

STATE OF MINNESOTA

SEVENTY-THIRD SESSION - 1983

THIRTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 11, 1983

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 Father James R. Murphy, St. Lawrence Church, Faribault, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Erickson	Knuth	Pauly	Skoglund
Anderson, G.	Evans	Kostohryz	Peterson	Solberg
Anderson, R.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Stadum
Beard	Forsythe	Larsen	Price	Staten
Begich	Frerichs	Levi	Quinn	Sviggum
Bennett	Graba	Long	Quist	Swanson
Bergstrom	Greenfield	Ludeman	Redalen	Thiede
Berkelman	Gruenes	Mann	Reif	Tomlinson
Bishop	Gustafson	Marsh	Rice	Tunheim
Blatz	Gutknecht	McDonald	Riveness	Uphus
Brandl	Halberg	McEachern	Rodosovich	Valan
Brinkman	Haukoos	McKasy	Rodriguez, C.	Valento
Burger	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Minne	Rose	Vellenga
Carlson, L.	Himle	Munger	St. Onge	Voss
Clark, J.	Hoberg	Murphy	Sarna	Waltman
Clark, K.	Hoffman	Nelson, D.	Schafer	Welch
Clawson	Hokr	Nelson, K.	Scheid	Welker
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Jensen	Ogren	Seaberg	Wigley
DenOuden	Johnson	Olsen	Segal	Wynia
Dimler	Kahn	Omann	Shaver	Zaffke
Eken	Kalis	Onnen	Shea	Speaker Sieben
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	

A quorum was present.

Norton was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dis-

pensed 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. 344, 390, 507, 519, 520, 592, 598, 657, 725, 727, 730, 794, 801, 835, 836, 838, 853, 870, 903, 953, 977, 987, 995, 996, 380, 513, 804, 859, 102, 161, 239, 254, 375, 490, 521, 582, 685, 749, 806, 869, 909, 159, 251, 332, 491, 537, 672, 606, 643, 610 and 777 and S. F. Nos. 87, 356, 369, 854, 708, 246 and 218 have been placed in the members' files.

S. F. No. 369 and H. F. No. 603, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Cohen moved that S. F. No. 369 be substituted for H. F. No. 603 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 356 and H. F. No. 344, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Gustafson moved that S. F. No. 356 be substituted for H. F. No. 344 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 708 and H. F. No. 853, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clawson moved that the rules be so far suspended that S. F. No. 708 be substituted for H. F. No. 853 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received :

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 6, 1983

The Honorable Harry Sieben, Jr.
Speaker of the House
276 State Office Building
St. Paul, Minnesota 55155

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 File:

H. F. No. 56, relating to local government; providing for orderly annexations in accordance with the terms of the resolutions of local government units; amending Minnesota Statutes 1982, section 414.0325, subdivision 1.

Sincerely,

RUDY PERPICH
Governor

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

April 6, 1983

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	56	18	April 6	April 6
31		19	April 6	April 6
152		20	April 6	April 6
221		21	April 6	April 6
224		22	April 6	April 6
270		23	April 6	April 6
421		24	April 6	April 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 76, A bill for an act relating to the environment; establishing an environmental response, compensation and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, economic loss, and damage to natural resources resulting from releases of hazardous substances; imposing taxes, fees, and penalties; providing for injunctive relief; appropriating money; amending Minnesota Statutes 1982, sections 115A.-24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; proposing new law coded as Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1982, section 115A.-24, subdivision 2.

Reported the same back with the following amendments:

Page 23, line 30, delete "(e)" and insert "(f)"

Page 31, line 3, delete "At the end of each"

Page 31, line 4, delete "fiscal year" and insert "By November 1, 1984, and each year thereafter"

Page 31, line 8, delete "that" and insert "the previous fiscal"

Page 36, line 28, delete "or agency"

Page 40, delete section 26, and insert:

"Sec. 26. [STUDY.]

The commissioner of insurance shall conduct a study to determine (1) whether adequate private insurance is available on reasonable terms and conditions to the persons subject to liability under section 5, and (2) whether the market for this insurance is sufficiently competitive to insure purchasers of features such as a reasonable range of deductibles, coinsurance provisions, and exclusions. The commissioner shall submit the results of the study, together with his recommendations, to the legislature by January 1, 1985. The director of the pollution control agency shall cooperate with and provide assistance to the commissioner during the course of the study.

Sec. 27. [APPROPRIATION; COMPLEMENT.]

Subdivision 1. [APPROPRIATION TO FUND.] The sum of \$5,000,000 is appropriated from the general fund and transferred to the environmental response, compensation, and compliance fund established in section 17. This appropriation is available until expended.

Subd. 2. [TAX ADMINISTRATION; COMPLEMENT.] \$50,000 in fiscal year 1984 and \$40,000 in fiscal year 1985 is appropriated from the general fund to the commissioner of revenue for the purposes of administering and enforcing sections 18 to 21. This appropriation shall be reimbursed to the general fund under the provisions of section 21, subdivision 10.

The complement of the department of revenue is increased by two positions.

Subd. 3. [APPROPRIATION FOR RESPONSE ACTIONS; COMPLEMENT.] All money in the environmental response, compensation, and compliance fund except as provided in subdivisions 2 and 4, and except any money recovered with respect to natural resources under section 14, subdivision 7, is appropriated to the pollution control agency for the purposes described in section 17, subdivision 2, clauses (a), (b), and (c). This appropriation is available until June 30, 1985.

Of this amount \$483,700 in fiscal year 1984 and \$400,700 in fiscal year 1985 is for salaries, supplies, and expenses.

The complement of the pollution control agency is increased by ten positions.

Subd. 4. [APPROPRIATION FOR COMPLIANCE ACTIONS; COMPLEMENT.] \$45,600 in fiscal year 1984 and \$56,400 in fiscal year 1985 is appropriated from the general fund to the attorney general for the purposes of enforcing this act. This appropriation shall be reimbursed to the general fund from the environmental response, compensation, and compliance fund.

The complement of the office of the attorney general is increased by two positions.

Subd. 5. [APPROPRIATION FOR STUDY.] There is appropriated from the general fund to the commissioner of insurance \$30,000 for fiscal year 1984, to conduct the study described in section 26."

Page 41, line 2, delete " , and 26"

Renumber the remaining sections

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 92, A bill for an act relating to education; modifying the state aid and levy provisions governing community education; amending Minnesota Statutes 1982, sections 124.271, subdivision 2a; and 275.125, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

FOUNDATION AID

Section 1. Minnesota Statutes 1982, section 124.2122, subdivision 1, is amended to read:

Subdivision 1. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. (THE FORMULA ALLOWANCE SHALL BE \$1,333 FOR FOUNDATION AID FOR THE 1981-1982 SCHOOL YEAR.) The formula allowance shall be \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The formula allowance shall be \$1,475 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. *The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.*

Sec. 2. Minnesota Statutes 1982, section 124.2122, subdivision 2, is amended to read:

Subd. 2. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. (THE BASIC MAINTENANCE MILL RATE SHALL BE .021 FOR THE 1980 PAYABLE 1981 LEVY AND FOR FOUNDATION AID FOR THE 1981-1982 SCHOOL YEAR.) The basic maintenance mill rate shall be .024 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The basic maintenance mill rate shall be .024 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year.

(A DISTRICT MAY LEVY LESS THAN 24 MILLS. IF A DISTRICT LEVIES AT LEAST 95 PERCENT OF AN AMOUNT EQUAL TO 23 MILLS TIMES THE ADJUSTED ASSESSED VALUATION OF THE DISTRICT, BASIC FOUNDATION AID SHALL BE COMPUTED AS THOUGH THE DISTRICT HAD LEVIED 24 MILLS TIMES THE ADJUSTED ASSESSED VALUATION OF THE DISTRICT.) *The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.*

Sec. 3. Minnesota Statutes 1982, section 124.2126, subdivision 3, is amended to read:

Subd. 3. [MINIMUM AID.] A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's state school agricultural tax credit aid for that school year;

(2) The amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135;

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

(5) The amount by which property taxes of the district for use in that school year are reduced by the state paid wetlands credit provisions in section 273.115;

(6) The amount by which property taxes of the district for use in that school year are reduced by the state paid native prairie credit provisions in section 273.116; (AND)

(7) The amount by which property taxes of the district for use in that school year are reduced by the credit for reduced assessment provisions in section 273.139;

(8) *The amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and*

(9) *The amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserves provisions in section 473H.10.*

Sec. 4. Minnesota Statutes 1982, section 124.2128, subdivision 1, is amended to read:

Subdivision 1. [LOW FUND BALANCE ALLOWANCE; DEFINITION.] "Low fund balance allowance" means an amount of revenue per actual pupil unit equal to the lesser of:

- (a) (\$60) \$100; or
- (b) the difference between
- (i) (\$316) \$336, and

- (ii) the district's net unappropriated fund balance in all operating funds per actual pupil unit as of June 30 in the year the levy is certified.

The low fund balance allowance shall be used to determine the low fund balance aid for a particular school year, and the low fund balance levy for use in that school year.

Sec. 5. Minnesota Statutes 1982, section 124.2132, subdivision 4, is amended to read:

Subd. 4. [COUNTY APPORTIONMENT DEDUCTION.]

((1) THE AMOUNT OF MONEY APPORTIONED TO A SCHOOL DISTRICT FOR 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 AMOUNT APPORTIONED PURSUANT TO SECTION 124.10, SUBDIVISION 2, SHALL BE DEDUCTED FROM FOUNDATION AID FOR THE 1981-1982 SCHOOL YEAR, BUT THIS DEDUCTION SHALL NOT 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. 6. [124.2138] [REVENUE EQUITY AID SUBTRACTION.]

Subdivision 1. [BASIC MAINTENANCE LEVY EQUITY.] (1) *In any year when the amount of the maximum levy limitation for any district under section 275.125, subdivision 2a, exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections 124.2137 and 124.646 shall not be reduced.*

(2) *The amount of the deduction shall equal the difference between:*

(a) *the district's basic foundation revenue, and*

(b) *the sum of the amount of the district's maximum levy limitation under section 275.125, subdivision 2a, plus the amount of any reductions to that levy limitation pursuant to section 275.125, subdivisions 2e and 9. However, for fiscal year 1985, the amount of the deduction shall be one-third of the difference between clauses (a) and (b), and for fiscal year 1986, the amount of the deduction shall be two-thirds of the difference between clauses (a) and (b).*

Subd. 2. [TRANSPORTATION LEVY EQUITY.] (1) *In any fiscal year in which the transportation levy in a district attributable to that fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, and 8k, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to subdivision 1 of this section. However, aid authorized in sections 124.2137 and 124.646 shall not be reduced.*

(2) *The amount of the deduction shall equal the difference between:*

(a) *1.75 mills times the adjusted assessed valuation of the district for the levy attributable to that fiscal year, and*

(b) *the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, and 8k, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a. However, for*

fiscal year 1985, the amount of the deduction shall be one-third of the difference between clauses (a) and (b), and for fiscal year 1986, the amount of the deduction shall be two-thirds of the difference between clauses (a) and (b).

Subd. 3. In any fiscal year in which the state payments on behalf of a district authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), are reduced under this section, the commissioner of education shall certify the amounts of the required reductions to the district. The district shall pay employer contributions in the amount of the reduction of these payments to the commissioner, which amount shall be placed in the general fund.

