

## STATE OF MINNESOTA

## THIRD SPECIAL SESSION - 1981

## SEVENTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, DECEMBER 16, 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 Pastor Orrin P. Sheggeby, Lake Nokomis Lutheran, Minneapolis, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Drew, Harens, McCarron, Norton and Wigley were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Clawson moved that further reading of the Journals be dispensed with and that the Journals 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. No. 2 have been placed in the members' files.

## REPORTS OF STANDING COMMITTEES

Sieben, M., from the Committee on Appropriations to which was referred:

H. F. No. 9, A bill for an act relating to certain appropriations made to the University of Minnesota; providing that certain unexpended balances shall not lapse; amending Laws 1981, Chapter 359, Section 9, Subdivision 12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION REDUCTIONS: SUMMARY.]

The sums set forth in the columns designated "APPROPRIATION REDUCTIONS" are reduced from the various general fund appropriations to the specified agencies. The figures "1982" or "1983" whenever used in this act, mean that the appropriation reductions listed are from the appropriations for the years ending either June 30, 1982 or June 30, 1983, respectively.

## SUMMARY OF REDUCTIONS BY FUNCTION

	1982	1983	TOTAL
STATE DEPARTMENTS	(\$20,282,700)	(\$22,422,900)	(\$42,705,600)
TRANSPORTATION AND OTHER AGENCIES	(5,533,200)	(5,351,100)	(10,884,300)
EDUCATION	(11,549,300)	(23,448,700)	(34,998,000)
WELFARE, CORRECTIONS, HEALTH	(3,546,000)	(10,930,600)	(14,476,600)
TOTAL	(\$40,911,200)	(\$62,153,300)	(\$103,064,500)

## SUMMARY OF APPROPRIATIONS

Fiscal Year	1982	1983	TOTAL
<b>STATE DEPARTMENTS</b>	<b>-0-</b>	<b>2,250,000</b>	<b>2,250,000</b>
<b>TRANSPORTATION AND OTHER AGENCIES</b>	<b>75,000</b>	<b>-0-</b>	<b>75,000</b>
<b>WELFARE, CORRECTIONS, HEALTH</b>	<b>26,500,000</b>	<b>49,553,000</b>	<b>76,053,000</b>
<b>TOTAL</b>	<b>26,575,000</b>	<b>51,808,000</b>	<b>78,378,000</b>

## Sec. 2. [APPROPRIATION REDUCTIONS.]

1982

1983

## Subdivision 1. [STATE DEPARTMENTS.]

The general fund appropriations in Laws 1981, Chapters 306, 346 and 356 as amended by Laws 1981, Special Session 1, Chapter 4, Article 4, are reduced by the listed amounts:

(a) Legislature		(1,394,400)	(705,400)
(1) House			
1982	1983		
(1,014,000)	(-0-)		
(2) Legislative Coordinating Commission—General Support			
(25,000)	(900)		
(3) LCC—Workers' Compensation Study			
(3,000)	(-0-)		
(4) LCC—Transit Study			
(20,000)	(-0-)		
(5) Legislative Reference Library			
(42,500)	(48,800)		

(6) Revisor of Statutes		
(59,300)	(401,900)	
(7) Legislative Committee on Science and Technology		
(12,500)	(14,700)	
(8) Advisory Council on the Economic Status of Women		
(6,800)	(15,700)	
(9) Great Lakes Commission		
(2,000)	(2,000)	
(10) Legislative Commission on Pensions and Retirement		
(9,500)	(20,500)	
(11) Legislative Commission on Employee Relations		
(13,600)	(10,000)	
(12) Legislative Commission to Review Administrative Rules		
(9,900)	(11,200)	
(13) Legislative Audit Commission		
(1,800)	(1,800)	
(14) Legislative Auditor		
(174,500)	(177,900)	
(b) Supreme Court	.....	(-0-) (200,000)

This reduction equals the appropriation contained in Laws 1981, Chapter 356, Section 3 for judicial district computer hardware costs. The funds produced by this reduction are added to the fiscal year 1983 appropriation made in Laws 1981, Chapter 356, Section 4 for district and county judge travel costs.

(c) Board on Judicial Standards	.....	(-0-) (3,000)
(d) Governor	.....	(175,200) (218,700)

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(e) Secretary of State ..... (23,800) (39,300)

(f) State Auditor

The commissioner of transportation and the state auditor are directed to review whether duplication of effort occurs between the fiscal studies unit of the department of transportation relating to local government financial reporting and the governmental information division within the office of the state auditor. On or before February 15, 1982, the commissioner and the auditor shall report to the chairmen of the house appropriations and senate finance committees what state and local cost savings would accrue with the merger of these activities within the office of the auditor.

(g) State Treasurer

The insurance division shall assist and cooperate with the state treasurer in examining for unclaimed property.

(h) Attorney General ..... (354,700) (494,600)

(i) Administrative Hearings ..... (66,600) (141,000)

The office of administrative hearings shall maintain an office in Duluth.

(j) Administration ..... (1,778,400) (2,025,800)

(k) Finance ..... (567,700) (588,800)

The positions of debt management director and research scientist within the economic analysis section shall not be held vacant to make this reduction.

(l) Employee Relations ..... (255,500) (261,100)

(m) Revenue ..... (493,100) (689,000)

Walk-in taxpayer assistance shall not be reduced.

(n) Agriculture ..... (1,984,000) (2,917,400)

None of this reduction shall be in the agricultural protection service program.

No more than \$124,300 in 1982 and \$211,300 in 1983 shall be reduced from the family farm security program.

\$150,000 in fiscal year 1982 and \$150,000 in fiscal year 1983 is reduced from grants to agricultural societies.

(o) Animal Health, Board of ..... (158,800) (163,000)

The state agricultural society shall reimburse the board for services it provides on the state fairgrounds.

(p) Natural Resources ..... (4,426,100) (4,567,100)

Money appropriated from the receipts for watercraft licenses shall not be reduced and shall be expended only as authorized by Minnesota Statutes, Section 361.03.

(q) Zoological Board ..... (280,000) (420,000)

(r) Water Resources Board ..... (-0-) (25,900)

(s) Pollution Control Agency ..... (790,400) (747,300)

(t) Waste Management Board ..... (147,000) (195,000)

(u) Energy, Planning and Development ..... (896,700) (771,000)

(v) Natural Resources

Acceleration (LCMR) ..... (1,396,500) (1,797,500)

This appropriation reduction is made in order to return money to the general fund, upon the recommendation of the legislative commission on Minnesota resources.

(w) Labor and Industry ..... (279,200) (279,200)

None of this reduction shall occur in the appropriations for the special compensation fund or for peace officer death benefits.

Expenditure of the monies appropriated in Laws 1981, Chapter 346, Section 144, Subdivision 7 shall not be governed by the low bid requirements of section 16.08.

