.

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 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Brinkman	Drew	Greenfield	Hokanson
Ainley	Byrne	Eken	Gruenes	Hokr
Anderson, B.	Carlson, D.	Elioff	Gustafson	Jacobs
Anderson, G.	Carlson, L.	Ellingson	Halberg	Jennings
Anderson, I.	Clark, J.	Erickson	Hanson	Johnson, C.
Anderson, R.	Clark, K.	Esau	Harens	Johnson, D.
Battaglia	Clawson	Evans	Hauge	Jude
Begich	Dahlvang	Ewald	Haukoos	Kahn
Berkelman	Dean	Fjoslien	Heinitz	Kaley
Blatz	Dempsey	Forsythe	Himle	Kalis
Brandt	Den Ouden	Friedrich	Hoberg	Kelly

Knickerbocker	Minne	Peterson, B.	Schafer	Tomlinson
Kostohryz	Munger	Peterson, D.	Schoenfeld	Valan
Kvam	Murphy	Piepho	Schreiber	Valento
Laidig	Nelsen, B.	Pogemiller	Searles	Vanasek
Lemen	Nelson, K.	Redalen	Shea	Vellenga
Levi	Niehaus	Reding	Sherman	Voss
Long	Norton	Rees	Sieben, M.	Weaver
Ludeman	Novak	Reif	Simoneau	Welch
Mann	Nysether	Rice	Skoglund	Welker
Marsh	O'Connor	Rodriguez, C.	Stadum	Wenzel
McCarron	Ogren	Rodriguez, F.	Staten	Wieser
McDonald	Olsen	Rose	Stowell	Wynia
McEachern	Onnen	Rothenberg	Stumpf	Zubay
Mehrkens	Osthoff	Samuelson	Sviggum	Spkr. Sieben, H.
Metzen	Otis	Sarna	Swanson	

Those who voted in the negative were:

Lehto

The bill was passed and its title agreed to.

H. F. No. 969, A bill for an act relating to metropolitan government; authorizing the metropolitan council to prepare guidelines relating to the amendment of comprehensive plans; amending Minnesota Statutes 1980, Section 473.864, Subdivision 2.

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

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

Those who voted in the affirmative were:

Aasness	Erickson	Kahn	Norton	Searles
Ainley	Esau	Kaley	Novak	Shea
Anderson, B.	Evans	Kalis	Nysether	Sherman
Anderson, G.	Ewald	Kelly	O'Connor	Sieben, M.
Anderson, I.	Fjoslien	Knickerbocker	Ogren	Simoneau
Anderson, R.	Forsythe	Kostohryz	Olsen	Skoglund
Battaglia	Friedrich	Kvam	Onnen	Stadum
Begich	Greenfield	Laidig	Otis	Staten
Berkelman	Gruenes	Lehto	Peterson, B.	Stowell
Blatz	Gustafson	Lemen	Peterson, D.	Stumpf
Brandl	Halberg	Levi	Piepho	Sviggum
Brinkman	Hanson	Long	Pogemiller	Swanson
Byrne	Harens	Ludeman	Redalen	Tomlinson
Carlson, D.	Hauge	Mann	Reding	Valento
Carlson, L.	Haukoos	Marsh	Rees	Vanasek
Clark, J.	Heap	McCarron	Reif	Vellenga
Clark, K.	Heinitz	McDonald	Rice	Voss
Clawson	Himle	McEachern	Rodriguez, C.	Weaver
Dahlvang	Hoberg	Mehrkens	Rodriguez, F.	Welch
Dean	Hokanson	Metzen	Rose	Welker
Dempsey	Hokr	Minne	Rothenberg	Wenzel
Den Ouden	Jacobs	Munger	Samuelson	Wieser
Drew	Jennings	Murphy	Sarna	Wynia
Eken	Johnson, C.	Nelsen, B.	Schafer	Zubay
Elioff	Johnson, D.	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Ellingson	Jude	Niehaus	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 1088, A bill for an act relating to the secretary of state; requiring that government survey documents be maintained on microfilm; providing for filing certain documents with the Minnesota historical society; amending Minnesota Statutes 1980, Section 5.03.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	O'Connor	Sieben, M.
Ainley	Evans	Kelly	Ogren	Simoneau
Anderson, B.	Ewald	Knickerbocker	Olsen	Skoglund
Anderson, G.	Fjoslien	Kostohryz	Onnen	Stadum
Anderson, I.	Forsythe	Kvam	Osthoff	Staten
Anderson, R.	Friedrich	Laidig	Otis	Stowell
Battaglia	Greenfield	Lehto	Peterson, B.	Stumpf
Begich	Gruenes	Lemen	Peterson, D.	Swiggum
Berkelman	Gustafson	Levi	Piepho	Swanson
Blatz	Halberg	Long	Pogemiller	Tomlinson
Brandl	Hanson	Ludeman	Redalen	Valan
Brinkman	Harens	Mann	Reding	Valento
Byrne	Hauge	Marsh	Rees	Vanasek
Carlson, D.	Haukoos	McCarron	Reif	Vellenga
Carlson, L.	Heap	McDonald	Rice	Voss
Clark, J.	Heinitz	McEachern	Rodriguez, C.	Weaver
Clark, K.	Himle	Mehrkens	Rodriguez, F.	Welch
Clawson	Hoberg	Metzen	Rose	Welker
Dahlvang	Hokanson	Minne	Rothenberg	Wenzel
Dean	Hokr	Munger	Samuelson	Wieser
Dempsey	Jacobs	Murphy	Sarna	Wynia
Den Ouden	Jennings	Nelsen, B.	Schafer	Zubay
Drew	Johnson, C.	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Eken	Johnson, D.	Niehaus	Schreiber	
Elioff	Jude	Norton	Searles	
Ellingson	Kahn	Novak	Shea	
Erickson	Kaley	Nysether	Sherman	