Sec. 7. Minnesota Statutes 1982, section 275.125, subdivision 2e, is amended to read:

Subd. 2e. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] (1) In any year when the amount of the maximum levy limitation under subdivision 2a for any district, 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 actual and AFDC pupil units for that district for that school year, the levy limitation for that district under subdivision 2a 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:

(a) the sum of

(i) the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of actual and AFDC pupil units for that district for that school year, plus

(ii) special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections 124.2137 and 124.646, plus

(iii) the amount of state payments on behalf of the district for the same school year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.2132, subdivision 4 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, for purposes of statutory cross-reference.

Sec. 8. Minnesota Statutes 1982, section 275.125, subdivision 6d, is amended to read:

Subd. 6d. [LOW FUND BALANCE LEVY.] (1) For purposes of this subdivision, the term "low fund balance revenue" shall have the meaning given it in section 124.2128.

(2) Each year, a district where the net unappropriated fund balance in all operating funds as of June 30 is less than (\$316) \$336 per actual pupil unit may levy an amount equal to

(a) the product obtained by multiplying

(i) the district's low fund balance revenue for the school year to which the levy is attributable, times

(ii) the lesser of

(A) one or

(B) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to 75 percent of the equalizing factor for the school year to which the levy is attributable.

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, section 124.11, subdivision 1, is repealed.

Sec. 10. [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:

\$584,325,000 . . . 1984,

\$544,556,000 . . . 1985.

The appropriation for 1984 includes \$84,895,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$499,430,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$89,413,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$455,143,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriation in this section for 1984 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 2

TRANSPORTATION AID

Section 1. Minnesota Statutes 1982, section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.]

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) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e) (1), for which aid is authorized in section 124.223, plus

(2) 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

(3) 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, plus

(4) beginning in fiscal year 1984, an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(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:

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

(2) During-day transportation is transportation services between schools provided under section 124.223, clause (1), and transportation services provided under section 124.223, clauses (3) and (9), and transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(3) Handicapped transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6), and transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

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

(5) 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);

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

(7) *Nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).*

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation cate-

gory in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

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

(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.

(i) "Percent excess handicapped FTE's transported" means the result of the following computation for the current year:

one, minus the product of

(1) the ratio of the number of FTE pupils transported in the handicapped category in the state to the number of FTE pupils transported in the handicapped category in the district; times

(2) the ratio of the number of FTE pupils transported in the regular category in the district to the number of FTE pupils transported in the regular category in the state.

(j) "Current year" means the school year for which aid will be paid.

(k) "Base year" mean the second school year preceding the school year for which aid will be paid.

(l) "Base cost" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

(m) "Predicted base cost" means the base cost as predicted by subdivision 3.

Subd. 1a. [WEIGHTING FACTORS.] For each school year, in computing transportation aid, the department of education shall establish as needed the pupil weighting factors for each transportation category for each district 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 district had no experience during the second prior school year.

Subd. 3. [FORMULA.] For each 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. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4a, to predict the base cost for each district. A formula shall be derived based upon the regression analysis (, BUT EXCLUDING THE FACTORS DESCRIBED IN SUBDIVISION 4a, CLAUSES (8), (9), AND (10), EXCEPT THAT IN THE 1982-1983 SCHOOL YEAR, THESE CLAUSES SHALL NOT BE EXCLUDED). This formula shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Subd. 4a. [FORMULA TERMS.] To predict the *logarithm* of the base cost for each district pursuant to subdivision 3, the multiple regression formula shall use the following terms for each district:

(1) (THE DISTRICT'S AVERAGE DAILY MEMBERSHIP;)

((2) THE RECIPROCAL OF THE DISTRICT'S AVERAGE DAILY MEMBERSHIP;)

((3)) The logarithm of *the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;*

((4) THE PERCENTAGE OF THE DISTRICT'S SQUARE MILE AREA WHICH IS CLASSIFIED BY THE COMMISSIONER OF ENERGY, PLANNING AND DEVELOPMENT AS WATER-COVERED, MARSHLAND, OR EXTRACTIVE;)

((5) THE DISTRICT'S ADMINISTRATIVE OVERHEAD FOR TRANSPORTATION PER AUTHORIZED FTE TRANSPORTED IN THE REGULAR TRANSPORTATION CATEGORY;)

((6) THE NUMBER OF SCHOOLS TO WHICH PUPILS ARE TRANSPORTED IN THE REGULAR TRANSPORTATION CATEGORY, EITHER WITHIN OR OUTSIDE THE DISTRICT, DIVIDED BY THE NUMBER OF AUTHORIZED FTE'S TRANSPORTED IN THE REGULAR TRANSPORTATION CATEGORY;)

((7)) (2) Whether the district is non-rural, based upon criteria established by the department of education;

((8) WHETHER THE DISTRICT CONTRACTS FOR BUS SERVICE, OR TRANSPORTS PUPILS ONLY ON DISTRICT-OWNED BUSES;)

((9)) (3) The *logarithm of the percentage of all FTE's transported in the regular transportation category (BUS ROUTES) using buses that are not owned by the district (, IF THAT PERCENTAGE IS NOT 100 PERCENT;)*

((10) WHETHER THE DISTRICT OPERATES A SPECIAL BUS TO TRANSPORT PUPILS TO HOME FROM SCHOOL WHO ARE INVOLVED IN AFTER-SCHOOL ACTIVITIES).

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] (1) (EACH DISTRICT'S PREDICTED BASE COST DETERMINED FOR EACH SCHOOL YEAR ACCORDING TO SUBDIVISION 3 SHALL BE AVERAGED WITH THE BASE COST FOR THAT DISTRICT FOR THAT YEAR TO DETERMINE THE DISTRICT'S ADJUSTED AUTHORIZED PREDICTED COST PER FTE FOR THAT YEAR.)

((2) NOTWITHSTANDING CLAUSE (1),) For fiscal year 1983, (THE) *each district's predicted base cost determined according to subdivision 3 shall be adjusted as provided in this clause to determine adjusted authorized predicted cost per FTE for the base school year.*

(a) If the predicted base cost exceeds the base cost, the predicted base cost shall be decreased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(b) If the predicted base cost is less than the base cost, the predicted base cost shall be increased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

((2) For fiscal year 1984, and each year thereafter, each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

(a) If the base cost of the district is within ten percent of the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to the base cost.

(b) If the base cost of the district is more than ten percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 110 percent of the predicted base cost, plus 50 percent of the difference between

(i) the base cost, and (ii) 110 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.

(c) If the base cost of the district is more than ten percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 90 percent of the predicted base cost, minus 50 percent of the difference between (i) 90 percent of predicted base cost, and (ii) the base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year, by 11.4 percent to determine the district's aid entitlement per FTE for the 1983-1984 school year, and by 10.8 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year.

Subd. 8a. [AID.] For the 1982-1983 and 1983-1984 school years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, its during-day transportation aid pursuant to subdivision 8g, and its closed-school transportation aid pursuant to subdivision 8h, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. For the 1983-1984 school year transportation aid for a district which contracted for pupil transportation services in the 1981-1982 school year shall be reduced by an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the base year in the regular transportation category. A district may levy less than the amount raised by two mills. Transportation aid shall be computed as if the district had levied the amount raised by two mills. (IF THE TOTAL APPROPRIATION FOR TRANSPORTATION AID IN ANY FISCAL YEAR AFTER 1982 IS INSUFFICIENT TO PAY ALL DISTRICTS THE FULL AMOUNT OF AID EARNED, THE DEPARTMENT OF EDUCATION SHALL REDUCE EACH DISTRICT'S AID IN PROPORTION TO THE NUMBER OF RESIDENT PUPILS IN AVERAGE DAILY MEMBERSHIP IN THE DISTRICT TO THE STATE TOTAL AVERAGE DAILY MEMBERSHIP, AND SHALL REDUCE THE AID ENTITLEMENT OF OFF-FORMULA DISTRICTS IN THE SAME PROPORTION.) Aid for the 1982-1983 and 1983-1984 school years shall also be reduced by the following amount: the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to subdivision 7b, times the ratio of average daily membership used in subdivision 8b.

For the 1984-1985 school year and each year thereafter, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Subd. 8b. [BASIC AID COMPUTATION.] For the 1982-1983 and 1983-1984 school years, a district's basic transportation aid pursuant to this section for the school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized weighted FTE's transported in the regular and handicapped transportation categories in the district in the base year times the ratio of average daily membership in the district in the current year to the average daily membership in the district in the base year.

For the 1984-1985 school year and each year thereafter, a district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized FTE's transported in the regular (AND HANDICAPPED CATEGORIES) category in the district in the current school year.

Subd. 8c. [EXCESS HANDICAPPED AID.] (a) For (EACH) *the 1982-1983 and 1983-1984 school (YEAR) years*, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where, in the current school year, the ratio of FTE's transported in the handicapped category to the total number of FTE's transported in the regular transportation category exceeds the same ratio for the state as a whole.

(b) This aid shall equal:

the product of the percent excess handicapped FTE's transported, times the difference between

(1) the district's actual cost for transportation of all pupils in the handicapped category in the current year, and

(2) the product of

(i) the district's aid entitlement per FTE determined according to subdivision 7b, times

(ii) (THE NUMBER OF FTE'S TRANSPORTED IN THE HANDICAPPED CATEGORY IN THE DISTRICT IN THE CURRENT YEAR.)

(PROVIDED THAT FOR THE 1982-1983 AND 1983-1984 SCHOOL YEARS, THE NUMBER IN (2)(ii) ABOVE SHALL BE REPLACED BY THE FOLLOWING COMPUTATION:) the product of the number of FTE's transported in the handicapped category in the district in the base year, times its pupil weighting factor for the handicapped category, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.

Excess handicapped transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8d. [HANDICAPPED BOARD AND LODGING AID.] For board and lodging of handicapped pupils, each district shall receive aid equal to the product of the number of FTE pupils boarded and lodged in the current year in the district in this transportation category, times the average of

(a) the state average board and lodging cost per FTE pupil boarded and lodged in the base year, times the inflation factor for that year prescribed in subdivision 7b; and

(b) the district's actual cost per FTE pupil boarded and lodged in the current year.

Aid for board and lodging of handicapped pupils authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8e. [TO AND FROM BOARD AND LODGING.] For transportation of handicapped pupils to and from board and lodging facilities, the state shall pay aid to each district for each year equal to the lesser of

(a) the sum of the distance in miles from the home of each pupil transported in this category to the board and lodging facility, times 36, times 24 cents; or

(b) the average of the amount in (a) and the district's actual cost for all transportation in this category in the current year.

Aid for transportation of handicapped pupils to and from board and lodging facilities authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8f. [NONPUBLIC SUPPORT SERVICES AID.] For the 1982-1983 and 1983-1984 school years, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE pupils transported in the nonpublic support services category in the district in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. (FOR THE 1984-1985 SCHOOL YEAR AND THEREAFTER, A DISTRICT'S NON-PUBLIC SUPPORT SERVICES TRANSPORTATION AID SHALL EQUAL THE DISTRICT'S AID ENTITLEMENT PER FTE DETERMINED ACCORDING TO SUBDIVISION 7B, TIMES ITS PUPIL WEIGHTING FACTOR FOR THE NON-PUBLIC SUPPORT SERVICES TRANSPORTATION CATEGORY, TIMES THE NUMBER OF FTE'S TRANSPORTED IN THAT CATEGORY IN THE CURRENT YEAR.)