(x)	Mediation Services .....	(54,700)	(55,600)
(y)	Military Affairs .....	(500,000)	(500,000)
(z)	Veterans Affairs .....	(317,800)	(332,600)

This reduction shall not be made in direct patient care positions at the veterans homes.

Notwithstanding the provisions of section 198.055, the members of the veterans advisory committee may forego the compensation provided therein.

The nondedicated receipt limitation in Laws 1981, Chapter 356, Section 36 for fiscal year 1982 is reduced by \$930,000.

(aa)	Indian Affairs Intertribal Board .....	(14,800)	(15,200)
(bb)	Council on Black Minnesotans .....	(-0-)	(9,300)
(cc)	Council for the Handicapped .....	(17,800)	(18,300)
(dd)	Human Rights .....	(137,300)	(140,100)
(ee)	Council on Affairs of Spanish-Speaking People .....	(2,600)	(2,700)
(ff)	Retirements .....	(3,769,600)	(4,099,000)

These reductions are made in recognition of the reduced employer contributions required by Minnesota Statutes, Section 352.04, 352.92, 352D.04 and 352D.09, as amended by Article I, Sections 21 to 26 of this act.

Of these amounts \$802,074 in fiscal year 1982 and \$873,054 in fiscal year 1983 are reduced from the general operation and maintenance appropriation made to the University of Minnesota in Laws 1981, Chapter 359, Section 7.

Of these amounts \$220,437 in fiscal year 1982 and \$238,072 in fiscal year 1983 are reduced from the public transit appropriation made to the metropolitan transit commission in Laws 1981, Chapter 363, Section 55, Subdivision 1.

Of these amounts, \$2,747,089 in fiscal year 1982 and \$2,987,875 in fiscal year 1983 are reduced from other employer contributions for state employees to the Minnesota state retirement system.

**Subd. 2. [TRANSPORTATION AND OTHER AGENCIES.]**

The general fund appropriations in Laws 1981, Chapters 306, 346, 357, and 363, as amended by Laws 1981, Special Session 1, Chapter 4, Article 4, are reduced by the listed amounts:

(a) Housing Finance Agency ..... (2,500,000) (-0-)

The appropriation in Laws 1981, Chapter 306, Section 21, is reduced by the amount indicated.

(b) Transportation ..... (791,000) (3,157,000)

Appropriations for Rail Service Improvement Grants are reduced by \$124,000 in the first year.

Appropriations for MTC operating grants are reduced \$2,400,000 in the second year. No reductions shall be made in metro mobility projects, metro mobility control center, and metropolitan transit commission project mobility.

Notwithstanding Laws 1981, Chapter 363, Section 55, Subdivision 1, the metropolitan transit commission shall raise fares during the peak hours by 15 cents effective April 1, 1982.

The metropolitan transit commission shall reduce its support staff by 50 positions below the actual level existing on December 1, 1981. 31 positions shall be reduced by April 1, 1982 and the remaining 19 positions shall be reduced by July 1, 1983. Support staff includes all staff other than drivers, mechanics and security personnel.

The metropolitan transit commission is directed to prepare a report to the legislature regarding both employee benefit packages, including pension programs, and peak hour staffing practices. The report shall include projections of both short and long term costs. The report shall be submitted to the chairman of house appropriations committee and the chairman of the senate finance committee by February 1, 1982.

The metropolitan transit commission shall not expend capital or operating funds for the purchase of articulated buses with wheelchair lifts. This restriction shall apply to any articulated buses which may be on order.

Appropriations for private transit operators in the metropolitan area are reduced \$57,500 in the first year and \$184,500 in the second year.

Appropriations for statewide transit operating assistance are reduced \$562,500 in the first year and \$562,500 in the second year.

Appropriations for public transit capital grants are reduced \$37,200 in the first year.

Appropriations for public transit study are reduced \$10,000 the first year and \$10,000 the second year.

Reimbursements from the general fund to the trunk highway fund are reduced \$116,000 in the first year and \$192,300 in the second year.

(c) Public Safety ..... (709,300) (505,700)

This reduction shall not apply to the liquor control program. The liquor control program shall concentrate its activities along the border areas of Minnesota.

The general fund complement of the department of public safety is reduced by 19.7 effective July 1, 1983.

Reimbursements from the general fund to the trunk highway fund are reduced \$37,600 in the first year and \$38,900 in the second year.

(d) Commerce ..... (244,200) (305,400)

The general fund complement of the department of commerce is reduced by 17 effective July 1, 1983. No more than seven positions shall be reduced from the insurance division. The department of commerce shall transfer funds by July 1, 1982 from other areas of the department in order to fill four additional positions within the insurance division. The complement reduction shall not apply to the supervision of state chartered financial institutions.

(e) Boxing, Board of ..... (4,000) (4,200)

(f) Peace Officer Standards and Training, Board of ..... (11,700) (11,800)

(g) Public Utilities Commission ..... (20,700) (21,700)

(h) Public Service ..... (33,300) (33,400)

(i) Ethical Practices Board ..... (17,000) (15,400)

(j) Minnesota Municipal Board ..... (20,700) (21,000)

(k) Minnesota-Wisconsin Boundary Area Commission ..... (3,400) (3,700)

(l) Uniform Laws Commission ..... (12,600) (12,900)

(m) Voyageurs National Park Citizens Committee ..... (-0-) (12,800)

(n) Southern Minnesota Rivers Basin Board ..... (5,900) (5,900)

(o) Minnesota Historical Society ..... (689,400) (703,500)

This reduction shall not apply to the Minnesota military history museum at Fort Snelling and Camp Ripley, the Sibley House Association, government learning center, Minnesota humanities commission, Minnesota international

center, and the historic grant-in-aid program to encourage local historic preservation projects.

(p) Arts, Board of the ..... (267,700) (290,100)

The amounts to be reduced from each program are as follows:

(1) Administrative Services  
(\$112,100) (\$154,500)

(2) Subsidies and Grants  
(\$155,600) (\$135,600)

Of the remaining appropriations, \$815,000 in the first year and \$965,000 in the second year is for the general support one program; \$150,900 in the first year and \$171,600 in the second year is for the general support two program; and \$682,700 in the first year and \$706,200 in the second year is for the regional program. Regional grants shall be distributed according to the formula included in the work papers adopted by the conference committee.

(q) Minnesota Humane Society ..... (6,200) (-0-)

(r) County Attorneys Council ..... (15,100) (-0-)

(s) Minnesota Horticultural Society ..... (8,900) (9,600)

(t) Minnesota Academy of Science ..... (-0-) (5,800)

(u) Science Museum of Minnesota ..... (18,500) (-0-)

This reduction shall be reinstated on the basis of one dollar for every two dollars received from the city of Saint Paul.

### Subd. 3. [EDUCATION.]

The general fund appropriations in Laws 1981, Chapter 359, as amended by Laws 1981, Special Session 1, Chapter 2, are reduced by the listed amounts:

(a) Education, Department of ..... (1,671,400) (3,393,300)

(b) Higher Education Coordinating Board .....	(141,900)	(288,100)
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\$152,000 of the amount for 1983 is a reduction from the private college contract program. The private college contract program shall not provide funds for post baccalaureate students.