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 331, A bill for an act relating to the military; expanding the authorized uses of the military land fund to include forest management on military lands and to provide an enlisted persons' service center at Camp Ripley; amending Minnesota Statutes 1980, Section 190.25, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Nysether	Shea
Ainley	Evans	Kalis	O'Connor	Sherman
Anderson, B.	Ewald	Kelly	Ogren	Sieben, M.
Anderson, G.	Fjoslien	Knickerbocker	Olsen	Simoneau
Anderson, I.	Forsythe	Kostohryz	Onnen	Skoglund
Anderson, R.	Friedrich	Kvam	Osthoff	Stadum
Battaglia	Greenfield	Laidig	Otis	Staten
Begich	Gruenes	Lehto	Peterson, B.	Stowell
Berkelman	Gustafson	Lemen	Peterson, D.	Stumpf
Blatz	Halberg	Levi	Piepho	Sviggum
Brandl	Hanson	Long	Pogemiller	Swanson
Byrne	Harens	Ludeman	Redalen	Tomlinson
Carlson, D.	Hauge	Mann	Reding	Valan
Carlson, L.	Haukoos	Marsh	Rees	Valento
Clark, J.	Heap	McCarron	Reif	Vanasek
Clark, K.	Heinitz	McDonald	Rice	Vellenga
Clawson	Himle	Mehrkens	Rodriguez, C.	Voss
Dahlvang	Hoberg	Metzen	Rodriguez, F.	Weaver
Dean	Hokanson	Minne	Rose	Welch
Dempsey	Hokr	Munger	Rothenberg	Welker
Den Ouden	Jacobs	Murphy	Samuelson	Wenzel
Drew	Jennings	Nelsen, B.	Sarna	Wieser
Eken	Johnson, C.	Nelson, K.	Schafer	Wynia
Elioff	Johnson, D.	Niehaus	Schoenfeld	Zubay
Ellingson	Jude	Norton	Schreiber	Sprk. Sieben, H.
Erickson	Kahn	Novak	Searles	

Those who voted in the negative were:

Brinkman

The bill was passed and its title agreed to.

H. F. No. 142, A bill for an act relating to taxation; real property; extending 3 classification to certain property used for recreational purposes; amending Minnesota Statutes 1980, Section 273.13, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Berkelman	Clawson	Ellingson	Greenfield
Ainley	Brandl	Dahlvang	Erickson	Gruenes
Anderson, B.	Brinkman	Dean	Esau	Gustafson
Anderson, G.	Byrne	Dempsey	Evans	Hanson
Anderson, I.	Carlson, D.	Den Ouden	Ewald	Harens
Anderson, R.	Carlson, L.	Drew	Fjoslien	Hauge
Battaglia	Clark, J.	Eken	Forsythe	Haukoos
Begich	Clark, K.	Elioff	Friedrich	Heap

Heinitz	Lehto	Norton	Rodriguez, C.	Stumpf
Himle	Lemen	Novak	Rodriguez, F.	Sviggum
Hoberg	Levi	Nysether	Rose	Swanson
Hokanson	Long	O'Connor	Rothenberg	Tomlinson
Hokr	Ludeman	Ogren	Samuelson	Valan
Jacobs	Mann	Olsen	Sarna	Valento
Jennings	Marsh	Onnen	Schafer	Vanasek
Johnson, C.	McCarron	Osthoff	Schoenfeld	Vellenga
Johnson, D.	McDonald	Otis	Schreiber	Voss
Jude	McEachern	Peterson, B.	Searles	Weaver
Kahn	Mehrkens	Peterson, D.	Shea	Welch
Kaley	Metzen	Piepho	Sherman	Welker
Kalis	Minne	Pogemiller	Sieben, M.	Wenzel
Kelly	Munger	Redalen	Simoneau	Wieser
Knickerbocker	Murphy	Reding	Skoglund	Wynia
Kostohryz	Nelsen, B.	Rees	Stadium	Zubay
Kvam	Nelson, K.	Reif	Staten	Spkr. Sieben, H.
Laidig	Niehaus	Rice	Stowell	

The bill was passed and its title agreed to.

H. F. No. 63, A bill for an act relating to health maintenance organizations; eliminating any requirements that health maintenance organizations provide elective, induced abortions; amending Minnesota Statutes 1980, Sections 62D.02, Subdivision 7; 62D.20; and 62D.22, 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 111 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	Nysether	Sherman
Ainley	Evans	Kelly	O'Connor	Sieben, M.
Anderson, B.	Ewald	Knickerbocker	Ogren	Stadium
Anderson, G.	Fjoslien	Kostohryz	Olsen	Stowell
Anderson, I.	Forsythe	Kvam	Onnen	Stumpf
Anderson, R.	Friedrich	Laidig	Osthoff	Sviggum
Battaglia	Gruenes	Lemen	Peterson, B.	Swanson
Begich	Gustafson	Levi	Piepho	Valan
Berkelman	Halberg	Long	Redalen	Valento
Blatz	Hanson	Ludeman	Reding	Vanasek
Brinkman	Harens	Mann	Rees	Vellenga
Byrne	Hauge	Marsh	Reif	Voss
Carlson, D.	Haukoos	McCarron	Rice	Weaver
Carlson, L.	Heap	McDonald	Rodriguez, F.	Welch
Clawson	Himle	McEachern	Rose	Welker
Dahlvang	Hoberg	Mehrkens	Rothenberg	Wenzel
Dempsey	Hokanson	Metzen	Samuelson	Wieser
Den Ouden	Hokr	Minne	Sarna	Zubay
Drew	Jacobs	Munger	Schafer	Spkr. Sieben, H.
Eken	Jennings	Murphy	Schoenfeld	
Elloff	Johnson, C.	Nelsen, B.	Schreiber	
Ellingson	Johnson, D.	Niehaus	Searles	
Erickson	Jude	Novak	Shea	

Those who voted in the negative were:

Brandl	Kahn	Otis	Simoneau	Wynia
Clark, J.	Kaley	Peterson, D.	Skoglund	
Clark, K.	Lehto	Pogemiller	Staten	
Greenfield	Nelson, K.	Rodriguez, C.	Tomlinson	

The bill was passed and its title agreed to.