Nonpublic support services aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8g. [DURING-DAY TRANSPORTATION AID.] For the 1982-1983 and 1983-1984 school years, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. (FOR THE 1984-1985 SCHOOL YEAR AND THEREAFTER, A DIS-

TRICT'S DURING-DAY TRANSPORTATION AID SHALL EQUAL THE DISTRICT'S AID ENTITLEMENT PER FTE DETERMINED ACCORDING TO SUBDIVISION 7B, TIMES ITS PUPIL WEIGHTING FACTOR FOR THE DURING-DAY TRANSPORTATION CATEGORY, TIMES THE NUMBER OF FTE'S TRANSPORTED IN THE DURING-DAY TRANSPORTATION CATEGORY IN THE CURRENT YEAR.)

During-day transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8h. [CLOSED-SCHOOL TRANSPORTATION AID.] For the 1982-1983 and 1983-1984 school years, a district's closed-school transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the number of authorized FTE's transported in the regular category in the current school year who were not transported in the base year and would not have been transported in the current year but for school closings or altered school attendance boundaries. The total amount of transportation aid computed pursuant to this subdivision in each year shall not exceed \$2,000,000. If this amount is insufficient to pay each qualifying district its full amount of aid pursuant to this subdivision, this amount shall be prorated among all qualifying districts in proportion to each district's number of FTE's for whom aid is claimed under this subdivision.

Closed-school transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8i. [NONREGULAR TRANSPORTATION AID.] For the 1984-1985 school year and each year thereafter, a district's nonregular transportation aid shall be determined pursuant to this subdivision. Nonregular transportation aid shall equal (a) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times (b) the number of total pupil units in the district in the current year.

Subd. 8j. [NONREGULAR TRANSPORTATION LEVY EQUALIZATION AID.] For the 1984-1985 school year and each year thereafter, a district's nonregular transportation levy equalization aid shall be determined pursuant to this subdivision.

(a) Unreimbursed nonregular transportation revenue shall equal the actual cost in the current year for nonregular transportation services, minus the district's nonregular transportation aid computed pursuant to subdivision 8i.

(b) *The nonregular transportation levy is the levy authorized by section 275.125, subdivision 5c.*

(c) *Nonregular transportation levy equalization aid for a district shall equal the product of (1) its unreimbursed nonregular transportation revenue, minus the nonregular transportation levy limitation for that year, times (2) the ratio of the district's actual nonregular transportation levy to its nonregular transportation levy limitation.*

Subd. 8k [CONTRACTED SERVICES AID REDUCTION.] *For the 1984-1985 school year and each year thereafter, each district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category. The department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4a, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.*

Subd. 9. [DISTRICT REPORTS.] Each district shall report data to the department as required by the department to implement the transportation aid formula. If a district's final transportation aid payment is adjusted after the final aid payment has been made to all districts, the adjustment shall be made by increasing or decreasing the district's aid for the next fiscal year.

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) an amount equal to two mills times the adjusted assessed valuation of the district *for levies attributable to fiscal years 1983 and 1984, or 1.75 mills times the adjusted assessed valuation of the district for levies attributable to fiscal year 1985 and thereafter.* Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

(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 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.)

Subd. 12. [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 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. 2. Minnesota Statutes 1982, section 275.125, subdivision 5, is amended to read:

Subd. 5. [TRANSPORTATION LEVY.] For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of (TWO) 1.75 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may also levy under this subdivision for the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year when the levy is recognized as revenue. A district which contracts for pupil transportation services may also levy an amount equal to (\$18 TIMES THE NUMBER OF FTE PUPILS TRANSPORTED ON CONTRACTED SCHOOL BUSES IN THE PRECEDING SCHOOL YEAR IN THE REGULAR TRANSPORTATION CATEGORY) *the aid subtraction computed pursuant to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified, which amount*

shall be placed in the transportation fund and used for any lawful purpose. A district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended. A district may also levy for transportation costs or other related services which are necessary because of extraordinary traffic hazards for the next school year. Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] In (ANY) fiscal (YEAR IN WHICH) *years 1983 and 1984* if the transportation levy in a district attributable to (THAT) *each* fiscal year of two mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, the district's transportation levy limitation shall be adjusted as provided in this subdivision. In the year following (THAT) *each of those* fiscal (YEAR) *years*, the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

In fiscal year 1985 and each fiscal year thereafter, if the basic transportation levy in a district attributable to a particular fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 1.75 mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, and 8k, and the amount of any subtraction made from special state aids and payments pursuant to article 1, section 6, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

For the levies certified in 1983 and 1984, the following additional amount shall be subtracted:

the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.

Sec. 4. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed non-regular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to the equalizing factor for the school year to which the levy is attributable.

Sec. 5. [ADDITIONAL TRANSPORTATION LEVY; 1983.]

Any district which in 1982 levied less than the maximum amount the district was permitted to levy pursuant to Minnesota Statutes 1982, section 275.125, subdivision 5, for the estimated cost of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, or which in 1982 levied less than \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, may make an additional transportation levy in 1983. The additional levy in 1983 shall not exceed the amount by which the district's actual levy in 1982 under those provisions was less than the maximum amount the district was permitted to levy under those provisions.

Sec. 6. [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:

\$83,554,000 1984,

\$91,247,000 1985.

(a) The appropriation for 1984 includes \$13,471,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$70,083,000 for fiscal year 1984 payable in fiscal year 1984.

(b) The appropriation for 1985 includes \$12,367,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$78,880,000 for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriation in this section for 1984 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 any purposes indicated is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.

ARTICLE 3**SPECIAL EDUCATION**

Sec. 1. Minnesota Statutes 1982, 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. *The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request*

whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 2. Minnesota Statutes 1982, section 124.17, subdivision 2d, is amended to read:

Subd. 2d. [SUMMER SCHOOL MEMBERSHIP.] 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. *Until August 31, 1984, 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. After August 31, 1984, this number shall equal the sum for all pupils of the number of classroom hours in the program for which each pupil is enrolled divided by 1080. However, the number of hours for an individual pupil may not exceed 120 unless a district obtains approval from the commissioner of education for a program which exceeds 120 hours.* Membership in summer school or intersession classes of flexible school year programs shall not include a handicapped pupil 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.

Sec. 3. Minnesota Statutes 1982, section 124.201, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for handicapped pupils enrolled in 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. Only pupils who are handicapped and who are appropriately served at levels 2, 3, 4, 5, or 6 of the continuum of placement model described in 5 MCAR 1.0120 B.11. shall be included in the computation of summer school pupil units.

(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 124.2122 for the preceding regular school year.

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

Sec. 4. Minnesota Statutes 1982, section 124.201, subdivision 3, is amended to read:

Subd. 3. [AID FOR 1982 SUMMER SCHOOL (AID).] (EACH YEAR) *In fiscal year 1983 a district shall receive summer school aid for the 1982 summer school session 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 275.125, subdivision 2i 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 275.-125, subdivision 2i in the calendar year when the summer school program is offered.

Sec. 5. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 4. [AID FOR 1983 SUMMER SCHOOL SESSION.] *In fiscal year 1984 a district shall receive summer school aid for the 1983 summer school session 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 18, clause (a), certified in calendar year 1983; times

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

(2) the levy certified by the district pursuant to section 19, clause (a) in calendar year 1983.

Sec. 6. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 5. [SUMMER SCHOOL AID.] *In fiscal year 1985 and each year thereafter, 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, certified in the calendar year before 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 in the calendar year before the summer school program is offered.*

Sec. 7. Minnesota Statutes 1982, section 124.201 is amended by adding a subdivision to read:

Subd. 6. [AID ADJUSTMENT.] The department of education shall adjust the aid paid each year to reflect adjustments which were made or could have been made to the levy because of a difference between estimated and actual pupil membership. The department shall also adjust levy limitations for districts where actual pupil membership differs from estimated pupil membership.

Sec. 8. Minnesota Statutes 1982, section 124.273, subdivision 1b, is amended to read:

Subd. 1b. [1983-1984 TEACHERS SALARIES.] For the 1983-1984 school year, and each year thereafter, the department shall pay a school district (65) 64.3 percent of the salary, calculated from the date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay (65) 64.3 percent of the salary, calculated from the date of hire, of one-half of a full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled.

Sec. 9. Minnesota Statutes 1982, section 124.273, subdivision 2b, is amended to read:

Subd. 2b. [1983-1984 PROHIBITION.] Beginning in the 1983-1984 school year, and each year thereafter, the department of education shall not pay a school district an amount exceeding (65) 64.3 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for pupils of limited English proficiency.

Sec. 10. Minnesota Statutes 1982, section 124.273, subdivision 4, is amended to read:

Subd. 4 [APPLICATION DATES.] (a) (A DISTRICT WISHING TO RECEIVE AID PURSUANT TO THIS SECTION SHALL SUBMIT AN APPLICATION BY OCTOBER 15, FEBRUARY 15, AND JUNE 15 OF EACH YEAR. AID PAID PURSUANT TO THIS SECTION SHALL BE BASED ON THE NUMBER OF PUPILS OF LIMITED ENGLISH PROFICIENCY ENROLLED IN THE DISTRICT AT THE TIME THE DISTRICT SUBMITS ITS FIRST APPLICATION OR THE NUMBER OF ADDITIONAL SUCH PUPILS EN-

ROLLED AT THE TIME SUBSEQUENT APPLICATIONS ARE SUBMITTED) *A district shall submit an initial application for aid by October 15 and shall submit an amended application by February 15 or by June 15 if the number of enrolled pupils of limited English proficiency has changed since filing a previous application. Districts which do not submit an initial application by October 15 but enroll pupils of limited English proficiency after that date may submit an initial application by February 15 or by June 15. A final report with actual salary and enrollment information shall be submitted by August 15 for calculation of the final payment.*

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

Sec. 11. Minnesota Statutes 1982, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [1983-1984 TEACHERS SALARIES.] Beginning in the 1983-1984 school year and each year thereafter, the state shall pay to any district for the employment in its educational program for handicapped children (70) 69.3 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

Sec. 12. Minnesota Statutes 1982, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. [CONTRACT SERVICES.] (1) Except for the 1982-1983 school year, 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) 59.4 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) Except for the 1982-1983 school year, 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) 59.4 percent of the difference between the amount of the contract and the summer school revenue allowance of the district attributable to that pupil.

Sec. 13. Minnesota Statutes 1982, section 124.32, subdivision 2, is amended to read:

Subd. 2. [SUPPLY AND EQUIPMENT AID.] Except for the 1982-1983 school year, the state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to (ONE-HALF) 49.5 percent of the sum actually expended by the district but not to exceed an average of (\$50) \$49.50 in any one school year for each handicapped child receiving instruction.

Sec. 14. Minnesota Statutes 1982, section 124.32, subdivision 3a, is amended to read:

Subd. 3a. *Unless otherwise specified*, the aids provided for educational programs for handicapped children shall be paid on a current funding basis.

Sec. 15. Minnesota Statutes 1982, section 124.32, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL AID.] When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay aid to the resident district under the provisions of this subdivision. Except for the (1982-1983) 1981-1982 regular school year, the aid shall be an amount not to exceed (60) 59.4 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. Except for (1983) 1982 summer school programs, the aid for summer school programs for each handicapped child placed in a residential facility shall be an amount not to exceed (60) 59.4 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child. *Aid for these programs shall be paid on a reimbursement basis by October 31 following completion of the program.* No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by the state or public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children within the state.