Notwithstanding any law to the contrary, if a portion of sums appropriated to the higher education coordinating board pursuant to Laws 1981, Chapter 359, Section 3, Subdivisions 3, 4, 5, 7, 8, 9 and 10 for state scholarships, nurses scholarships, state grants-in-aid, part time student subsidy, special assistance, state work study, medical student loans, AVTI tuition subsidy and private college contracts for fiscal year 1983 are refunded and unused, that portion may be transferred to meet obligations under interstate tuition reciprocity agreements. However, the higher education coordinating board shall demonstrate to the commissioner of finance that the intended level of expenditure for the programs is not reduced. In addition, transfers made may be reversed if necessary to meet the needs and objectives of affected programs.

(c) State University Board .....	(2,191,900)	(4,450,300)
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(d) State Community College Board .....	(1,042,900)	(2,117,500)
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(e) University of Minnesota .....	(6,248,000)	(12,685,400)
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(f) Mayo Medical School .....	(253,200)	(514,100)
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#### Subd. 4. [WELFARE, CORRECTIONS, HEALTH.]

The general fund appropriations in Laws 1981, Chapter 360, as amended by Laws 1981, Special Session 1, Chapter 2, are reduced by the listed amounts:

(a) Public Welfare, Department of	(767,500)	(8,286,700)
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The commissioner of public welfare shall apply to the department of health and human services for a waiver to

limit physician calendar visits to residents of long-term care facilities to no more than once every six months, unless otherwise determined to be necessary by the facility staff or treating physician.

The commissioner of public welfare shall study the fiscal and programmatic impact, the number of persons who would be affected, and any other effects, if the costs of providing developmental achievement services and semi-independent living services were paid through Title XIX of the Social Security Act and Minnesota Statutes, Chapter 256B. The study shall be completed and submitted to the legislature not later than two months following final enactment of federal appropriation amounts.

(b) Economic Security, Department of ..... (2,000,000) (1,018,700)

None of this reduction shall be in the following programs: displaced homemakers; crisis fuel-emergency assistance; summer youth; office of economic opportunity administration.

(c) Corrections, Department of ..... (590,500) (1,428,900)

Notwithstanding the provisions of any other law to the contrary, the commissioner of corrections may for the purpose of maximizing the benefits of the subsidy paid to counties under Minnesota Statutes 1980, Sections 401.14 and 401.15, waive the requirements of 11 MCAR, Sections 2.006(c) and 2.007(b) that specify the percentages of the total subsidy received by each participating county which must be expended only for information systems, program evaluation, training, and education.

(d) Health, Department of ..... (188,000) (196,300)

Notwithstanding any law to the contrary the commissioner of health shall increase the fee charged for medical laboratory services up to \$5.

Sec. 3. [APPROPRIATIONS.] The appropriations made in this section are from the general fund.

	FY 1982	FY 1983
Subdivision 1. Contingent Accounts	-0-	2,050,000

This appropriation is added to the appropriation made in Laws 1981, Chapter 356, Section 9, Subdivision 4. The entire appropriation shall be available to the department of natural resources for unemployment and workers' compensation obligations for fiscal years 1981 and 1982.

Subd. 2. Department of Public Welfare .....	26,500,000	49,553,000
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For the purpose of paying additional income maintenance costs, these sums are in addition to appropriations in Laws 1981, Chapter 360, Section 2, Subdivision 4.

*Subd. 3. [DEPARTMENT OF TRANSPORTATION.] (a) Any unexpended balance of the appropriation for AMTRAK rail subsidy Duluth-Twin Cities made by Laws 1980, Chapter 614, Section 27, (c) is hereby reinstated and reappropriated for the biennium ending June 30, 1983.*

*(b) The immediately available appropriation for AMTRAK operations made by Laws 1981, Chapter 357, Section 2, Subdivision 4 (e) is reappropriated for the biennium ending June 30, 1983, and may be expended without regard to the restrictions stated therein.*

Sec. 4. [APPROPRIATION; TRANSFERS AUTHORIZED.]

*An appropriation to agencies from the general fund for fiscal year 1982 and fiscal year 1983 is available for expenditure in either fiscal year with the advance approval of the commissioner of finance. Approvals shall be reported to the committee on finance of the senate and the committee on appropriations of the house of representatives.*

Sec. 5. [PLANS FOR DECLINING ENROLLMENT.]

*Subdivision 1. [UNIVERSITY OF MINNESOTA; STATE UNIVERSITIES; COMMUNITY COLLEGES; AREA VOCATIONAL-TECHNICAL INSTITUTES.] The board of*

regents of the University of Minnesota, the state university board, the community college board, and the state board for vocational education shall each develop a plan for providing post secondary education services under conditions of declining or reduced enrollments. Each plan shall specify the fiscal implications of declining enrollments and a proposed strategy for potential campus mergers, reorganizations, changes in system governance or other methods of adjusting the present level of facilities and services to the projected level of reduced demand even to the point of campus closures, if deemed necessary. The purpose of the plan is to reduce the cost of present facilities and services in proportion to the reduction in enrollment. Each plan shall be submitted to the legislature by January 1, 1983.

Subd. 2. [FACTORS.] In determining strategies for the adjustment of present facilities and services to reduced levels of demand, the boards shall consider such factors as the system's mission, the impact of such adjustments on students, short-term and long-term enrollment trends, accessibility for the handicapped, fiscal implications, geographic accessibility to comparable institutions, availability of alternative programs, legal implications and feasibility of employee transfers.

Subd. 3. [STUDENT TRANSFERS.] In planning for reorganization, merger, or closing of campuses the boards shall, insofar as possible, plan to provide students with the opportunity to complete programs in their major course of study and to complete graduation requirements by transferring to other institutions. The plans should provide for full transfer of earned credits and flexibility in meeting graduation requirements to the extent possible.

Subd. 4. [PROCESS.] The central administration of each post secondary system shall develop and submit a plan to its state board. In the process of developing the plan the central administration of each system shall consult with the central administrations of the other systems. Each board shall submit its plan to the higher education coordinating board for its review and recommendation pursuant to section 136A.04, subdivision 1, clause (d).

Subd. 5. [EMPLOYEE TRANSFER.] To the extent possible, the plans shall provide that employees whose positions will be eliminated by the mergers, reorganizations or closings will be allowed to transfer to positions in other post secondary institutions within each system and will be given preference in new hirings. The plans shall provide for the maintenance of seniority, salary, fringe benefits and other employment terms insofar as possible consistent with the pertinent bargaining agreements, if any.