H. F. No. 272, A bill for an act relating to administrative rules; clarifying certain powers and duties of the legislative commission to review administrative rules; amending Minnesota Statutes 1980, Section 3.965, Subdivision 3, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Novak	Searles
Ainley	Evans	Kalis	Nysether	Shea
Anderson, B.	Ewald	Kelly	O'Connor	Sherman
Anderson, G.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kostohryz	Olsen	Simoneau
Anderson, R.	Friedrich	Kvam	Onnen	Skoglund
Battaglia	Greenfield	Laidig	Osthoff	Stadum
Begich	Gruenes	Lehto	Otis	Staten
Berkelman	Gustafson	Lemen	Peterson, B.	Stowell
Blatz	Halberg	Levi	Peterson, D.	Stumpf
Brandl	Hanson	Long	Piepho	Swigum
Brinkman	Harens	Ludeman	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Haukoos	Marsh	Reding	Valan
Carlson, L.	Heap	McCarron	Rees	Valento
Clark, J.	Heinitz	McDonald	Reif	Vanasek
Clark, K.	Himle	McEachern	Rice	Vellenga
Clawson	Hoberg	Mehrken	Rodriguez, C.	Voss
Dahlvang	Hokanson	Metzen	Rodriguez, F.	Weaver
Dean	Hokr	Minne	Rose	Welch
Dempsey	Jacobs	Munger	Rothenberg	Welker
Den Ouden	Jennings	Murphy	Samuelson	Wenzel
Drew	Johnson, C.	Nelsen, B.	Sarna	Wieser
Eken	Johnson, D.	Nelson, K.	Schafer	Wynia
Ellingson	Jude	Niehaus	Schoenfeld	Zubay
Erickson	Kahn	Norton	Schreiber	Spkr. Sieben, H.

The bill was passed and its title agreed to.

S. F. No. 336, A bill for an act relating to local government; making explicit the power of local government units to establish more than one recreation board; amending Minnesota Statutes 1980, Section 471.15.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Kalis	O'Connor	Sieben, M.
Ainley	Evans	Kelly	Ogren	Simoneau
Anderson, B.	Ewald	Knickerbocker	Olsen	Skoglund
Anderson, G.	Fjoslien	Kostohryz	Onnen	Stadum
Anderson, I.	Forsythe	Kvam	Osthoff	Staten
Anderson, R.	Friedrich	Laidig	Otis	Stowell
Battaglia	Greenfield	Lehto	Peterson, B.	Stumpf
Begich	Gruenes	Lemen	Peterson, D.	Sviggum
Berkelman	Gustafson	Levi	Piepho	Swanson
Blatz	Halberg	Long	Pogemiller	Tomlinson
Brandl	Hanson	Ludeman	Redalen	Valan
Brinkman	Harens	Mann	Reding	Valento
Byrne	Hauge	Marsh	Rees	Vanasek
Carlson, D.	Haukoos	McCarron	Reif	Vellenga
Carlson, L.	Heap	McDonald	Rice	Voss
Clark, J.	Heinitz	McEachern	Rodriguez, C.	Weaver
Clark, K.	Himle	Mehrkens	Rodriguez, F.	Welch
Clawson	Hoberg	Metzen	Rose	Welker
Dahlvang	Hokanson	Minne	Rothenberg	Wenzel
Dean	Hokr	Munger	Samuelson	Wieser
Dempsey	Jacobs	Murphy	Sarna	Wynia
Den Ouden	Jennings	Nelsen, B.	Schafer	Zubay
Drew	Johnson, C.	Nelson, K.	Schoenfeld	Spkr. Sieben, H.
Eken	Johnson, D.	Niehaus	Schreiber	
Elioff	Jude	Norton	Searles	
Ellingson	Kahn	Novak	Shea	
Erickson	Kaley	Nysether	Sherman	

The bill was passed and its title agreed to.

H. F. No. 396, A bill for an act relating to the military; requiring the adjutant general to furnish an American flag upon request of the person disposing of the remains of a deceased person who served six years or more in the Minnesota national guard; proposing new law coded in Minnesota Statutes, Chapter 192.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Anderson, R.	Brandl	Clark, J.	Dempsey
Ainley	Battaglia	Brinkman	Clark, K.	Den Ouden
Anderson, B.	Begich	Byrne	Clawson	Drew
Anderson, G.	Berkelman	Carlson, D.	Dahlvang	Eken
Anderson, I.	Blatz	Carlson, L.	Dean	Elioff

Ellingson	Jacobs	McEachern	Redalen	Stowell
Erickson	Jennings	Mehrkens	Reding	Stumpf
Esau	Johnson, C.	Metzen	Rees	Swiggum
Evans	Johnson, D.	Minne	Reif	Swanson
Ewald	Jude	Munger	Rice	Tomlinson
Fjoslien	Kahn	Murphy	Rodriguez, C.	Valan
Forsythe	Kaley	Nelsen, B.	Rodriguez, F.	Valento
Friedrich	Kalis	Nelson, K.	Rose	Vanasek
Greenfield	Kelly	Niehaus	Rothenberg	Vellenga
Gruenes	Knickerbocker	Norton	Samuelson	Voss
Gustafson	Kostohryz	Novak	Sarna	Weaver
Halberg	Kvam	Nysether	Schafer	Welch
Hanson	Laidig	O'Connor	Schoenfeld	Welker
Harens	Lehto	Ogren	Schreiber	Wenzel
Hauge	Lemen	Olsen	Searles	Wieser
Haukoos	Levi	Onnen	Shea	Wynia
Heap	Long	Osthoff	Sherman	Zubay
Heinitz	Ludeman	Otis	Sieben, M.	Spkr. Sieben, H.
Himle	Mann	Peterson, B.	Simoneau	
Hoberg	Marsh	Peterson, D.	Skoglund	
Hokanson	McCarron	Piepho	Stadum	
Hokr	McDonald	Pogemiller	Staten	

The bill was passed and its title agreed to.