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children within the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Sec. 16. Minnesota Statutes 1982, section 124.32, subdivision 5a, is amended to read:

Subd. 5a. [(1982-1983) 1981-1982 RESIDENTIAL AID.] The aid for the (1982-1983) 1981-1982 school year shall be paid according to subdivision 5, except that for the regular (1982-1983) 1981-1982 school year the aid shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. For summer school programs in (1983) 1982, the aid for each handicapped child placed in a residential facility shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child.

Sec. 17. Minnesota Statutes 1982, section 275.125, subdivision 2i, is amended to read:

Subd. 2i. [1982 HANDICAPPED SUMMER SCHOOL LEVY.] A district may levy for the 1982 summer school programs for handicapped pupils an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the (CALENDAR YEAR WHEN THE LEVY IS CERTIFIED) 1982 session, times

(2) the lesser of:

(a) one, or

(b) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the third preceding year by the total pupil units in the district in the preceding regular school year, to

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

Sec. 18. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 2j. [1983 LEVY FOR 1983 AND 1984 HANDICAPPED SUMMER SCHOOL.] (a) In 1983 a district may levy for the 1983 summer school program for handicapped pupils an amount equal to the following product:

(1) the district's summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the 1983 session, times

(2) the lesser of:

(i) one, or

(ii) the ratio of

(A) the quotient derived by dividing the 1980 adjusted assessed valuation of the district by the total pupil units in the district in the 1982-1983 school year, to

(B) the equalizing factor for the 1982-1983 school year.

(b) In addition, in 1983 a district may levy for the 1984 summer school program for handicapped pupils an amount equal to the following product:

(1) the district's estimated summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2), times

(2) the lesser of

(i) one or

(ii) the ratio of

(A) the quotient derived by dividing the 1981 adjusted assessed valuation of the district by the number of total pupil units in the district in the 1983-1984 school year, to

(B) the equalizing factor for the 1983-1984 school year.

Sec. 19. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 2k. [HANDICAPPED SUMMER SCHOOL LEVY.] In 1984 and each year thereafter, a district may levy for summer

school programs for handicapped pupils an amount equal to the following product:

(a) The district's estimated summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the summer school session to be held in the calendar year after the calendar year when the levy is certified, times

(b) the lesser of:

(1) one, or

(2) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the current school year, to

(ii) the equalizing factor for the current regular school year.

Sec. 20. Laws 1982, chapter 548, article 3, section 27, is amended to read:

Sec. 27. [SUPERVISION.]

For the 1982-1983 and 1983-1984 school (YEAR) years, the rules on supervisory personnel of 5 MCAR 1.0122 D., D.1., D.2., D.3., and D.4. are suspended.

(BY FEBRUARY 1, 1983, THE DEPARTMENT OF EDUCATION SHALL REPORT TO THE EDUCATION COMMITTEES OF THE LEGISLATURE REGARDING THE NEED TO REINSTATE THE RULES OR ITS RECOMMENDATIONS FOR ALTERNATIVE RULES FOR SUPERVISORY PERSONNEL.)

Sec. 21. Laws 1982, chapter 548, article 3, section 28, is amended to read:

Sec. 28. [STUDENT TO STAFF RATIOS; 1982-1983 AND 1983-1984 SCHOOL (YEAR) YEARS.]

For the 1982-1983 and 1983-1984 school (YEAR) years, a school district may increase the student to staff ratios established pursuant to 5 MCAR 1.0122 C. by an amount not to exceed 20 percent. (BY FEBRUARY 1, 1983, THE DEPARTMENT SHALL REPORT TO THE EDUCATION COMMITTEES OF THE LEGISLATURE REGARDING RECOMMENDATIONS ON PROMULGATING NEW STUDENT TO STAFF RULES WHICH PROVIDE GREATER FLEXIBILITY TO SCHOOL DISTRICTS AND WHICH HAVE COST CON-

TAINMENT FEATURES, INCLUDING INCENTIVES FOR
COOPERATION AMONG SCHOOL DISTRICTS.)

Sec. 22. [REPEALER.]

Minnesota Statutes 1982, sections 124.273, subdivisions 1 and 2; and 124.32, subdivisions 1 and 9 are repealed.

Sec. 23. [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:

\$116,862,000 . . . 1984,

\$124,225,000 . . . 1985.

The appropriation for 1984 includes \$15,148,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$101,714,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$17,949,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$106,276,000 for aid for fiscal year 1985 payable in fiscal year 1985.

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

\$4,257,000 . . . 1984,

\$5,039,000 . . . 1985.

Subd. 4. [SUMMER SCHOOL FOUNDATION AID.] For summer school foundation aid pursuant to section 124.201, subdivision 3, there is appropriated:

\$1,242,000 . . . 1984,

\$1,498,000 . . . 1985.

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

\$1,128,000 . . . 1984,

\$1,226,000 . . . 1985.

Subd. 6. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency there is appropriated:

\$2,859,000 1984,

\$3,103,000 1985.

The appropriation for 1984 includes \$380,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$2,479,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$438,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$2,665,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 7. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs pursuant to section 126-54, subdivision 1, there is appropriated:

\$542,000 1984,

\$575,000 1985.

The appropriation for 1984 includes \$73,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$469,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$83,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$492,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 8. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons pursuant to section 121.201, there is appropriated:

\$42,000 1984,

\$45,000 1985.

Subd. 9. [CANCELLATION.] Any unexpended balances remaining from the appropriations in this section for 1984 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. 10. [PRORATION.] If the appropriation amount in subdivision 2, 3, 5, or 6 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. 24. [EFFECTIVE DATE.]

Sections 1, 2, 14, 15, and 10 of this article are effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1982, section 124.26, subdivision 1, is amended to read:

Subdivision 1. [COMPENSATION.] For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds combined with federal funds insofar as federal funds are available. The state shall pay these aids on a current funding basis. Except for the 1982-1983 school year, the portion of the compensation from state appropriation shall be (90) 89.1 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year based on the costs in that current year. All classes shall be tuition free when taught by teachers subsidized under this section and there shall be no charge for registration, materials and supplies. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Sec. 2. Minnesota Statutes 1982, section 124.271, subdivision 2a, is amended to read:

Subd. 2a. [AID; 1984.] (1) Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision 8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year; or

(b) (75) 25 cents per capita; or

(c) \$7,000.

However (THE AMOUNT OF AID SHALL NOT EXCEED THE AMOUNT CERTIFIED), for any district which qualifies for aid under clause (c) and which does not certify the maximum permissible levy pursuant to section 275.125, subdivision 8, the aid shall be reduced by multiplying the aid amount by the ratio of the district's actual levy to its maximum permissible levy. For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

(2) In addition to the amount in clause (1), in fiscal year 1984 a district which made a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 25 cents per capita. This amount may be used for community education programs in early childhood and family education, or for any other community education program.

Sec. 3. Minnesota Statutes 1982, section 124.271, is amended by adding a subdivision to read:

Subd. 2b. [AID; 1985 AND AFTER.] (1) In fiscal year 1985 and each fiscal year thereafter, each district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid in an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mills times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

(i) \$7,000, or

(ii) \$5 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (4), the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (4), to its maximum permissible levy under section 275.125, subdivision 8, clause (4). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (4), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

(3) *In addition to the amount in clause (1), in fiscal year 1985 and each fiscal year thereafter a district which makes a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita. This amount may be used for community education programs in early childhood and family education, or for any other community education program.*

Sec. 4. Minnesota Statutes 1982, section 124.271, subdivision 6, is amended to read:

Subd. 6. [PAYMENT SCHEDULE.] (STARTING IN FISCAL) *Each year (1983,) the state shall pay to each school district 85 percent of its community education program aid for the current fiscal year by November 1. The final aid distribution to each district shall be made by November 1 of the following fiscal year. All community education program aid shall be distributed by the state aids section of the department of education.*

Sec. 5. Minnesota Statutes 1982, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (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) \$3.40 PER CAPITA, OR (B) 110 PERCENT OF THE AMOUNT CERTIFIED PURSUANT TO THIS SUBDIVISION IN 1980. 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 1980 SHALL NOT REFLECT REDUCTIONS PURSUANT TO SUBDIVISION 9.)

((2)) Except as provided in clauses ((3)) (2) and ((4)) (3), in 1982 (, AND EACH YEAR THEREAFTER,) a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to (\$4.25) \$4.75 per capita for districts which will qualify for aid in fiscal year 1984 equal to (75) 25 cents per capita pursuant to section 124.271, subdivision 2a, clause (1)(b).

((3)) (2) *In 1982 districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount*

of the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause ((2)) (1).

((4)) (3) *In 1982 districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (1)(c) may levy the greater of the following:*

(a) *\$5 per capita minus \$7,000; or*

(b) *the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.*

(4) *In 1983 and each year thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of*

(a) *\$5 times the population of the district, or*

(b) *\$7,000.*

(5) *In addition to the levy authorized in clause (4), in 1983 a district may levy an additional amount for community education programs equal to the difference obtained by subtracting*

(a) *the sum in fiscal year 1984 of*

(i) *the district's estimated maximum permissible revenue from community education aid under section 124.271, subdivision 2b, clause (1), and*

(ii) *the community education levy authorized in clause (4) of this subdivision, from*

(b) *the sum in fiscal year 1983 of*

(i) *the district's maximum permissible revenue from community education aid under section 124.271, subdivision 2a, clause (1), excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and*

(ii) *the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.*

(6) *In 1984 and each year thereafter, in addition to the levy authorized in clause (4), a district may levy an amount equal*

to the amount the district was entitled to levy pursuant to clause (5) in 1983.

((5)) (7) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88. A school district may 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 levy pursuant to this subdivision.

((6)) (8) 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. 6. [LEVY ADJUSTMENT.]

The commission shall adjust the 1982 payable 1983 community education levy limitations for school districts according to the provisions of this section. The adjustment shall be a positive or negative amount equal to the amount the district levied pursuant to section 275.125, subdivision 8, and the amount the district would have certified if the provisions in this article amending section 275.125, subdivision 8 with respect to the 1982 payable 1983 levy had been in effect at the time the 1982 payable 1983 levy was made. The adjustment shall be added to or subtracted from the district's levy limitation for 1983 taxes payable in 1984.

Sec. 7. [REPEALER.]

Minnesota Statutes 1982, sections 124.26, subdivision 4, and 124.271, subdivision 5, are repealed.

Sec. 8. [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:

\$1,359,000 1984,

\$1,439,000 1985.

The amount appropriated for fiscal year 1984 includes \$185,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,174,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$207,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,232,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid pursuant to section 124.271 there is appropriated:

\$3,946,000 1984,

\$3,055,000 1985.

The amount appropriated for fiscal year 1984 includes \$494,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,452,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$609,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$2,446,000 for fiscal year 1985 payable in fiscal year 1985.

Subd. 4. [CANCELLATION AND PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1984 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 5

VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1982, section 124.11, subdivision 2a, is amended to read:

Subd. 2a. ((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. THE ESTI-

MATED AID PAYMENTS SHALL BE PAID ON THE BASIS OF THE DEPARTMENT OF EDUCATION'S ESTIMATES OF THE CURRENT YEAR'S AVERAGE DAILY MEMBERSHIP ADJUSTED FOR THE LATEST AVAILABLE INFORMATION IN NOVEMBER, FEBRUARY AND MAY. THE FINAL PAYMENT, ADJUSTED TO REFLECT THE ACTUAL AVERAGE DAILY MEMBERSHIP, SHALL BE MADE IN SEPTEMBER OF THE FOLLOWING FISCAL YEAR.)