Sec. 6. Minnesota Statutes 1981 Supplement, Section 15.052, Subdivision 5, is amended to read:

**Subd. 5. [COURT REPORTERS; AUDIO RECORDINGS.]**  
The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with nongovernmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter or under chapter 176. (IN CASES ARISING UNDER CHAPTER 176, THE CHIEF HEARING EXAMINER, IN CONSULTATION WITH THE COMPENSATION JUDGE, SHALL DECIDE THE METHOD OF RECORDING.) *If the chief hearing examiner determines that the use of an audio magnetic recording device is more appropriate, any party to a hearing under this chapter or chapter 176 may secure the services of a court reporter from the office of administrative hearings or from the chief hearing examiner's list of non-governmental sources to keep the record at the hearing. The person requesting the services of a court reporter shall be responsible for securing such services, notifying the court reporter in the event of a cancellation of the hearing and for the cost of the appearance of the court reporter at the hearing. The cost of a court reporter from the list of non-governmental sources shall be paid directly to the court reporter.*

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings or the non-governmental source court reporter if used to record the hearing.

Sec. 7. Minnesota Statutes 1981 Supplement, Section 16A-128, is amended to read:

**16A.128 [FEE ADJUSTMENTS.]**

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may

be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed (110 PERCENT OF) the sum of all direct appropriations, *indirect costs*, transfers in, and salary supplements for that purpose for the biennium.

Sec. 8. Minnesota Statutes 1981 Supplement, Section 176.081, Subdivision 7a, is amended to read:

Subd. 7a. At any time prior to one day before a matter is to be heard, a party litigating a claim made pursuant to this chapter may serve upon the adverse party a reasonable offer of settlement of the claim, with provision for costs and disbursements then accrued. If before the hearing the adverse party serves written notice that the offer is accepted, either party may then file the offer and notice of acceptance, together with the proof of service thereof, and thereupon judgment shall be entered.

If an offer by an employer or insurer is not accepted by the employee, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is less favorable than the offer, the employer shall not be liable for any part of the attorney's fees awarded pursuant to this section.

If an offer by an employee is not accepted by the employer or insurer, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is at least as favorable as the offer, the employer shall pay an additional 25 percent, over the amount provided in subdivision 7, of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

The fact that an offer is made but not accepted does not preclude a subsequent offer.

*Cases settled under this section shall be conclusively presumed to be fair and reasonable and shall not be subject to approval by the commissioner or a compensation judge if all parties are represented by attorneys. Attorney's fees which are part of the settlement are subject to review by the commissioner who may reduce the fees included in the settlement. Failure of the commissioner to reduce the fees within 14 days after receiving the settlement shall be deemed approval. The commissioner may correct clerical or mathematical errors in these cases at any time.*

Sec. 9. Minnesota Statutes 1981 Supplement, Section 176.371, is amended to read:

**176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]**

The compensation judge to whom a petition has been assigned for hearing, shall hear all relevant and competent evidence produced at the hearing (,). Unless all parties agree otherwise, the compensation judge shall insure that all testimony, motions, objections, arguments and comments of the parties or the compensation judge are recorded and, as soon after the hearing as possible, within 60 days after a matter has been finally submitted to the compensation judge, he shall make findings of fact, conclusions of law, and (AWARD OR DISALLOWANCE OF) an order allowing or disallowing compensation or other order as the pleadings, evidence, this chapter and rule require.

The findings of fact shall contain the facts as found by the compensation judge delineating the relevant employment history of the petitioner; the nature and extent of the injury or disability; the medical history, treatment and expenses directly related to the injury or disability; the nature and extent of the disability and duration thereof; the petitioner's wage rate during the dates of the disability; facts necessary to determine attorney's fees and costs to be awarded; and such other matters as may be necessary to a full determination of the issues in controversy.

The conclusions shall refer to the legal requirements of this chapter.

The order shall state whether the petitioner is entitled to benefits and the time periods for which the benefits are to be paid. The order shall include an award of attorney's fees and costs, if appropriate. If benefits are ordered to be paid, the compensation judge shall not calculate the actual benefit amounts. The actual calculations of benefit amounts shall be the responsibility of the employer or insurer subject to the authority of the commissioner to correct any mathematical errors.

A compensation judge shall attach a memorandum to the order only if necessary to delineate the resources for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.

Sec. 10. Minnesota Statutes 1980, Section 176.421, Subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or his attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which he claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; (AND,)
- (4) the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,
- (5) any other ground upon which the appeal is taken.

Sec. 11. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the (TRANSCRIPT) preparation of the record of the proceedings appealed from, pay to the (CHIEF HEARING EXAMINER) state treasurer, the sum of (\$10 OR SO MUCH OF THAT SUM AS IS NECESSARY TO PRESENT THE QUESTION RAISED ON THE APPEAL) \$25.

(THE APPELLANT IS LIABLE FOR THE COST OF THE TRANSCRIPT IN EXCESS OF \$10, BUT IS ENTITLED TO A REFUND OF ANY PART OF THAT SUM NOT USED TO PAY THE COST OF THE TRANSCRIPT.)

- (4) Submit a request that the chief hearing examiner order the preparation of a transcription of that part of the hearing delineated in the notice of appeal if the record of the hearing was kept by an audio magnetic recording device or a court reporter who is an employee of the office of administrative hearings.

*If the hearing was recorded by a court reporter who is not an employee of the office of administrative hearings, the appellant shall, on the same date the notice of appeal is filed, request the court reporter to prepare a transcription of that part of the hearing delineated in the notice of appeal.*

*If any party desires a transcription of more of the hearing than has been requested by the appellant, that party shall, within five working days of service of the notice of appeal, make that request of the chief hearing examiner or the non-employee court reporter, whichever is appropriate.*

*The party requesting the preparation of the transcript or any part thereof is liable for the cost of preparation.*

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the (APPELLANT) party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

Sec. 12. Minnesota Statutes 1981 Supplement, Section 176.421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT; CERTIFICATION OF THE RECORD.] When the notice of appeal has been filed with the chief hearing examiner and the (TRANSCRIPTION) preparation of the record fee has been paid, the chief hearing examiner shall immediately (PREPARE) insure that a type-written transcript of the proceedings is prepared. The official reporter or other person designated by the chief hearing examiner who transcribes the proceedings shall certify to their correctness.

*If the transcript is prepared by a person who is not an employee of the office of administrative hearings, upon completion of the transcript, the original shall be filed with the chief hearing examiner.*

*When the transcript has been completed and is on file with the chief hearing examiner, he shall certify the record to the workers' compensation court of appeals and notify the commissioner of the certification.*

Sec. 13. Minnesota Statutes 1980, Section 176.521, as amended by Laws 1981, Chapter 346, Sections 134 and 135, is amended to read:

#### 176.521 [SETTLEMENT OF CLAIMS.]

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the work-

ers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties (,) and intervenors in the matter, and, where one or more of the parties is not represented by an attorney, the division or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals or district court, the workers' compensation court of appeals or district court is the approving body.

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, (AND) the workers' compensation court of appeals and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter.