H. F. No. 486 was reported to the House and given its third reading.

McDonald moved to amend H. F. No. 486, as follows:

In the title, Page 1, line 3, after "to" delete "cease all" and insert "avoid direct"

Page 1, line 3, after "military" delete "and economic aid" and insert "involvement"

Page 1, line 4, delete "to" and insert "in"

The motion prevailed and the amendment was adopted.

McDonald moved that H. F. No. 486, as amended, be postponed until Monday, April 27, 1981.

A roll call was requested and properly seconded.

The question was taken on the McDonald motion and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Aasness	Den Ouden	Friedrich	Johnson, D.	McDonald
Ainley	Drew	Gruenes	Kaley	Mehrkens
Anderson, R.	Erickson	Halberg	Knickerbocker	Nelsen, B.
Begich	Esau	Heap	Kvam	Niehaus
Blatz	Evans	Heinitz	Laidig	Nysether
Carlson, D.	Ewald	Himle	Lemen	Olsen
Dean	Fjoslien	Hoberg	Ludeman	Onnen
Dempsey	Forsythe	Hokr	Marsh	Peterson, B.

Piepho	Rose	Searles	Sviggunn	Welker
Redalen	Rothenberg	Sherman	Valan	Wieser
Rees	Schafer	Stadum	Valento	Zubay
Reif	Schreiber	Stowell	Weaver	

Those who voted in the negative were:

Anderson, B.	Elioff	Kostohryz	Ogren	Skoglund
Anderson, G.	Ellingson	Lehto	Osthoff	Staten
Anderson, I.	Greenfield	Long	Otis	Stumpf
Battaglia	Gustafson	Mann	Peterson, D.	Swanson
Berkelman	Hanson	McCarron	Pogemiller	Tomlinson
Brandl	Harens	McEachern	Reding	Vanasek
Brinkman	Hauge	Metzen	Rice	Vellenga
Byrne	Hokanson	Minne	Rodriguez, C.	Voss
Carlson, L.	Jacobs	Munger	Rodriguez, F.	Welch
Clark, J.	Johnson, C.	Murphy	Sarna	Wenzel
Clark, K.	Jude	Nelson, K.	Schoenfeld	Wynia
Clawson	Kahn	Norton	Shea	Spkr. Sieben, H.
Dahlvang	Kalis	Novak	Sieben, M.	
Eken	Kelly	O'Connor	Simoneau	

The motion did not prevail.

CALL OF THE HOUSE

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

Aasness	Ewald	Kelly	Ogren	Sieben, M.
Ainley	Fjoslien	Knickerbocker	Olsen	Simoneau
Anderson, B.	Forsythe	Kostohryz	Onnen	Skoglund
Anderson, G.	Friedrich	Laidig	Osthoff	Stadum
Anderson, I.	Greenfield	Lehto	Otis	Staten
Battaglia	Gruenes	Lemen	Peterson, B.	Stowell
Begich	Gustafson	Levi	Peterson, D.	Stumpf
Berkelman	Halberg	Long	Piepho	Sviggunn
Blatz	Hanson	Ludeman	Pogemiller	Tomlinson
Brandl	Harens	Mann	Redalen	Valan
Brinkman	Hauge	Marsh	Reding	Valento
Carlson, D.	Haukoos	McCarron	Rees	Vanasek
Carlson, L.	Heap	McDonald	Reif	Vellenga
Clark, J.	Heinitz	McEachern	Rice	Voss
Clark, K.	Himle	Mehrkens	Rodriguez, C.	Weaver
Clawson	Hoberg	Metzen	Rodriguez, F.	Welch
Dahlvang	Hokanson	Minne	Rose	Welker
Dempsey	Hokr	Munger	Rothenberg	Wenzel
Den Ouden	Jacobs	Murphy	Samuelson	Wieser
Drew	Jennings	Nelsen, B.	Sarna	Wynia
Eken	Johnson, C.	Nelson, K.	Schafer	Zubay
Elioff	Johnson, D.	Niehaus	Schoenfeld	Spkr. Sieben, H.
Ellingson	Jude	Norton	Schreiber	
Erickson	Kahn	Novak	Searles	
Esau	Kaley	Nysether	Shea	
Evans	Kalis	O'Connor	Sherman	

Anderson, I., 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.

H. F. No. 486, A resolution memorializing the Congress and the President of the United States to avoid direct military involvement in El Salvador.

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.

Carlson, D., moved that those not voting be excused from voting. The motion did not prevail.

Carlson, D., moved that those not voting be excused from voting. The motion did not prevail.

Pursuant to rule 2.5 the Speaker submitted to the House the question, "Shall the member, for the reasons stated, be excused from voting?"

Welker stated his reasons for declining to vote. The House did not excuse him from voting.

POINT OF ORDER

Halberg raised a point of order pursuant to rule 2.5. The Speaker ruled the point of order not well taken.

SUSPENSION OF RULES

Halberg moved that the rules be suspended for the purpose of allowing the Speaker to proceed to another member who has declined to vote. The motion did not prevail.

The Speaker directed the Chief Clerk to call in alphabetical order the names of members not voting and requested they state their reasons for declining to vote.