((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 for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.

Sec. 2. Minnesota Statutes 124.11, subdivision 2b, is amended to read:

Subd. 2b. ((A) THROUGH THE 1981-1982 SCHOOL YEAR, 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 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 EQUIPMENT AID AND REPAIR AND BETTERMENT AID SHALL BE PAID TO DISTRICTS BY MAY 1 OF EACH YEAR.)

((B)) Beginning in the 1982-1983 school year, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The final aid distribution shall be made by October 31 of the following fiscal year.

Sec. 3. [124.5611] [AVTI FUNDING.]

Beginning with aids for the 1983-1984 school year, post-secondary vocational aids for AVTI's shall be paid for the current fiscal year according to sections 3 to 21 of this article, and 124.564.

Sec. 4. [124.5612] [AVTI AID DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Beginning with aids for the 1983-1984 school year, for the purposes of sections 3 to 21 of this article, 124.564, and 124.565, the following terms have the meanings given them.

Subd. 2. [ADM.] "ADM" means average daily membership computed according to section 10.

Subd. 3. [AVTI.] "AVTI" means a post-secondary area vocational-technical institute.

Subd. 4. [COMPONENT ACTIVITIES.] "Component activities" means regular instruction, related instruction, special needs instruction, research, instructional administration, media/library, pupil personnel services, health services, director's office, instructional services, fixed costs, work study/financial aid, and physical plant.

Subd. 5. [INSTRUCTIONAL AID.] "Instructional aid" means state money, exclusive of debt service aid, allocated by the state board for vocational education to districts for post-secondary vocational-technical education instructional costs.

Subd. 6. [INSTRUCTIONAL COSTS.] "Instructional costs" means expenditures in the following categories: licensed and nonlicensed staff salaries; licensed and nonlicensed staff fringe benefits, excluding teachers' retirement and teachers' social security; staff travel for instructional, administrative, and professional development purposes; purchased services; other expenditures, detailed according to UFARS; supplies and materials; supplies for resale; rents and leases; acquisition or purchase of equipment and machinery.

Subd. 7. [PROGRAM.] "Program" means a post-secondary vocational-technical occupational program as classified with a six-digit number by the United States department of education.

Subd. 8. [UFARS.] "UFARS" means the uniform financial accounting and reporting system.

Sec. 5. [124.5613] [PROGRAMS OF STUDY.]

The board for vocational education shall approve, disapprove, and coordinate post-secondary vocational education programs. It may add, eliminate, transfer, or change programs as it deems necessary. The board may provide for in-service training for AVTI instructors in programs where it deems that such training is necessary.

Sec. 6. [124.5614] [PROCESS FOR AID ALLOCATION.]

Subdivision 1. [BUDGET SUBMISSION.] Before January 1 of each year, each AVTI shall submit an instructional aid budget for the following fiscal year. The instructional aid budget shall detail estimated instructional costs in each expenditure category for each program and component activity of the AVTI's operations. The instructional aid budget shall include estimated revenues from sale of supplies and services, sale of equipment and other capital goods, and other revenues, detailed according to UFARS.

Subd. 2. [RECOMMENDED ALLOCATIONS.] After reviewing each budget, the department of education shall recommend aid allocations for the following fiscal year.

The recommendations for allocations of instructional aid, to the extent possible, shall be based on average ADM to teacher ratios of 12 to 1 for health programs and 17 to 1 for nonhealth programs within each AVTI. Individual programs which fall below these ratios or which have closely related job placement rates below 50 percent shall be discontinued, unless the board for vocational education determines that there is a compelling reason to retain one or more of them. The department shall recommend instructional aid allocations sufficient to maintain or improve special needs instruction. Allocations of instructional aid shall be recommended in each expenditure category for each program and component activity. The unappropriated capital balance of the equipment account in the capital fund, as of June 30 of the fiscal year during which allocations are made, shall be taken into consideration by the department in recommending allocations for the expenditure categories listed in section 7, subdivision 3, clauses (a), (b), (c), and (d) of this article. In recommending total allocation of instruction aid for each AVTI, the department shall take into consideration the amount of each AVTI's estimated net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds 10 percent of the AVTI's operating expenditures, as defined by UFARS, for the fiscal year during which allocations are made. The estimated amount of each AVTI's tuition revenues in the fiscal year for which aid is allocated shall be taken into consideration.

Subd. 3. [HEARING.] The aid allocations recommended by the department of education shall be taken to a public hearing held by the state board of vocational education with at least six board members present. The hearing shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of the hearing shall be given at least 20 days prior to the date set for the hearing. The notice shall be published in the State Register and mailed to each district submitting a budget, and other interested persons and organizations who register their names with the commissioner of education for that purpose. The department of education shall make available at least one free copy of the recommended alloca-

tions to the education committees of the legislature and to any person requesting it. An audio magnetic recording device shall be used to keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, if the request is in writing and the requester pays the cost of preparing the transcript.

Subd. 4. [HEARING REPORT.] 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 districts upon request for at least 15 days before the state board takes final action allocating aids.

Subd. 5. [MODIFICATIONS TO REPORT.] Any district which is adversely affected by the final proposed allocations of aids may request and shall be given an opportunity to be heard in support of modification of the proposed final allocation of aids at the meeting at which the state board takes final action allocating aids. The state board may place reasonable restrictions on the length of time allowed for testimony.

Subd. 6. [FINAL ALLOCATION.] By June 1 of each year, after hearing modification requests, if any, the state board shall take final action to allocate aids. Allocations of instructional aid shall be detailed in each expenditure category for each program and component activity. The total allocation for each AVTI shall specify the amounts of any fund balances and tuition revenues taken into consideration.

Sec. 7. [124.5615] [USE OF AID.]

Subdivision 1. [USE OF AIDS.] All AVTI aids and all tuition authorized by section 124.565 shall be used solely for the purposes of post-secondary vocational-technical education.

Subd. 2. [ACCOUNTING.] Each district providing post-secondary vocational-technical education shall maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts for post-secondary vocational-technical education within funds separate from all other district funds.

Subd. 3. [INSTRUCTIONAL AID.] Instructional aid allocated for the following purposes shall be placed in the equipment account of the capital fund:

- (a) acquisition or purchase of equipment or machinery;

(b) *betterment of equipment or machinery;*

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

(d) *renting or leasing buildings for school purposes.*

Aid allocated for these purposes shall be used solely for these purposes. All other instructional aid which is allocated shall be placed in the general fund and shall not be transferred to any other fund.

Subd. 4. [SPECIAL NEEDS.] Aid allocated for special needs instruction shall be used solely for that purpose.

Sec. 8. [124.5616] [DISTRIBUTION OF MONEY.]

All money, 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 allocated by the state board for vocational education to districts in accordance with law and shall be distributed by the state aids section of the department of education.

Sec. 9. [124.5617] [CERTAIN EQUIPMENT EXPENDITURES.]

Expenditures for the purposes in section 7, subdivision 3, clauses (a), (b), (c), and (d) of this article which exceed \$4,000 shall receive prior approval by the commissioner. The process in section 6 of this article shall not constitute approval for this purpose.

Sec. 10. [124.5618] [AVERAGE DAILY MEMBERSHIP.]

Subdivision 1. [MEMBERSHIP.] Membership for pupils in AVTI's shall mean the number of pupils on the current roll of the school, counted from the date of entry until the date of withdrawal.

Subd. 2. [WITHDRAWAL.] The date of withdrawal shall mean the date a pupil completes the program and permanently leaves the AVTI. A pupil who has been absent for 15 consecutive school days shall be deemed to have permanently left the school. A pupil who permanently leaves the school on or before the 15th day of a quarter shall be deemed not to have entered during that quarter. For a pupil who permanently leaves after the 15th school day of a quarter without completing the program, the date of withdrawal shall be the earliest of the following:

(a) *the date the pupil is scheduled to complete the program;*

(b) the date the AVTI fills the vacancy created by leaving;
or

(c) the last day of the quarter during which the pupil permanently leaves the AVTI.

Subd. 3. [COMPUTATION.] Average daily membership for pupils enrolled in an AVTI shall equal the quotient obtained by dividing

(a) the product of

(1) the sum for all pupils of the number of days of the school year each pupil is enrolled in an AVTI, counted from the date of entry until the date of withdrawal, times

(2) the quotient obtained by dividing

(i) the number of hours per day each pupil is enrolled, by

(ii) six; by

(b) 175.

The number of hours counted for any pupil in any one program shall not exceed the number of hours approved by the state board for completion of the program. However, a district may count additional hours for membership, if necessary for a pupil who is identified by the district as handicapped or disadvantaged, to complete the program. For disadvantaged students, these additional hours shall not exceed ten percent of the approved number of hours for the program. Adult vocational pupils shall not be counted for the purposes of this section. Additional hours counted shall be reported to the commissioner.

Subd. 4. [CHEMICAL ABUSE TREATMENT.] A pupil who is absent from an AVTI to participate in a chemical abuse treatment program and who is on the roll of the AVTI according to the provisions of section 11 of this article may be counted in average daily membership during that time for not more than 30 consecutive school days. If a returning pupil needs additional hours to complete the educational program, the AVTI may count the lesser of the following additional hours for membership:

(a) the number of hours the pupil was counted while participating in the treatment program; or

(b) 30 times the number of hours per day the pupil is enrolled.

Sec. 11. [124.5619] [ABSENCE FOR CHEMICAL ABUSE TREATMENT.]

If a pupil is absent from an AVTI to participate in a chemical abuse treatment program licensed by the state, the pupil may request the AVTI to remain on the roll in the educational program in which the pupil is enrolled. The AVTI shall grant a request it receives from the pupil.

Sec. 12. [124.5620] [LENGTH OF SCHOOL YEAR AND DAY.]

For an AVTI, the normal school year shall be at least the number of session days required by section 124.19, subdivision 1. In all AVTI's, the length of the school day for each pupil, exclusive of the noon intermission, shall be at least six hours. Exceptions may be made by the district for approved AVTI programs provided on a part time or extended day basis to meet the needs of individual students or classes. These exceptions are authorized only for programs originally provided on a full time basis.

Sec. 13. Minnesota Statutes 1982, section 124.572, subdivision 2, is amended to read:

Subd. 2. [ADULT VOCATIONAL AID.] Except for the 1982-1983 school year, the state shall pay to any district or cooperative vocational center (75) 74.25 percent of the salaries paid to essential, licensed personnel or personnel exempt from licensure pursuant to section 125.031 in that school year for services rendered in that district's or center's adult vocational education programs. In addition, the state shall pay (50) 49.5 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives moneys from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to moneys from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.