Subd. 3. [COMMISSIONER.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge shall refer the matter to the chief hearing examiner who shall immediately refer the file to the commissioner. Attorney's fees which are part of the settlement are subject to review by the commissioner who may reduce the fees included in the settlement. Failure of the commissioner to reduce the fees within 14 days after receiving the settlement shall be deemed approval. The commissioner may correct mathematical or clerical errors at any time.

Subd. (3) 4. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after hearing agreement thereon, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In such cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing on those issues it deems necessary to a final determination.

Sec. 14. Minnesota Statutes 1980, Section 197.23, is amended to read:

**197.23 [MAY PROVIDE MARKERS.]**

The commissioner of veterans affairs (SHALL) may, upon the petition of any five reputable freeholders of any

township or municipality, or of any patriotic or ex-service-men's organization, procure for and furnish to the petitioners some suitable and appropriate metal socket and an appropriate marker for the grave of each and every soldier, sailor, marine, or nurse who served with honor in the forces of the United States and who is buried within the limits of the state, to be placed on the grave of such soldier, sailor, marine, or nurse for the purpose of permanently marking and designating the grave for memorial purposes.

Sec. 15. Minnesota Statutes 1980, Section 345.32, is amended to read:

**345.32 [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]**

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within (SEVEN) *five* years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of

interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within (SEVEN) *five* years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than (SEVEN) *five* years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, unless the owner has within (SEVEN) *five* years, or within 15 years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safe-keeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than (SEVEN) *five* years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe

deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box to be opened and the contents thereof, to be removed and sealed by the notary public in a package, upon which he shall mark the name of the renter or lessee and also the estimated value of the contents of the safe deposit box and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under his official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the state treasurer pursuant to chapter 345.

Sec. 16. Minnesota Statutes 1980, Section 345.33, is amended to read:

**345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]**

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than (SEVEN) *five* years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding (SEVEN) *five* years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 17. Minnesota Statutes 1980, Section 345.34, is amended to read:

**345.34 [DEPOSITS HELD BY UTILITIES.]**

Any deposit held or owing by any utility made by a subscriber after January 1, 1960, to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than (SEVEN) *five* years after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 18. Minnesota Statutes 1980, Section 345.37, is amended to read:

**345.37 [PROPERTY HELD BY FIDUCIARIES.]**

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within (SEVEN) *five* years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 19. Minnesota Statutes 1980, Section 345.38, is amended to read:

**345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]**

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than (SEVEN) *five* years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than (SEVEN) *five* years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 20. Minnesota Statutes 1980, Section 345.39, is amended to read:

**345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]**

All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be

withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than (SEVEN) *five* years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed wages or workers' compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks.

Sec. 21. Minnesota Statutes 1980, Section 352.04, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund shall be an amount equal to (FOUR) *3-1/2* percent of salary, beginning with the first full pay period after June 30, (1973) *1981*. These contributions shall be made by deduction from salary in the manner provided in subdivision 4.

Sec. 22. Minnesota Statutes 1980, Section 352.04, Subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund shall be an amount equal to the total amount deducted from the salaries of employees on each payroll abstract, plus an additional (TWO) *1.84* percent of salary beginning with the first full pay period after June 30, (1973) *1981*. The employer contribution shall be made in the manner provided in subdivisions 5 and 6.

Sec. 23. Minnesota Statutes 1980, Section 352.92, Subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after June 30, (1973) *1981*, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees shall be in an amount equal to (SIX) *4.3* percent of salary.

Sec. 24. Minnesota Statutes 1980, Section 352.92, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after June 30, (1973) *1981*, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correc-

tional employees (1) an amount equal to (1 1/2 TIMES THE DEDUCTION FROM) 6.45 percent of the salaries of covered correctional employees on each payroll abstract, plus (2) an additional amount of (FIVE) 2.85 percent of salaries of covered correctional employees on each payroll abstract.

Sec. 25. Minnesota Statutes 1981 Supplement, Section 352D.04, Subdivision 2, is amended to read:

Subd. 2. The moneys used to purchase shares under this section shall be the employee (, EMPLOYER) and employer (ADDITIONAL) contributions (AS) provided in (SECTION 352.04, SUBDIVISIONS 2 AND 3) *this subdivision*.

(a) *The employee contribution shall be an amount equal to four percent of salary.*

(b) *The employer contribution shall be an amount equal to six percent of salary.*

*These contributions shall be made by deduction from salary in the manner provided in section 352.04, subdivisions 4, 5, and 6.*

Sec. 26. Minnesota Statutes 1980, Section 352D.09, Subdivision 7, is amended to read:

Subd. 7. One-tenth of one percent of salary shall be deducted from the employee contributions (AUTHORIZED BY SECTION 352.04, SUBDIVISION 2,) and one-tenth of one percent of salary from the employer contributions authorized by section (352.04, SUBDIVISION 3, CLAUSE (1)) *352D.04, subdivision 2*, to pay the administrative expenses of the unclassified program.

Sec. 27. Minnesota Statutes 1981 Supplement, Section 473.446, Subdivision 1, is amended to read:

Subdivision 1. [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 in subdivision 2, a transit tax consisting of:

(a) An amount equal to (1.72) two mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating 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 174.265, 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 174.265 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.

Sec. 28. Laws 1981, Chapter 356, Section 45, is amended to read:

Sec. 45. [WORKERS' COMPENSATION.]

The appropriations in this act for the operation of each state department or agency (, EXCEPT THE DEPARTMENT OF NATURAL RESOURCES,) in fiscal 1982 and 1983 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1982 and 1983, except (FOR THE DEPARTMENT OF NATURAL RESOURCES OR) as may be required by an increase in the statutory level of workers' compensation benefits.

Sec. 29. Laws 1981, Chapter 356, Section 46, is amended to read:

Sec. 46. [UNEMPLOYMENT COMPENSATION.]

The appropriations in this act for the operation of each state department or agency (, EXCEPT THE DEPARTMENT OF NATURAL RESOURCES,) in fiscal 1982 and 1983 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the intent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1982 and 1983, except (FOR THE DEPARTMENT OF NATURAL RESOURCES OR) as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 30. Laws 1981, Chapter 356, Section 62, Subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The commissioner shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account. *An amount not to exceed \$12,000,000 in the second year may be transferred to agencies where attrition has not provided the necessary savings to meet the required budget reductions. In addition, transfers from an agency's salary supplement allocation in the second year may be transferred into the first year to offset unrealized budget reductions due to delays in attrition savings.*

Sec. 31. Laws 1981, Chapter 359, Section 3, Subdivision 3, is amended to read:

Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid

\$27,720,000 \$27,720,000

The general goal of this program is that the proportion of funds flowing to students attending private institutions not exceed a figure which is approximately 50 percent of the total amount of money available. It is expected that approximately \$3,000,000 of this appropriation will *(REVERT TO THE GENERAL FUND AT THE END OF FISCAL YEAR 1983) not be needed and any balance may be transferred to subdivision 6 of this section to the extent a deficiency occurs in the interstate tuition reciprocity appropriation.*

Sec. 32. [REPEALER.]

*Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453, are repealed.*

Sec. 33. [EFFECTIVE DATE.]

*Sections 1 to 32 are effective the day following final enactment."*

Delete the title and insert:

*"A bill for an act relating to the operation and financing of state and local government; reducing appropriations for the general legislative and executive agencies of state govern-*

ment; providing for the planning for declining enrollments at higher education institutions; providing for transfer of appropriations between fiscal years; authorizing the transfer of certain funds appropriated to the higher education coordinating board for obligations under interstate tuition reciprocity agreements; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; appropriating money; amending Minnesota Statutes 1980, Sections 176.421, Subdivision 3; 176.521, as amended; 197.23; 345.32; 345.33; 345.34; 345.37; 345.38; 345.39; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; 352D.09, Subdivision 7; Minnesota Statutes 1981 Supplement, Sections 15.052, Subdivision 5; 16A.128; 176.081, Subdivision 7a; 176.371; 176.421, Subdivisions 4 and 5; 352D.04, Subdivision 2; 473.446, Subdivision 1; Laws 1981, Chapters 356, Sections 45, 46, and 62, Subdivision 2; and 359, Section 3, Subdivision 3; repealing Minnesota Statutes 1981 Supplement, Sections 3.965, Subdivision 6; and 362.453."

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

The report was adopted.

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

H. F. No. 13, A bill for an act relating to education; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by the amount of the June, 1983 school district tax settlements; requiring payment of tax receipts to school districts within 28 days after settlement; reducing education aid appropriations for fiscal year 1983; amending Minnesota Statutes 1980, Sections 121.904, by adding a subdivision; 276.11; Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

*Subd. 4a. [LEVY RECOGNITION.] Beginning with taxes assessed in 1982, payable in 1983, and thereafter, all cur-*

rent levies of local taxes, including portions assumed by the state, shall be recognized as receivable in the same fiscal year during which collection normally takes place. These receivables shall be for use in the current fiscal year. Settlements of current taxes received by a school district on or before June 30 shall be recorded as revenue in the fiscal year ending on that June 30.

**Sec. 2. [124.115] [AID REDUCTIONS DUE TO TAX LEVY REVENUE RECOGNITION CHANGE.]**

**Subdivision 1. [AUTHORIZATION.]** Notwithstanding any law to the contrary, state aid due school districts in fiscal year 1983 shall be reduced as provided in this section.

**Subd. 2. [AMOUNT OF REDUCTION.]** State aid due any school district in fiscal year 1983 under the provisions enumerated in subdivision 3 shall be reduced by 93 percent of the amount the district levied for taxes assessed in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983 pursuant to section 1, exclusive of any levy portions that are assumed by the state. For purposes of computing this state aid reduction, the amount levied by the district shall not include the amounts levied to make payments for bonds issued and for interest thereon; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; and amounts levied pursuant to section 275.125, subdivisions 6a, 9a, 14a and 20.

**Subd. 3. [SUBTRACTION FROM AIDS.]** The amount specified in subdivision 2 shall be subtracted from the following state aid payments in the order listed in fiscal year 1983:

- (a) Foundation aid as defined in section 124.212, subdivision 1;
- (b) Secondary vocational aid as defined in section 124.573;
- (c) Special education aid authorized in section 124.32;
- (d) Secondary vocational aid for handicapped children authorized in section 124.574;
- (e) Gifted and talented aid authorized in section 124.247;
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;
- (g) Aid for improved learning programs authorized in section 124.251;

- (h) Aid for chemical use programs authorized in section 124.246;
- (i) Transportation aid authorized in section 124.225;
- (j) School lunch aid authorized in section 124.646;
- (k) Community education programs aid authorized in section 124.271;
- (l) Adult education aid authorized in section 124.26;
- (m) Capital expenditure equalization aid authorized in section 124.245;
- (n) Homestead credit payments authorized in section 273.13, subdivisions 6, 7, and 14a;
- (o) Taconite homestead credit payments authorized in section 273.135;
- (p) Wetlands credit authorized in section 273.115;
- (q) Native prairie credit authorized in section 273.116; and
- (r) Attached machinery aid authorized in section 273.138, subdivision 3.

If necessary, state aid payments in fiscal year 1984 and subsequent years may be reduced until the entire amount specified in subdivision 2 has been subtracted.

Subd. 4. [ACCOUNTING.] Notwithstanding any law to the contrary, the amount of the levy subtracted from state aid payments shall be recognized and reported on the school district books of account in the same way that the state aid payments would have been recognized and reported. Seven percent of the amount the district levied for taxes in 1982, payable in 1983, which is to be recognized as revenue in fiscal year 1983, excluding levy portions assumed by the state, and excluding amounts levied to make payments for bonds issued and for interest thereon, amounts necessary for repayment of debt service loans and capital loans, amounts necessary to pay the district's obligations under section 268.06, subdivision 25, and amounts levied pursuant to section 275.125, subdivisions 6a, 9a, 14a, and 20, shall be placed in the general fund of the district, and may be expended for any lawful purpose.

Sec. 3. Minnesota Statutes 1981 Supplement, Section 124-2121, Subdivision 5, is amended to read:

Subd. 5. [LEVY USE.] A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the (LEVY CERTIFIED IN THE CALENDAR YEAR ENDING IN THE) *portion of the levy payable during that school year* (PRECEDING THAT PARTICULAR SCHOOL YEAR, AND PAYABLE IN THE CALENDAR YEAR IN WHICH THAT SCHOOL YEAR BEGINS).

Sec. 4. Minnesota Statutes 1980, Section 276.11, is amended to read:

**276.11 [WHEN TREASURER SHALL PAY FUNDS.]**

As soon as practical after each settlement in March, June, and November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. He shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in his office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall *pay*, upon written request of the state, a municipal corporation or other public body (PAY) *except school districts*, at least 70 percent of the estimated collection within 30 days after the settlement date. *Within 15 days after the settlement date, the county treasurer shall pay to the treasurer of the school districts at least 70 percent of the estimated collections arising from taxes levied by and belonging to the school district.* He shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

## Sec. 5. [CASH FLOW LOAN FUND.]

*Subdivision 1. There shall be maintained in the state treasury a "cash flow loan fund" for administration of moneys to be received and disbursed as authorized in this section. The purpose of this fund is to alleviate the impact of altering the recognition of tax revenue pursuant to sections 1 to 6 on the cash flow needs of the school districts. Notwithstanding Minnesota Statutes, Section 11A.20, Subdivision 3, the investment income on funds credited to the cash flow loan fund shall be accrued and credited to the cash flow loan fund.*