Aasness; Ainley; Anderson, R.; Blatz; Carlson, D.; Dean; Den Ouden; Drew; Esau and Fjoslien stated their reasons for declining to vote. The House did not excuse them from voting.

Forsythe stated her reasons for declining to vote. The House excused her from voting.

Friedrich stated his reasons for declining to vote. The House did not excuse him from voting.

Halberg stated his reasons for declining to vote.

A roll call was requested and properly seconded.

The question was taken and the roll was called. There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Aasness	Ewald	Johnson, D.	Olsen	Sherman
Ainley	Fjoslien	Kaley	Onnen	Stadum
Anderson, R.	Forsythe	Knickerbocker	Peterson, B.	Stowell
Blatz	Friedrich	Kvam	Piepho	Sviggum
Carlson, D.	Gruenes	Laidig	Redalen	Valan
Dean	Haukoos	Levi	Rees	Valento
Dempsey	Heap	Ludeman	Reif	Weaver
Den Ouden	Heinitz	Marsh	Rose	Welker
Drew	Himle	Mehrkens	Rothenberg	Wieser
Erickson	Hoberg	Nelsen, B.	Schafer	Zubay
Esau	Hokr	Niehaus	Schreiber	
Evans	Jennings	Nysether	Searles	

Those who voted in the negative were:

Anderson, B.	Eken	Kelly	Osthoff	Skoglund
Anderson, G.	Elioff	Kostohryz	Otis	Staten
Anderson, I.	Ellingson	Lehto	Peterson, D.	Stumpf
Battaglia	Greenfield	Long	Pogemiller	Swanson
Begich	Gustafson	Mann	Reding	Tomlinson
Berkelman	Hanson	McCarron	Rice	Vanasek
Brandl	Harens	Minne	Rodriguez, C.	Vellenga
Brinkman	Hauge	Munger	Rodriguez, F.	Voss
Byrne	Hokanson	Murphy	Samuelson	Welch
Carlson, L.	Jacobs	Nelson, K.	Sarna	Wenzel
Clark, J.	Johnson, C.	Norton	Schoenfeld	Wynia
Clark, K.	Jude	Novak	Shea	Spkr. Sieben, H.
Clawson	Kahn	O'Connor	Sieben, M.	
Dahlvang	Kalis	Ogren	Simoneau	

The House did not excuse him from voting.

Laidig moved that the Call of the House be dispensed with. The motion did not prevail.

Heap stated his reasons for declining to vote.

A roll call was requested and properly seconded.

The question was taken and the roll was called. There were 57 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Aasness	Esau	Himle	McDonald	Rees
Ainley	Evans	Hoberg	Mehrkens	Reif
Anderson, R.	Ewald	Hokr	Nelsen, B.	Rose
Blatz	Fjoslien	Jennings	Niehaus	Rothenberg
Carlson, D.	Forsythe	Johnson, D.	Nysether	Schafer
Dean	Friedrich	Kaley	Olsen	Schreiber
Dempsey	Gruenes	Knickerbocker	Onnen	Searles
Den Ouden	Halberg	Kvam	Peterson, B.	Sherman
Drew	Haukoos	Ludeman	Piepho	Stadum
Erickson	Heinitz	Marsh	Redalen	Stowell

Sviggum
ValanValento
Weaver

Welker

Wieser

Zubay

Those who voted in the negative were:

Anderson, B.	Eken	Kelly	Ogren	Simoneau
Anderson, G.	Elioff	Kostohryz	Osthoff	Skoglund
Anderson, I.	Ellingson	Lehto	Otis	Staten
Battaglia	Greenfield	Long	Peterson, D.	Stumpf
Begich	Gustafson	Mann	Pogemiller	Swanson
Berkelman	Hanson	McCarron	Reding	Tomlinson
Brandl	Harens	McEachern	Rice	Vanasek
Brinkman	Hauge	Minne	Rodriguez, C.	Vellenga
Byrne	Hokanson	Munger	Rodriguez, F.	Voss
Carlson, L.	Jacobs	Murphy	Samuelson	Welch
Clark, J.	Johnson, C.	Nelson, K.	Sarna	Wenzel
Clark, K.	Jude	Norton	Schoenfeld	Wynia
Clawson	Kahn	Novak	Shea	Spkr. Sieben, H.
Dahlvang	Kalis	O'Connor	Sieben, M.	

The House did not excuse him from voting.

Peterson, B., moved that those not voting be excused from voting. The motion did not prevail.

POINT OF ORDER

Peterson, B., raised a point of order pursuant to Section 197 of "Mason's Manual of Legislative Procedure." The Speaker ruled the point of order not well taken.

Himle, Hoberg, Hokr, Jennings, Kaley and Knickerbocker stated their reasons for declining to vote. The House did not excuse them from voting.

Kvam stated his reasons for declining to vote.

A roll call was requested and properly seconded.

The question was taken and the roll was called. There were 49 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Aasness	Evans	Jennings	Nysether	Schreiber
Ainley	Ewald	Johnson, D.	Olsen	Searles
Blatz	Fjoslien	Kvam	Onnen	Sherman
Carlson, D.	Forsythe	Laidig	Peterson, B.	Stowell
Dean	Gruenes	Levi	Piepho	Sviggum
Dempsey	Haukoos	Ludeman	Redalen	Valan
Den Ouden	Heinitz	Marsh	Rees	Valento
Drew	Himle	McDonald	Reif	Wieser
Erickson	Hoberg	Mehrkens	Rose	Zubay
Esau	Hokr	Nelsen, B.	Rothenberg	

Those who voted in the negative were:

Anderson, B.	Elioff	Lehto	Peterson, D.	Stumpf
Anderson, G.	Ellingson	Long	Pogemiller	Swanson
Anderson, I.	Greenfield	Mann	Reding	Tomlinson
Battaglia	Gustafson	McEachern	Rice	Vanasek
Beigich	Hanson	Minne	Rodriguez, C.	Vellenga
Brandl	Harens	Munger	Rodriguez, F.	Voss
Brinkman	Hauge	Murphy	Samuelson	Welch
Byrne	Hokanson	Nelson, K.	Sarna	Wenzel
Carlson, L.	Jacobs	Norton	Schoenfeld	Wynia
Clark, J.	Johnson, C.	Novak	Shea	Spkr. Sieben, H.
Clark, K.	Jude	O'Connor	Sieben, M.	
Clawson	Kahn	Ogren	Simoneau	
Dahlvang	Kalis	Osthoff	Skoglund	
Eken	Kelly	Otis	Staten	

The House did not excuse him from voting.