Sec. 14. Minnesota Statutes 1982, section 124.573, subdivision 2, is amended to read:

Subd. 2. [SALARIES, EQUIPMENT AND TRAVEL.] Except for the 1982-1983 school year, the state shall pay to any district or cooperative center (45) 44.5 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. Except for the 1982-1983 school year, the state shall pay (45) 44.5 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers and (45) 44.5 percent of the costs of necessary travel by secondary vocational education teachers accompanying stu-

dents to and from vocational student organization meetings held within the state for educational purposes. (FOR THE 1981-1982 SCHOOL YEAR, THE STATE SHALL PAY 45 PERCENT OF THE COSTS OF NECESSARY EQUIPMENT FOR THESE PROGRAMS.) No secondary vocational equipment aid shall be paid for the 1982-1983 school year and thereafter. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source. 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. 15. Minnesota Statutes 1982, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] For the 1983-1984 school year and each year thereafter, the state shall pay to any district or cooperative center (70) 69.3 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. 16. Minnesota Statutes 1982, section 124.574, subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT, TRAVEL, AND SUPPLIES.] In addition to the provisions of subdivision 2, the state shall pay for each school year, except for the 1982-1983 school year:

(a) (50) 49.5 percent of the costs of necessary equipment for these secondary vocational education programs for handicapped children;

(b) (50) 49.5 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers of handicapped children, but not including travel to and from local, regional, district, state or national vocational student organization meetings; and

(c) (50) 49.5 percent of the costs of necessary supplies for these secondary vocational education programs for handicapped children, but not to exceed an average of \$50 in any one school year for each handicapped child receiving these services.

Sec. 17. [RATIO AND PLACEMENT REPORT.]

By January 1, 1984, the board for vocational education shall report to the legislature on programs which fall below the ADM to teacher ratios or the job placement rates as provided in section

6, subdivision 2 of this article. This report shall contain the number of these programs, the actions taken by the board pursuant to section 6, subdivision 2 of this article, and, in the event that a program is being retained, the cost to the state of that retention. By December 1, 1983, this report shall be given to the higher education coordinating board for review and comment.

Sec. 18. [REPORT ON PROJECTED REPLACEMENT NEEDS.]

By October 1, 1984, the commissioner of education shall develop a report on a five year projection of the replacement needs of fixed assets property for each of the AVTP's. The report shall be submitted to the education committees of the legislature and to the directors of the AVTP's.

Sec. 19. [REPEALER.]

Minnesota Statutes 1982, sections 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; and 124.574, subdivision 2 are repealed. The repeal of these sections shall not affect the right of a school district to receive, nor the obligation of the commissioner of education to pay, aids attributable to the 1982-1983 school year payable in fiscal year 1984 pursuant to the sections repealed.

Sec. 20. [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:

\$86,736,000 1984,

\$91,147,000 1985.

The appropriation for 1984 includes \$7,890,000 for aid for fiscal year 1983 payable in fiscal year 1984, pursuant to section 124.5621, and \$78,846,000 for aid for fiscal year 1984 payable in fiscal year 1984, pursuant to section 6 of this article.

The appropriation for 1984 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$13,914,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$77,233,000 for aid for fiscal year 1985 payable in fiscal year 1985, pursuant to section 6 of this article.

The appropriation for 1985 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

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

\$2,370,000 1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

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

\$2,428,000 1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

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

\$1,458,000 1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 6. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] *For post-secondary vocational debt service aid there is appropriated:*

\$6,987,000 1984,

\$6,715,000 1985.

Subd. 7. [ADULT VOCATIONAL EDUCATION AID.] *For adult vocational education aid there is appropriated:*

\$7,729,000 1984,

\$8,186,000 1985.

The appropriation for 1984 includes \$1,055,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$6,674,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriation for 1985 includes \$1,178,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$7,008,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 8. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.] *For veteran farmer cooperative training programs there is appropriated:*

\$392,000 1984,

\$320,000 1985.

Subd. 9. [SECONDARY VOCATIONAL EDUCATION AID.] *For secondary vocational education aid pursuant to section 124.573 there is appropriated:*

\$20,369,000 1984,

\$20,202,000 1985.

The appropriation for 1984 includes \$2,935,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$17,434,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$3,077,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$17,125,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 10. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] *For secondary vocational programs for handicapped children pursuant to section 124.574 there is appropriated:*

\$2,563,000 1984,

\$2,716,000 1985.

The appropriation for 1984 includes \$348,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$2,215,000 for aid for fiscal year 1984 payable in fiscal year 1984. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$391,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$2,325,000 for aid for fiscal year 1985 payable in fiscal year 1985. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 11. [CANCELLATION; PRORATION.] *Any unexpended balance remaining from the appropriations in this section for 1984 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 amounts attributable to either year for any purpose indicated are 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. 21. [EFFECTIVE DATES.]

Sections 5, 6, 17, and 18 of this article shall be effective the day following final enactment.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. [3.861] [LEGISLATIVE COMMISSION ON PUBLIC EDUCATION.]

Subdivision 1. [ESTABLISHMENT AND MEMBERSHIP.] *There is established a legislative commission on public education. The commission shall consist of five members from the house of representatives and five members from the senate. The house members shall be the chairpersons of the education committee and education finance division and three other members, two of whom shall be members of the minority caucus, to be appointed by the speaker of the house. The senate members shall be the chairpersons of the education committee and education aids subcommittee and three other members, two of whom shall be members of the minority caucus, to be appointed by the subcommittee on committees of the rules and legislative administration committee. Vacancies shall be filled in the same manner as the original appointments.*

Subd. 2. [GOVERNOR'S REPRESENTATIVE.] *There shall be one nonvoting member of the commission appointed by the governor to serve as a liaison between the governor and the commission.*

Subd. 3. [OFFICERS.] *The commission shall elect a chairperson and vice-chairperson from among the following members:*

the chairpersons of the house and senate education committees; the chairperson of the house education finance division; and the chairperson of the senate education aids subcommittee. The offices shall be held by one member from the house and one member from the senate during each term.

Subd. 4. [ADVISORY COMMITTEE.] The governor shall appoint an advisory committee of 15 members to the legislative commission on public education. Eight members shall have experience in elementary and secondary education. The remaining seven members shall have experience in post-secondary education, business, labor, or agriculture. The advisory committee shall meet at the discretion of the commission.

Subd. 5. [TERMS.] The members of the commission and the advisory committee shall be appointed for two-year terms, beginning on January 1 of each odd numbered year.

Subd. 6. [DUTIES; REPORT.] The commission shall study issues relating to elementary and secondary public education. By January 15 of each year, the commission shall report to the education committees of the legislature on its findings and recommendations.

Subd. 7. [STAFF.] The commission shall utilize existing legislative staff to provide legal counsel, research, secretarial and clerical assistance.

Subd. 8. [EXPENSES; REIMBURSEMENT.] The expenses of legislative members of the commission and legislative staff shall be funded by the appropriate legislative committee budgets. The expenses of advisory committee members, including expenses relating to absence from regular employment, shall be funded by the commission's budget. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees.

Subd. 9. [EXPENSES AND REPORTS.] Expenses of the commission, legislative staff, and advisory committee shall be approved by the chairperson of the commission. The expenses shall then be paid in the same manner as other state expenses are paid. A general summary or statement of expenses incurred by and paid for by the commission shall be made to the legislature by November 15 of each even-numbered year.

Sec. 2. Minnesota Statutes 1982, section 121.911, is amended by adding a subdivision to read:

Subd. 5. Upon approval by the commissioner of education, a district may incur a deficit in the capital expenditure fund to provide money for capital projects. A description of the project

and a financial plan to recover the deficit shall be approved by the commissioner prior to the initiation of the project.

Sec. 3. Minnesota Statutes 1982, section 121.912, subdivision 3, is amended to read:

Subd. 3. For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by moneys in an operating fund. *However, a deficit in the capital expenditure fund pursuant to section 121.911, subdivision 5, shall not constitute a permanent transfer.*

Sec. 4. Minnesota Statutes 1982, section 123.36, subdivision 13, is amended to read:

Subd. 13. 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 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) After satisfying the requirements of clause (1), a district with outstanding bonds may deposit proceeds of the sale or exchange in its capital expenditure fund if the amount deposited is used for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(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) *for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the asbes-*

tos removal or encapsulation is performed in compliance with standards established by the state board;

(e) for expenditures for the cleanup of polychlorinated biphenyls, if the cleanup is performed in compliance with standards established by the state board;

(f) for capital expenditures to renovate and improve school buildings in which enrollment has increased as a result of closing schools in the district; or

(g) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b) (AND), (c), (d), and (e) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, subdivision 11b in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

(3) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of clauses (1) and (2), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by clause (1), shall be deposited in the debt retirement fund.

(4) Any proceeds of the sale or exchange remaining in districts with outstanding bonds after the application of clauses (1), (2), and (3), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(5) Notwithstanding clauses (2) and (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 1982, section 123.36, is amended by adding a subdivision to read:

Subd. 14. [ASBESTOS REMOVAL AND POLYCHLORINATED BIPHENYLS CLEANUP.] Notwithstanding any law

to the contrary, school districts may, without an election, enter into contracts extending beyond the end of the fiscal year to pay the costs of removal or encapsulation of asbestos or cleanup of polychlorinated biphenyls found in school buildings or on school property.

Sec. 6. Minnesota Statutes 1982, 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 (\$28 PER CHILD SCREENED IN FISCAL YEAR 1982 AND) \$15 per child screened in fiscal year 1983, \$15.75 per child screened in fiscal year 1984 and \$16.50 per child screened in fiscal year 1985. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Sec. 7. Minnesota Statutes 1982, section 124.245, is amended by adding a subdivision to read:

Subd. 1c. [HAZARDOUS SUBSTANCE COMPUTATION.] For the 1984-1985 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. To qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 275.125, subdivision 11c 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 275.125, subdivision 11c may be used.

Sec. 8. Minnesota Statutes 1982, section 124.246, subdivision 2, is amended to read:

Subd. 2. [AID.] (EXCEPT FOR THE 1982-1983 SCHOOL YEAR,) An eligible district shall receive (\$1) \$1.05 in fiscal year 1984 and \$1.10 in fiscal year 1985 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) \$1,050 in fiscal year 1984 and \$1,100 in fiscal year 1985.

Sec. 9. Minnesota Statutes 1982, 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 (\$16.25, IN THE 1981-1982 SCHOOL YEAR, AND) \$16.18 in the 1982-1983 school year, \$18.40 in the 1983-1984 school year, and \$19.30 in the 1984-1985 school year, times the number of gifted and talented students in the district. No more than five 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. 10. Minnesota Statutes 1982, section 124.646, subdivision 1, is amended to read:

Subdivision 1. [AID COMPUTATION.] ((A) FOR THE 1981-1982 SCHOOL YEAR, SCHOOL DISTRICTS PARTICIPATING IN THE NATIONAL SCHOOL LUNCH PROGRAM SHALL BE PAID BY THE STATE IN THE AMOUNT OF 5.5 CENTS FOR EACH FULL PAID STUDENT LUNCH SERVED TO STUDENTS IN THE DISTRICT.)

((B)) (a) For the 1982-1983 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of 5.9 cents for each full paid student lunch served to students in the district.

(b) For each of the 1983-1984 and 1984-1985 school years, school districts participating in the national school lunch program shall be paid by the state in the amount of 7.5 cents for each full paid student lunch served to students in the district.

Sec. 11. [126.025] [CARDIOPULMONARY RESUSCITATION INSTRUCTION.]

Subdivision 1. [AUTHORIZATION.] Pupils attending public senior high schools may receive a course of instruction in the techniques of cardiopulmonary resuscitation, sufficient to enable the pupils to give emergency assistance to victims of cardiac arrest. The instruction may be offered as a separate course or as part of another course. The instruction shall be given by a person certified as a cardiopulmonary resuscitation instructor by either the American Red Cross or the American Heart Association, but that person need not be a licensed teacher. A parent or legal guardian of a pupil may request in writing that the pupil be excused from the instruction. Districts are encouraged to use equipment, teaching materials, and training courses provided by public or private agencies, educational cooperative service units, or organizations such as the American Red Cross and American Heart Association.