*Subd. 2. [LOAN APPLICATIONS; REPAYMENTS.] The commissioner of education shall establish procedures for loan applications and criteria for determining increased cash flow needs of school districts caused by the altering of recognition of tax revenue. The commissioner shall approve or disapprove loan applications on the basis of need. Any loan made pursuant to this section shall constitute an advance to the district without interest. For loans made in the 1982-1983 and 1983-1984 school years, the school district shall repay the full amount of the loan by July 25 of the next fiscal year or within five days of receiving final payment of the May tax settlement attributable to that particular school year, whichever is earlier. For loans made in the 1984-1985 school year, the school district shall repay the full amount of the loan by June 25, 1985.*

*Subd. 3. [REPEALER; CANCELLATION.] This section is repealed on June 30, 1985 and any unexpended moneys in the cash flow loan fund as of June 29, 1985 shall be cancelled into the general fund.*

*Subd. 4. [APPROPRIATION.] There is appropriated from the general fund to the department of education for the cash flow loan fund the sum of \$40,000,000. This sum shall be transferred to the cash flow loan fund as needed but the balance of the untransferred funds shall be transferred no later than June 29, 1983. Any unexpended balances in the cash flow loan fund on June 30, 1983 shall not cancel and shall be available for loans to be made in fiscal years 1984 and 1985.*

## Sec. 6. [LEGISLATURE TO EVALUATE CASH FLOW.]

*Before July 1, 1982, the legislature intends to evaluate the effect of sections 1 to 8 on the cash flow needs of school districts, and to reschedule the timing of payment of state aids and credits to school districts to the extent needed to ensure that the cash position of school districts is sufficiently favorable to ensure efficient operation.*

Sec. 7. [EDUCATION AIDS; APPROPRIATION REDUCTION.]

*The total general fund appropriation to the department of education for education aids for the fiscal year ending June 30, 1983 is reduced by \$88,700,000. The commissioner of education shall apportion this reduction among school districts, public library systems, multi-type library systems, educational cooperative service units, and regional management information systems.*

Sec. 8. [REPEALER.]

*Minnesota Statutes 1980, Section 121.904, Subdivision 4, is repealed, effective January 1, 1983.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 7 are effective July 1, 1982."*

Delete the title in its entirety and insert:

*"A bill for an act relating to education; altering the recognition of school district tax revenue; reducing state aids for education in fiscal year 1983 by 93 percent of the amount of the June, 1983 school district tax settlements; requiring payment of 70 percent of the estimated school district tax receipts within 15 days after the settlement date; establishing a cash flow loan fund; reducing education aid appropriations for fiscal year 1983; amending Minnesota Statutes 1980, Sections 121.904 by adding a subdivision; and 276.11; Minnesota Statutes 1981 Supplement, Section 124.2121, Subdivision 5; proposing new law coded in Minnesota Statutes, Chapter 124; repealing Minnesota Statutes 1980, Section 121.904, Subdivision 4."*

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

The report was adopted.

INTRODUCTION AND FIRST READING  
OF HOUSE BILLS

The following House Files were introduced:

Ainley, Jennings, Nysether, Ludeman and Welker introduced:

H. F. No. 21, A bill for an act relating to the operation and financing of state and local government; limiting the property tax refund to homeowners; limiting certain appropriations for local government aid; adopting certain federal income tax amendments; limiting the income tax investment credit subtraction; removing a provision prohibiting the commissioner of finance from reducing allotments pursuant to appropriations for state aids, payments, reimbursements, or fund transfers to or on behalf of school districts; increasing the limitation on the principal amount of certificates of indebtedness of the state; authorizing the commissioner of education to apportion allotment reductions made by the commissioner of finance; authorizing the commissioner of finance to delay payments and credits due to cities, towns, counties, or school districts; reducing appropriations for the general legislative and executive agencies of state government; providing for transfer of appropriations from the second year of the biennium back into the first year of the biennium; reducing the amount of assistance granted in the program of aid to families with dependent children; changing the state and county shares of the cost of certain public assistance programs; providing for establishment of a drug formulary by the commissioner of public welfare; limiting certain rate increases for medical assistance to eight percent; providing for a statewide uniform rate methodology; altering eligibility requirements for medical assistance; requiring recipients to co-pay for part of the costs of medical care and drugs; limiting certification of beds for skilled nursing care; decreasing the per diem rate for medical assistance for certain intermediate care facilities; abolishing the general assistance medical care program; reducing payments for shelter and utilities in the general assistance program; providing for distribution of funds to counties for health care of indigent persons; providing for the use of certain appropriations to discharge workers' compensation and unemployment compensation obligations; transferring the powers and duties of the higher education coordinating board to the commissioner of administration; directing the sale of state lands; appropriating money; amending Minnesota Statutes 1980, Sections 136A.02, Subdivision 1; 136A.142; 256.74, Subdivision 1; 256.82; 256B.04, by adding a subdivision; 256B.041, Subdivision 5; 256B.063; 256B.19, Subdivision 1; 256D.02, Subdivision 11; 256D.36, Subdivision 1; 261.21, Subdivision 1, and by adding subdivisions; 290A.03, Subdivision 6; 290A.04, Subdivisions 1, 2a, and 2b; 290A.05; 352.04, Subdivisions 2 and 3; 352.92, Subdivisions 1 and 2; Minnesota Statutes 1981 Supplement, Sections 16A.123; 16A.671, Subdivision 3; 256.966; 256.967; 256.968; 256B.02, Subdivision 8; 256B.03, Subdivision 2; 256B.06, Subdivision 1; 256D.01, Subdivision 1; 256D.04; 256D.07; 290.01, Subdivision 20; 290.09, Subdivisions 3, 7, and 29; 290.92, Subdivision 15; 290.93, Subdivision 1; 290.934, Subdivision 4; 290A.02; 290A.03, Subdivisions 3, 8, and 13; 290A.06; 290A.07, Subdivisions 2 and 3; 290A.09; 477A.03, Subdivision 2; Laws 1981, Chapters 60, Section 27; 356, Sections 45, 46, and 62, Subdivision 2; and 359, Section 3, Subdivision 3; pro-

posing new law coded in Minnesota Statutes, Chapters 16A; 124; and 136A; repealing Minnesota Statutes 1980, Sections 136A.02, Subdivisions 1a and 3; 256D.02, Subdivision 4a; 256D.03, Subdivision 3; 261.21, Subdivision 2; 261.22; 261.23; 261.231; 261.232; 290.65, Subdivisions 2, 3, 4, 5, 6, and 7; Minnesota Statutes 1981 Supplement, Section 256D.03, Subdivision 4; 290A.03, Subdivisions 11 and 12; 290A.07, Subdivision 2a; 290A.19.

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

Wynia and Vellenga introduced:

H. F. No. 22, A bill for an act relating to federal money; extending the time period for allocating certain federal block grant money; amending Laws 1981, Chapter 356, Section 63.