Lemen, Ludeman and Mehrkens stated their reasons for declining to vote. The House did not excuse them from voting.

Niehaus stated his reasons for declining to vote. The House excused him from voting.

Nelsen, B., moved that those not voting be excused from voting. The motion did not prevail.

Nysether; Olsen; Peterson, B.; Piepho; Schafer; Searles; Sherman; Stadum; Stowell; Sviggum and Valan stated their reasons for declining to vote. The House did not excuse them from voting.

Valento stated his reasons for declining to vote. The House excused him from voting.

Wieser and Zubay stated their reasons for declining to vote. The House did not excuse them from voting.

Eken moved that the roll be closed and pursuant to rule 4.3 that those not voting and not previously excused be censured for violation of rule 2.5 of the House of Representatives and Article IV, Section 7, of the Constitution of the State of Minnesota.

Carlson, D., requested a division of the question.

The question was taken on the first part of the Eken motion relating to the closing of the roll and the first part of the motion prevailed.

The roll was closed on the passage of the bill, as amended. There were 70 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eken	Kelly	O'Connor	Sieben, M.
Anderson, G.	Elioff	Kostohryz	Ogren	Simoneau
Anderson, I.	Ellingson	Lehto	Osthoff	Skoglund
Battaglia	Greenfield	Long	Otis	Staten
Begich	Gustafson	Mann	Peterson, D.	Stumpf
Berkelman	Hanson	McCarron	Pogemiller	Swanson
Brandl	Harens	McEachern	Reding	Tomlinson
Brinkman	Hauge	Metzen	Rice	Vanasek
Byrne	Hokanson	Minne	Rodriguez, C.	Vellenga
Carlson, L.	Jacobs	Munger	Rodriguez, F.	Voss
Clark, J.	Johnson, C.	Murphy	Samuelson	Welch
Clark, K.	Jude	Nelson, K.	Sarna	Wenzel
Clawson	Kahn	Norton	Schoenfeld	Wynia
Dahlvang	Kalis	Novak	Shea	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Fjoslien	Knickerbocker	Onnen	Sherman
Anderson, R.	Gruenes	Laidig	Peterson, B.	Stadum
Blatz	Halberg	Lemen	Redalen	Stowell
Carlson, D.	Haukoos	Levi	Rees	Swiggum
Dempsey	Heinitz	Marsh	Reif	Valan
Erickson	Himle	McDonald	Rose	Weaver
Esau	Hoberg	Mehrkens	Rothenberg	Wieser
Evans	Hokr	Nelsen, B.	Schreiber	
Ewald	Johnson, D.	Olsen	Searles	

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

The second part of the Eken motion relating to censure was reported to the House.

POINTS OF ORDER

Halberg raised a point of order pursuant to rule 1.3 that the second part of the Eken motion was not in order. The Speaker ruled the point of order not well taken.

Peterson, B., raised a point of order pursuant to rule 4.3. The Speaker ruled the point of order not well taken.

Peterson, B., raised a point of order pursuant to rule 3.6. The Speaker ruled the point of order not well taken.

Rice raised a point of order pursuant to rule 2.5 that those not voting on the bill and not previously excused shall not vote on the question. The Speaker ruled the point of order well taken.

Halberg moved that the second part of the Eken motion be referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Metzen was excused at 4:00 p.m. Erickson was excused at 6:00 p.m.

H. F. No. 562, A bill for an act relating to agriculture; regulating fertilizers and soil and plant amendments; providing a penalty; amending Minnesota Statutes 1980, Sections 17.711; 17.713; 17.714; 17.716, by adding subdivisions; 17.717, Subdivisions 4, 5 and by adding a subdivision; 17.718, Subdivision 1; 17.719; 17.72; 17.721; 17.722; 17.723; 17.725; 17.726; 17.727; 17.728, Subdivision 1; 17.729; repealing Minnesota Statutes 1980, Section 17.717, Subdivision 2.

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

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

Those who voted in the affirmative were:

Aasness	Esau	Kaley	Novak	Schreiber
Ainley	Evans	Kalis	Nysether	Shea
Anderson, B.	Ewald	Kelly	O'Connor	Sherman
Anderson, G.	Fjoslien	Knickerbocker	Ogren	Sieben, M.
Anderson, I.	Forsythe	Kostohryz	Olsen	Simoneau
Anderson, R.	Friedrich	Kvam	Onnen	Skoglund
Battaglia	Greenfield	Laidig	Osthoff	Stadum
Begich	Gruenes	Lehto	Otis	Staten
Berkelman	Gustafson	Lemen	Peterson, B.	Stowell
Blatz	Halberg	Levi	Peterson, D.	Stumpf
Brandl	Hanson	Long	Piepho	Sviggum
Brinkman	Harens	Ludeman	Pogemiller	Swanson
Byrne	Hauge	Mann	Redalen	Tomlinson
Carlson, D.	Haukoos	Marsh	Reding	Valan
Carlson, L.	Heap	McCarron	Rees	Valento
Clark, J.	Himle	McDonald	Reif	Vanasek
Clark, K.	Hoberg	McEachern	Rice	Vellenga
Clawson	Hokanson	Mehrkens	Rodriguez, C.	Weaver
Dahlvang	Hokr	Minne	Rodriguez, F.	Welch
Dempsey	Jacobs	Munger	Rose	Welker
Den Ouden	Jennings	Murphy	Rothenberg	Wenzel
Drew	Johnson, C.	Nelsen, B.	Samuelson	Wieser
Eken	Johnson, D.	Nelson, K.	Sarna	Wynia
Elioff	Jude	Niehaus	Schafer	Zubay
Ellingson	Kahn	Norton	Schoenfeld	Spkr. Sieben, H.