Subd. 2. [ASSISTANCE.] The department of education shall provide technical assistance to educational cooperative service units and school districts to implement the provisions of subdivision 1.

Sec. 12. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year 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. 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.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, to purchase and lease courseware and related supporting materials and 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 116J.24, 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, such as 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 to reduce or eliminate barriers to or increase 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. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors.

(c) Subject to the commissioner's approval, the tax proceeds may also be used 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 acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate exist-

ing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

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

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

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and (SUBDIVISION) *subdivisions 11b and 11c*, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 13. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] (IN 1981 AND EACH YEAR THEREAFTER,) In addition to the levy authorized in subdivision 11a, *each year* 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 audits on district-owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(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;

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the asbestos removal or encapsulation is performed in compliance with standards established by the state board;

(e) for expenditures for the cleanup of polychlorinated biphenyls, if the cleanup is performed in compliance with standards established by the state board.

Sec. 14. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 11c. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY; ASBESTOS REMOVAL AND ENCAPSULATION, POLYCHLORINATED BIPHENYLS CLEANUP.] In 1983 and each year thereafter, in addition to the levy authorized in subdivision 11a and 11b, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this subdivision 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 expenditures necessary for the removal or encapsulation of asbestos or the cleanup of polychlorinated biphenyls found in school buildings or property.

Sec. 15. Minnesota Statutes 1982, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt service fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent (IN EXCESS) of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on

hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 16. [RULEMAKING; ASBESTOS REMOVAL AND POLYCHLORINATED BIPHENYLS CLEANUP.]

The state board of education shall adopt permanent rules establishing standards for removal or encapsulation of asbestos and cleanup of polychlorinated biphenyls found in school buildings or on school property. The state board may also adopt temporary rules establishing standards for removal or encapsulation of asbestos and cleanup of polychlorinated biphenyls found in school buildings or on school property that apply to levies made in 1983. Any standards established by the state board shall be in compliance with standards established by the environmental protection agency and the Minnesota pollution control agency. School districts must comply with the standards established by the state board in order to pay for asbestos removal or encapsulation or cleanup of polychlorinated biphenyls with revenue obtained from the levy authorized by Minnesota Statutes, section 275.125, subdivisions 11b and 11c, and from the aid authorized by Minnesota Statutes, section 124.245, subdivisions 1b and 1c.

Sec. 17. [SPECIAL LEVY.]

Any school district which, pursuant to Minnesota Statutes, section 475.61, subdivision 4, reduced its maintenance levy authorized pursuant to Minnesota Statutes, section 275.125, subdivision 2a or 2e, by the amount of any surplus remaining in the debt service fund when the obligations and interest thereon were paid, may levy a special levy in 1983 for school maintenance purposes, if the reduction of the maintenance levy occurred in levies made after 1976 and before 1983, and if the unappropriated fund balance in all operating funds of the district as of June 30, 1982, was less than \$316 per actual pupil unit. The amount of the special levy shall not exceed the lesser of (a) the amount by which the maintenance levy was reduced pursuant to Minnesota Statutes, section 475.61, subdivision 4, or (b) an amount equal to the difference between (i) the unappropriated fund balance in all operating funds of the district as of June 30, 1982, and (ii) the product of \$316 times the number of actual pupil units in average daily membership in the district in the 1981-1982 school year.

Sec. 18. [REPEALER.]

Minnesota Statutes 1982, section 124.24 is repealed.

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

\$695,000 1984,

\$695,000 1985.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$63,-102 per ECSU as defined in section 123.58 in fiscal year 1984 and \$63,102 per ECSU in fiscal year 1985; 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 \$126,204 in fiscal year 1984 and \$126,204 in fiscal year 1985 for general operations.

Subd. 3. [HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS.] For health and developmental screening programs pursuant to sections 123.701 to 123.705 there is appropriated:

\$768,000 1984,

\$848,000 1985.

The appropriation for 1984 includes \$103,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$665,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$118,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$730,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 4. [NONPUBLIC AIDS.] For programs for nonpublic educational aid pursuant to sections 123.931 to 123.937 there is appropriated:

\$6,071,000 1984,

\$6,764,000 1985.

The appropriation for 1984 includes \$629,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$5,442,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$961,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$5,803,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 5. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,100,000 1984,

\$2,200,000 1985.

Subd. 6. [CHEMICAL USE PROGRAMS.] For aid for chemical dependency programs authorized pursuant to section 124.246 there is appropriated:

\$ 973,000 1984,

\$1,024,000 1985.

The appropriation for 1984 includes \$135,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$838,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$148,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$876,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 7. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247 there is appropriated:

\$629,300 1984,

\$670,800 1985.

The appropriation for 1984 includes \$79,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$550,300 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$97,100 for aid for fiscal year 1984 payable in fiscal year 1985, and \$573,700 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 8. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid pursuant to section 124.646, and for food storage and transportation costs for USDA donated commodities there is appropriated:

\$4,625,000 1984,

\$4,625,000 1985.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the USDA national school lunch program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each full paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Subd. 9. [INDIAN EDUCATION.] (a) For certain Indian education programs there is appropriated:

\$158,000 1984,

\$166,000 1985.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts of the appropriation for 1984 may be distributed to the following school districts: \$49,466 to Independent School District No. 309-Pine Point School; \$8,704 to Independent School District No. 166; \$13,456 to Independent School District No. 432; \$12,663 to Independent School District No. 435; \$37,989 to Independent School District No. 707; and \$35,222 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

Up to the following amounts of the appropriation for 1985 may be distributed to the following school districts: \$51,938 to Independent School District No. 309-Pine Point School; \$9,140 to Independent School District No. 166; \$14,128 to Independent School District No. 432; \$13,296 to Independent School District No. 435; \$39,888 to Independent School District No. 707; and \$36,983 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available August 15 of the applicable school year, but only if there will not be available for the districts enumerated in this subdivision for the applicable school

year any operation support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, Public Law No. 73-167 or Code of Federal Regulations, title 25, section 273.31, or equivalent money from the same or another source.

(b) Before a district can receive money pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(i) Complied with the Uniform Financial Accounting and Reporting Standards Act, sections 121.90 to 121.917. For each school year, compliance with section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivision and one budget which does not include this money. The budget of that school district for the 1985-1986 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1984-1985 budgets and shall not include any money appropriated in this subdivision;

(ii) Conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, sections 120.03 and 120.17; Public Law No. 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(iii) Compiled accurate daily pupil attendance records.

(c) Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clause (b) and any other applicable laws, and each affected district's need for the money. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 10. [MAXIMUM EFFORT SCHOOL LOAN FUND.] There is appropriated from the general fund to the maximum effort school loan fund the sum of \$2,719,000 for the fiscal year ending June 30, 1984, and \$3,672,000 for the fiscal year ending June 30, 1985. Any unexpended balance of this appropriation for fiscal year 1984 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 the principal and interest on school loan bonds, as provided in section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appro-

priations is to ensure that sufficient money is 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.

Subd. 11. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$313,000 1984,

\$224,000 1985.

The appropriation for 1984 includes \$58,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$255,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$45,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$179,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 12. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] For special purpose capital expenditure equalization aid pursuant to section 124.245, subdivisions 1a and 1b, there is appropriated:

\$52,000 1984,

\$46,000 1985.

The appropriation for 1984 includes \$9,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$43,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$8,000 for aid for fiscal year 1984 payable in 1985, and \$38,000 for aid for fiscal year 1985 payable in 1985.

Subd. 13. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE EQUALIZATION AID.] For hazardous substance capital expenditure equalization aid pursuant to section 124.245, subdivision 1c, there is appropriated:

\$38,000 1985.

The appropriation for 1985 is for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 14. [CARDIOPULMONARY RESUSCITATION INSTRUCTION.] There is appropriated from the general fund to the department of education the sum of \$34,000 for fiscal year 1984 for educational cooperative service units to purchase equipment needed for instruction in cardiopulmonary resuscitation. The equipment shall be available for use by school districts. Funds from this appropriation shall be transmitted to ECSU boards of directors in the amount of \$6,000 each to the ECSU whose boundaries coincide with the boundaries of development region 11 and to the ECSU whose boundaries encompass development regions six and eight and \$3,000 each to the remaining ECSUs. The additional amount of \$1,000 is appropriated to the ECSU whose boundaries coincide with development region ten for expenses incurred as coordinator. The coordinator's duties shall include receiving bids for and ordering equipment for the ECSUs, distributing equipment, and conducting a one-half day workshop for ECSU representatives in the care and maintenance of the equipment. The sums appropriated are available until expended.

Subd. 15. [LEGISLATIVE COMMISSION ON PUBLIC EDUCATION.] There is appropriated from the general fund to the legislative commission on public education the sum of \$50,000 for the 1983-1985 biennium for the reimbursement of expenses incurred by the commission. The sum shall be available until expended.

Subd. 16. [CANCELLATION AND PRORATION.] Except as provided in subdivision 10, any unexpended balance remaining from the appropriations in this section for 1984 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 7

MISCELLANEOUS

Section 1. Minnesota Statutes 1982, section 6.54, is amended to read:

6.54 [EXAMINATION OF MUNICIPAL RECORDS PURSUANT TO PETITION.]

The registered voters in a home rule charter or statutory city or town may petition the state auditor to examine the books, records, accounts, and affairs of the home rule charter or statutory

city, town, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during his examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to him in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a home rule charter or statutory city or town, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election. The (FREEHOLDERS) *eligible voters* of any school district, as defined in section 123.32, subdivision 1a, may petition the state auditor and he shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten (FREEHOLDERS) *eligible voters* for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In no case shall the petition for an examination of a town bear the names of less than 25 registered voters; and provided, that in the case of school districts, the petition shall be signed by at least ten (FREEHOLDERS) *eligible voters*. At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the city, town, or school district as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate city, town or school district clerk and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or (FREEHOLDERS) *eligible voters* as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges and expenses of any examination made pursuant to the petition.

Sec. 2. Minnesota Statutes 1982, section 6.62, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF TAX.] Counties, cities and towns are authorized, if necessary, to levy, over and above tax levy limitations for other governmental purposes, an amount sufficient to pay the expense of a post-audit by the state auditor.

A school district is authorized to levy an amount sufficient to pay for the expense of a post-audit by the state auditor if the audit is performed at the discretion of the state auditor pursuant to section 6.51 or if the audit has been requested through a petition by (FREEHOLDERS) *eligible voters* pursuant to section 6.54. A school district is not authorized to levy these amounts

if the post-audit by the state auditor is requested by the school board pursuant to section 6.55.

Sec. 3. Minnesota Statutes 1982, section 120.075, is amended by adding a subdivision to read:

Subd. 1b. Any pupil who has continuously been enrolled for a period of two or more consecutive years in a school district of which he was not a resident, without a tuition agreement pursuant to section 123.39, subdivision 5, or 124.18, subdivision 2, may continue in enrollment in that district. The district in which the pupil is enrolled shall be considered the pupil's district of residence.

Sec. 4. Minnesota Statutes 1982, section 120.075, subdivision 4, is amended to read:

Subd. 4. Subdivisions 1, 1a, 1b, 2, 3 and 3a shall also apply to any brother or sister of a qualified pupil who is related to that pupil by blood, adoption or marriage and to any foster child of that pupil's parents. The enrollment of any pupil pursuant to subdivision 1, 2, 3 or 3a and of a brother or sister of that pupil or of a foster child of that pupil's parents pursuant to this subdivision shall remain subject to the provisions of Minnesota Statutes 1976, Section 120.065 and Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a, as they read on January 1, 1978.