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

#### CONSENT CALENDAR

H. F. No. 2, A bill for an act relating to motor vehicles; defining vans and pickup trucks; providing for the registration and taxation of certain vans as passenger automobiles; correcting references to the taxation of farm trucks and commercial zone combinations; defining urban trucks; and certain collector's vehicles; including certain trucks among the motor vehicles entitled to collector license plates; amending Minnesota Statutes 1980, Sections 168.011, by adding subdivisions; 168.10, Subdivision 1c; and Minnesota Statutes 1981 Supplement, Sections 168.011, Subdivisions 7 and 10; and 168.013, Subdivisions 1c, 1e and 1i.

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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Aasness	Brandl	Dempsey	Forsythe	Heinitz
Ainley	Brinkman	Den Ouden	Frerichs	Himle
Anderson, B.	Byrne	Eken	Greenfield	Hoberg
Anderson, G.	Carlson, D.	Elioff	Gruenes	Hokanson
Anderson, I.	Carlson, L.	Ellingson	Gustafson	Hokr
Anderson, R.	Clark, J.	Erickson	Halberg	Jacobs
Battaglia	Clark, K.	Esau	Hanson	Jennings
Begich	Clawson	Evans	Hauge	Johnson, C.
Berkelman	Dahlvang	Ewald	Haukoos	Johnson, D.
Blatz	Dean	Fjoslien	Heap	Jude

Kahn	Mehrkens	Osthoff	Sarna	Swanson
Kaley	Metzen	Otis	Schafer	Valan
Kalis	Minne	Peterson, B.	Schoenfeld	Valento
Kelly	Munger	Peterson, D.	Schreiber	Vanasek
Knickerbocker	Murphy	Pogemiller	Searles	Vellenga
Kostohryz	Nelsen, B.	Redalen	Shea	Voss
Kvam	Nelson, K.	Reding	Sherman	Weaver
Lehto	Niehaus	Rees	Sherwood	Welch
Lemen	Novak	Reif	Sieben, M.	Welker
Levi	Nysether	Rice	Simoneau	Wenzel
Long	O'Connor	Rodriguez, C.	Skoglund	Wieser
Ludeman	Ogren	Rodriguez, F.	Stadum	Wynia
Luknic	Olsen	Rose	Stowell	Zubay
Mann	Onnen	Rothenberg	Sviggum	Spkr. Sieben, H.
McDonald				

The bill was passed and its title agreed to.

### MOTIONS AND RESOLUTIONS

Schreiber moved that pursuant to rule 1.15, H. F. Nos. 1 and 7 be recalled from the Committee on Taxes, be given their second readings and be advanced to General Orders.

A roll call was requested and properly seconded.

Anderson, I., moved to amend the Schreiber motion as follows:

After "rule 1.15," add "H. F. No. 8,"

A roll call was requested and properly seconded.

The question was taken on the Anderson, I., amendment to the Schreiber motion and the roll was called. There were 119 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Aasness	Dean	Haukoos	Lemen	Osthoff
Ainley	Dempsey	Heap	Levi	Otis
Anderson, B.	Den Ouden	Heinitz	Long	Peterson, B.
Anderson, G.	Eken	Himle	Luknic	Peterson, D.
Anderson, I.	Elioff	Hoberg	Mann	Piepho
Anderson, R.	Ellingson	Hokanson	Marsh	Pogemiller
Battaglia	Erickson	Hokr	McDonald	Redalen
Beginch	Esau	Jacobs	Mehrkens	Rees
Berkelman	Evans	Johnson, C.	Minne	Rice
Blatz	Ewald	Johnson, D.	Munger	Rodriguez, C.
Brandl	Fjoslien	Jude	Murphy	Rodriguez, F.
Brinkman	Forsythe	Kaley	Nelsen, B.	Rose
Byrne	Frerichs	Kalis	Nelson, K.	Rothenberg
Carlson, D.	Greenfield	Kelly	Novak	Sarna
Carlson, L.	Gruenes	Knickerbocker	Nysether	Schafer
Clark, J.	Gustafson	Kostohryz	O'Connor	Schoenfeld
Clark, K.	Halberg	Kvam	Ogren	Schreiber
Clawson	Hanson	Laidig	Olsen	Searles
Dahlvang	Hauge	Lehto	Onnen	Shea

Sherman	Stadum	Swanson	Voss	Wieser
Sherwood	Staten	Valan	Weaver	Wynia
Sieben, M.	Stowell	Valento	Welch	Zubay
Simoneau	Stumpf	Vanasek	Welker	Spkr. Sieben, H.
Skoglund	Sviggum	Vellenga	Wenzel	

Those who voted in the negative were:

Jennings	Ludeman	Niehaus	Reding	Reif
Kahn				

The motion prevailed and the Anderson, I., amendment was adopted.

Schreiber requested a division of his motion, as amended.

Rice moved that the Schreiber motion, as amended, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Rice motion to table the Schreiber motion, as amended, and the roll was called. There were 65 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dahlvang	Kalis	Ogren	Simoneau
Anderson, G.	Eken	Kelly	Osthoff	Skoglund
Anderson, I.	Eliooff	Kostohryz	Otis	Staten
Battaglia	Ellingson	Lehto	Peterson, D.	Stumpf
Begich	Greenfield	Long	Pogemiller	Swanson
Berkelman	Gustafson	Mann	Reding	Tomlinson
Brandl	Hanson	Metzen	Rice	Vanasek
Brinkman	Hauge	Minne	Rodriguez, C.	Vellenga
Byrne	Hokanson	Munger	Rodriguez, F.	Voss
Carlson, L.	Jacobs	Murphy	Sarna	Welch
Clark, J.	Johnson, C.	Nelson, K.	Schoenfeld	Wenzel
Clark, K.	Jude	Novak	Shea	Wynia
Clawson	Kahn	O'Connor	Sieben, M.	Spkr. Sieben, H.

Those who voted in the negative were:

Aasness	Forsythe	Kaley	Nysether	Searles
Ainley	Frerichs	Knickerbocker	Olsen	Sherman
Anderson, R.	Gruenes	Laidig	Onnen	Sherwood
Blatz	Halberg	Lemen	Peterson, B.	Stadum
Carlson, D.	Haukoos	Levi	Piepho	Stowell
Dean	Heap	Ludeman	Redalen	Sviggum
Dempsey	Heinitz	Luknic	Rees	Valan
Den Ouden	Himle	Marsh	Reif	Valento
Erickson	Hoberg	McDonald	Rose	Weaver
Esau	Hokr	Mehrkens	Rothenberg	Welker
Evans	Jennings	Nelsen, B.	Schafer	Wieser
Ewald	Johnson, D.	Niehaus	Schreiber	Zubay
Fjoslien				

The motion prevailed.

Rose moved that pursuant to rule 1.15, H. F. No. 3 be recalled from the Committee on Governmental Operations, be given its second reading and be advanced to General Orders.

Eken moved that the Rose motion be laid on the table. The motion prevailed.

**ADJOURNMENT**

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, December 17, 1981.

**EDWARD A. BURDICK, Chief Clerk, House of Representatives**

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THIRD SPECIAL SESSION

[7th Day