The bill was passed and its title agreed to.

Rodriguez, F., was excused at 6:50 p.m. Otis was excused at 6:55 p.m. Ewald was excused at 7:00 p.m. Tomlinson was excused at 7:10 p.m. Sviggum was excused at 7:15 p.m. Kvam and Dempsey were excused at 7:45 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole, with Sieben, H., in the Chair, for the consideration of bills pending on General Orders of the Day. After some time spent therein the Committee arose.

REPORT OF COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following proceedings of the Committee as kept by the Chief Clerk were reported to the House:

H. F. Nos. 623, 678 and 775 which it recommended to pass.

H. F. Nos. 182, 188, 206, 449, 569, 588, 590, 632, 714, 729 and 743 which it recommended progress.

H. F. No. 170 which it recommended progress retaining its place on General Orders.

H. F. No. 18 which it recommended progress until Monday, April 27, 1981 retaining its place on General Orders.

H. F. No. 576 which it recommended progress until Monday, April 20, 1981.

S. F. Nos. 917, 416 and 11 which it recommended to pass.

S. F. No. 346 which it recommended progress until Monday, April 20, 1981 retaining its place on General Orders.

H. F. No. 332 which it recommended to pass with the following amendment:

Offered by Dempsey:

Page 1, after line 15, insert:

"Section 1. [80C.145.] [MOTOR FUEL FRANCHISES; RIGHT OF SURVIVORSHIP.]

Subdivision 1. [REQUIRED PROVISIONS.] No motor fuel franchisor shall initially execute or renew a franchise agreement in the state after July 1, 1981 unless it contains the provisions of subdivisions 3 to 9.

Subd. 2. [DEFINITION; DESIGNATED FAMILY MEMBER.] For purposes of this section, "designated family member" means the spouse, child, grandchild, parent, brother, or sister of the motor fuel franchisee who, in the case of the motor fuel franchisee's death, is entitled to inherit the franchisee's interest in the motor fuel franchise under the terms of the franchisee's will or under the law of intestate succession of this state or who, in the case of an incapacitated franchisee, has been appointed by a court as the legal representative of the franchisee's property.

Subd. 3. [AUTHORIZATION.] Any designated family member of a deceased or incapacitated owner of a motor fuel franchise may succeed to the ownership of the existing franchise: (a) if the designated family member gives the motor fuel franchisor written notice of the intention to succeed to the motor fuel franchise within 60 days of the motor fuel franchisee's death or incapacity; (b) if the designated family member agrees to be bound by all terms and conditions of the existing franchise; and (c) unless there exists good cause for the refusal to honor the succession on the part of the motor fuel franchisor.

Subd. 4. [PERSONAL AND FINANCIAL DATA.] At the time of serving notice under subdivision 3, the designated family member shall provide upon the request of the motor fuel franchisor, personal and financial data that is reasonably necessary to determine whether the succession should be honored.

Subd. 5. [NOTICE OF TERMINATION OR REFUSAL TO HONOR SUCCESSION.] If a motor fuel franchisor believes in good faith that good cause exists for refusing to honor succession of the franchise by a designated family member of a deceased or incapacitated motor fuel franchisee, the franchisor may within 90 days after receipt of the personal and financial data requested under subdivision 4, serve notice upon the designated family member of its refusal to honor succession and of its intent to terminate the existing motor fuel franchise with the designated family member no sooner than 90 days from the date the notice is served.

Subd. 6. [CONTENTS OF NOTICE.] The notice must state the specific grounds for the refusal to honor the succession and the termination of the existing franchise with the designated family member.

Subd. 7. [EFFECT OF NOTICE NOT TIMELY SERVED.] If notice of refusal and termination is not timely served upon the designated family member, the existing motor fuel franchise shall continue in effect subject to termination only as otherwise permitted by law.

Subd. 8. [BURDEN OF PROOF.] In determining whether good cause for the refusal to honor the succession exists, the motor fuel franchisor has the burden of proving that the successor is a person who is not of good moral character or does not meet the franchisor's existing, reasonable standards.

Subd. 9. [SUCCESSION AGREEMENTS.] Notwithstanding the foregoing, in the event the motor fuel franchisee and the motor fuel franchisor have duly executed an agreement concerning the succession rights prior to the franchisee's death or incapacitation, the agreement shall be observed, even if the agreement designates an individual other than the surviving spouse or heirs of the franchisee.

Subd. 10. [ENFORCEMENT.] The attorney general or any aggrieved party may institute a civil action in the district court for an injunction prohibiting a violation of this section. It is no defense to the action that the state or the aggrieved party has adequate remedies at law."

Page 2, line 1, delete "1 to 17" and insert "2 to 18"

Page 2, line 4, delete "1 to 17" and insert "2 to 18"

Page 2, line 7, delete "1 to 17" and insert "2 to 18"

Page 3, line 9, after "*which*" insert "*grants to the dealer the right to market motor vehicles and which*"

Page 5, line 8, delete "1 to 17" and insert "2 to 18"

Page 5, line 25, delete "8" and insert "9"

Page 5, line 26, delete "3" and insert "4"

Page 6, line 9, delete "1 to 17" and insert "2 to 18"

Page 7, line 22, delete "(1)" and insert "(a)"

Page 7, line 25, delete "(a)" and insert "(1)"

Page 7, line 29, delete "(b)" and insert "(2)"

Page 7, line 34, delete "(c)" and insert "(3)"

Page 7, line 36, delete "(d)" and insert "(4)"

Page 8, line 3, delete "(2)" and insert "(b)"

Page 9, line 1, delete "clause" and insert "paragraph"

Page 9, line 20, delete "6" and insert "7"

Page 9, line 24, delete "clause" and insert "paragraph"

Page 10, line 11, delete "13" and insert "14"

Page 10, line 11, delete "clause" and insert "paragraph"

Page 10, line 15, delete "1" and insert "2"

Page 10, line 16, delete "17" and insert "18"

Page 11, line 9, delete "*4, 12 and 13*" and insert "*5, 13 and 14*"

Page 12, line 7, delete "*if*"

Page 12, line 7, after "*(a)*" insert "*if*"

Page 12, line 11, after "*(b)*" insert "*if the designated family member*"

Page 13, line 6, delete "*1*" and insert "*2*"

Page 13, line 7, delete "*17*" and insert "*18*"

Page 14, line 15, delete "*1 to 17*" and insert "*2 to 18*"

Page 14, line 24, delete "*13, clause*" and insert "*14, paragraph*"

Page 15, line 18, delete "*1 to 17*" and insert "*2 to 18*"

Page 17, line 23, delete "*1*" and insert "*2*"

Page 17, line 24, delete "*17*" and insert "*18*"

Page 19, line 27, delete "*1 to 17*" and insert "*2 to 18*"

Page 19, line 30, delete "*4, 11, or 12*" and insert "*5, 13, or 14*"

Page 19, line 33, delete "*1 to 17*" and insert "*2 to 18*"

Page 20, line 9, delete "*1 to 17*" and insert "*2 to 18*"

Page 20, line 12, delete "*1 to 17*" and insert "*2 to 18*"

Page 21, delete lines 13 to 25

Renumber the sections in sequence

Offered by Lehto:

Page 13, line 12, delete "*or*" and insert "*and*"

On the motion of Eken the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Wenzel moved that the name of Ogren be added as an author on H. F. No. 668. The motion prevailed.

Rothenberg moved that the name of Rees be added as an author on H. F. No. 1340. The motion prevailed.

Rees moved that the names of Carlson, L.; Ellingson and Hokr be added as authors on H. F. No. 664. The motion prevailed.

Rodriguez, C., moved that the name of Staten be added as an author on H. F. No. 1371. The motion prevailed.

Pogemiller moved that the name of Staten be added as an author on H. F. No. 1365. The motion prevailed.

Simoneau moved that the name of Anderson, B., be added as an author on H. F. No. 682. The motion prevailed.

Long moved that the name of Staten be added as an author on H. F. No. 1368. The motion prevailed.

Anderson, G., moved that the name of Jude be added as an author on H. F. No. 1244. The motion prevailed.

Reding moved that the names of Pogemiller and Lehto be added as authors on H. F. No. 1125. The motion prevailed.

Rodriguez, C., moved that the name of Jude be added as an author on H. F. No. 1060. The motion prevailed.

Jude moved that S. F. No. 718 be recalled from the Committee on Judiciary and together with H. F. No. 970, now on the Technical Consent Calendar be referred to the Chief Clerk for comparison. The motion prevailed.

Samuelson moved that H. F. No. 155, now on the Technical Consent Calendar, be re-referred to the Committee on Appropriations. The motion prevailed.

Dahlvang moved that H. F. No. 1278, now on General Orders, be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

House Resolution No. 10, as amended by the Committee on Rules and Legislative Administration, was reported to the House.

HOUSE RESOLUTION NO. 10

A house resolution expressing the anguish of the people of Minnesota at the continuing news of the disappearance and murder of more than twenty-two children in Atlanta, Georgia, and extending condolences to the citizens of Atlanta and to the parents, relatives and friends of the children.

Whereas, the news for the past months has continued to carry stories of the continuing disappearance and then murder of more than twenty-two Atlanta children; and,

Whereas, despite long and diligent work by the Atlanta police, state law enforcement agencies, and Atlanta citizens, solving the crimes has proved frustratingly elusive; and,

Whereas, the anguish of Atlanta children with the continued threat of personal harm seemingly without hope of resolution can be easily understood; and,

Whereas, the outrage of successive murders should not have to be endured by any group of citizens but particularly not by the people of one of America's great cities; and

Whereas, it is important that the citizens of Atlanta should know that they are not bearing the burden alone; and,

Whereas, it is especially necessary to extend to the families and friends of the deceased children the condolences of the people of the State of Minnesota at their terrible loss; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that, on behalf of all people of the State of Minnesota, that its sympathy and condolences are given to all Atlanta citizens, but especially to the families and friends of the deceased children. We join with them in the earnest hope that a resolution of this terrible series of acts will soon be found.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to enroll a copy of this resolution, to be authenticated by his signature and that of the Speaker, and present it to the Mayor of Atlanta.

Staten moved to amend House Resolution No. 10, as amended by the Committee on Rules and Legislative Administration, as follows:

Page 1, line 19, delete "Americas's" and insert "America's"

Page 2, line 10, delete "present" and insert "send"

The motion prevailed and the amendment was adopted.

Staten moved that House Resolution No. 10, as amended, be now adopted. The motion prevailed and House Resolution No. 10, as amended, was adopted.

Eken introduced:

House Concurrent Resolution No. 3, A house concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

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

ADJOURNMENT

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Tuesday, April 14, 1981.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