Sec. 5. [120.191] [SPECIAL EDUCATION DIRECTOR.]

The authority for the selection and employment of the director of a special education cooperative established pursuant to section 120.17 or 471.59 shall be vested in the governing board of the cooperative. Notwithstanding the provisions of section 125.12, subdivision 6a or 6b, no individual shall have a right to employment as a director based on seniority or order of employment by the cooperative.

Sec. 6. Minnesota Statutes 1982, section 121.908, is amended to read:

121.908 [REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.]

Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in section 121.902.

Subd. 2. Each (MINNESOTA SCHOOL) district shall submit to the commissioner by (AUGUST 15, 1977 AND) August 15 of each year (THEREAFTER,) an unaudited financial statement for the preceding fiscal year. This statement shall be sub-

mitted on forms prescribed by the commissioner after consultation with the advisory council on uniform financial accounting and reporting standards.

Subd. 3. (PRIOR TO JUNE 30) *By December 31* of the calendar year of the submission of the unaudited financial statement, the (SCHOOL) district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement.

Subd. 3a. Prior to (JULY 1, 1978 AND) July 1 of each year (THEREAFTER), the school board of each district shall approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted shall be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.

Subd. 4. Each (MINNESOTA SCHOOL) district shall submit to the department by (AUGUST 15, 1977, AND BY) August 15 of each year (THEREAFTER), on forms prescribed by the commissioner, the revenue and expenditure budgets adopted for that fiscal year.

Subd. 5. All governmental units formed by joint powers agreements entered into by (SCHOOL) districts pursuant to sections 120.17, 123.351, 471.59, or any other law and all educational cooperative service units shall be subject to the provisions of this section.

Sec. 7. Minnesota Statutes 1982, section 122.23, subdivision 2, is amended to read:

Subd. 2. Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation. The resolution or petition may propose either that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of the bonded debt previously incurred by any component district as provided in subdivision 16b. *The resolution or petition may also propose that referendum levies previously*

approved by voters of the component districts pursuant to section 275.125, subdivision 2d, or its predecessor or successor provision, be combined as provided in section 122.531, subdivision 2a, or that the referendum levies be discontinued. The resolution or petition may also propose that the board of the newly created district consist of seven members, and may also propose the establishment of separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts. If more than one request for a plat is received by a county auditor and the requests involve parts of identical districts, he shall forthwith prepare a plat which in his opinion best serves the educational interests of the inhabitants of the districts or areas affected. The plat shall show:

(a) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(b) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(c) The boundaries of any proposed separate election districts, in accordance with the provisions of section 123.32, and

(d) Other pertinent information as determined by the county auditor.

Sec. 8. Minnesota Statutes 1982, section 122.23, subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

(a) The adjusted assessed valuation of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the adjusted assessed valuation of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted assessed valuation of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt *and referendum levies* of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 9. Minnesota Statutes 1982, section 122.531, subdivision 2, is amended to read:

Subd. 2. [(CONSOLIDATION AND) VOLUNTARY DISSOLUTION: REFERENDUM LEVIES.] As of the effective date of (A CONSOLIDATION PURSUANT TO SECTION 122.23 OR) the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor or successor provision, is cancelled. However, if all of the territory of any independent district is included in the (NEWLY CREATED) *enlarged* district, and if the adjusted assessed valuation of taxable property in that territory comprises 90 percent or more of the adjusted assessed valuation of all taxable property in (A NEWLY CREATED OR) *the* enlarged district, the board of the newly created or enlarged district may levy the increased amount previously approved by a referendum in the pre-existing independent district upon all taxable property in the (NEWLY CREATED OR) enlarged district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire (NEWLY CREATED OR) enlarged district in an election pursuant to section 275.125, subdivision 2d, or its successor referendum provision.

Sec. 10. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2a. [CONSOLIDATION; REFERENDUM LEVIES.] *As of the effective date of a consolidation pursuant to section 122.23, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor or successor provision is to be recalculated as provided in this subdivision. The referendum levy authorization for the newly created district shall equal the combined dollar amount of the referendum levies certified by each of the component districts in the year preceding the consolidation. Each year the school board of the newly created district may levy an amount not to*

exceed the referendum levy authorization unless the referendum levy authorization of the newly created district is subsequently modified pursuant to section 275.125, subdivision 2d, or its successor referendum provision.

Sec. 11. Minnesota Statutes 1982, section 123.33, subdivision 10, is amended to read:

Subd. 10. The school board of any school district of this state by a two-thirds vote may become a member of the Minnesota school boards association or the Minnesota association of public schools, or the metropolitan area school board association, and appoint one or more of its members to attend its annual meeting. The amount of annual membership dues in the association and actual and necessary expense incurred in attending such meeting shall be paid as other expenses of the district are paid. (THE SCHOOL BOARD OF ANY SCHOOL DISTRICT OF THIS STATE MAY MAINTAIN SUCH MEMBERSHIP AND PAY MEMBERSHIP DUES ONLY IN THE EVENT THE ASSOCIATIONS FILE ANNUAL FINANCIAL STATEMENTS SHOWING DETAILED EXPENDITURES AND RECEIPTS WITH THE COMMISSIONER OF EDUCATION NO LATER THAN OCTOBER 1 OF EACH YEAR. THE STATEMENTS TO THE COMMISSIONER SHALL BE MADE ON FORMS PRESCRIBED BY HIM NO LATER THAN JULY 15 OF EACH YEAR.)

Sec. 12. Minnesota Statutes 1982, section 123.33, subdivision 14, is amended to read:

Subd. 14. The school board of any school district of this state by a two-thirds vote may become a member of an association of vocational schools and may appoint one or more of its members to attend the annual meeting of such association. The amount of annual membership dues in the association and actual and necessary expenses incurred in attending such meeting shall be paid as other expenses of the district are paid. (THE SCHOOL BOARD OF ANY SCHOOL DISTRICT OF THIS STATE MAY MAINTAIN SUCH MEMBERSHIP AND PAY MEMBERSHIP DUES ONLY IN THE EVENT THE ASSOCIATION FILES ANNUAL FINANCIAL STATEMENTS SHOWING DETAILED EXPENDITURES AND RECEIPTS WITH THE COMMISSIONER OF EDUCATION NO LATER THAN OCTOBER 1 OF EACH YEAR. THE STATEMENTS TO THE COMMISSIONER SHALL BE MADE ON FORMS PRESCRIBED BY HIM NO LATER THAN JULY 15 OF EACH YEAR.)

Sec. 13. Minnesota Statutes 1982, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who

shall be *an ex officio (A) nonvoting* member of the school board (BUT NOT ENTITLED TO VOTE THEREIN). The authority for selection and employment of a superintendent shall be vested in the school board *in all cases*. Notwithstanding the provisions of (SECTION) *sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary*, no individual shall have a right to employment as a superintendent based on seniority or order of employment in (THE) *any* district. The superintendent (IN SUCH DISTRICTS) *of a district* shall (VISIT THE SCHOOLS OF THE DISTRICT, AND EXERCISE A GENERAL SUPERVISION OVER THEM, AND REPORT THEIR CONDITION TO THE BOARD, WITH PROPER RECOMMENDATIONS, WHEN HE DEEMS IT ADVISABLE, OR WHEN REQUESTED BY THE BOARD. HE SHALL MAKE RECOMMENDATIONS TO THE BOARD CONCERNING THE EMPLOYMENT AND DISMISSAL OF TEACHERS. HE SHALL SUPERINTEND THE GRADING OF THE SCHOOLS AND EXAMINATIONS FOR PROMOTIONS AND PERFORM SUCH OTHER DUTIES AS THE BOARD SHALL PRESCRIBE. HE SHALL MAKE DIRECTLY TO THE COMMISSIONER SUCH REPORTS AS SHALL BE REQUIRED) *perform the following:*

(a) *visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;*

(b) *recommend to the board employment and dismissal of teachers;*

(c) *superintend school grading practices and examinations for promotions;*

(d) *make reports required by the commissioner of education; and*

(e) *perform other duties prescribed by the board.*

Sec. 14. Minnesota Statutes 1982, section 123.351, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The center board shall have the general charge of the business of the center and the ownership of facilities. Where applicable, section 123.36, shall apply. The center board may not issue bonds in its behalf. Each participating district may issue its bonds for the purpose of acquisition and betterment of center facilities in the amount certified by the center board to such participating district in accordance with chapter 475.

(b) The center board (1) may furnish vocational offerings to any eligible person residing in any participating district;

(2) may provide special education for the handicapped and disadvantaged; and (3) may provide any other educational programs or services agreed upon by the participating districts. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

(c) In accordance with subdivision 5, clause (b), the center board shall certify to each participating district the amount of funds assessed to the district as its proportionate share required for the conduct of the educational programs, payment of indebtedness, and all other proper expenses of the center.

(d) The center board shall employ and contract with necessary qualified teachers and administrators and may discharge the same for cause pursuant to section 125.12. *The authority for selection and employment of a director shall be vested in the center board. Notwithstanding the provisions of section 125.12, subdivision 6a or 6b, no individual shall have a right to employment as a director based on seniority or order of employment by the center.* The board may employ and discharge other necessary employees and may contract for other services deemed necessary.

(e) The center board may provide an educational program for secondary and adult vocational phases of instruction. The high school phase of its educational program shall be offered as a component of the comprehensive curriculum offered by each of the participating school districts. Graduation shall be from the student's resident high school district. Insofar as applicable, sections 123.35 to 123.40, shall apply.

(f) The center board may prescribe rates of tuition for attendance in its programs by adults and nonmember district secondary students.

Sec. 15. Minnesota Statutes 1982, section 123.36, subdivision 9, is amended to read:

Subd. 9. The board may contract for the furnishing of heat for its building for such terms as it may deem for the best interest of the district, not exceeding ten years. *However, a district may enter into a contract for a period not to exceed 30 years for a district heating system.* Where it is necessary to lay mains or pipes to connect these buildings with a heating system, the district is authorized to advance all, or any part of the cost thereof upon such terms and conditions as shall be agreed upon.

Sec. 16. Minnesota Statutes 1982, section 123.37, subdivision 1b, is amended to read:

Subd. 1b. [TRANSPORTATION; FUEL.] Notwithstanding the provisions of subdivision 1 or section 471.345, a contract

for the transportation of school children, or a contract for the purchase, by June 30, (1983) 1985, of petroleum heating fuel or fuel for district owned vehicles may be made by direct negotiation, by obtaining two or more written quotations for the service when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, negotiations shall be open to the public. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1 except as otherwise provided in this subdivision.

Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond shall be required of a contractor on a contract for the transportation of school children only when and in the amount deemed necessary by and at the discretion of the school board.

Sec. 17. Minnesota Statutes 1982, section 123.39, subdivision 4, is amended to read:

Subd. 4. The board may provide for the instruction of any resident pupil in another district when inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in his own district unreasonably difficult or impractical, in which case such district shall pay to the district so attended the tuition agreed upon or charged, pursuant to section 124.18, subdivision 2, and may provide transportation; provided, that such pupil shall continue to be a pupil of the district of his residence for the payment of apportionment and other state aids.

Sec. 18. [123.5113] [JOINT POWERS ENTITIES; AUTHORITY TO ISSUE OBLIGATIONS.]

A council, board, or other entity formed by two or more independent school districts or other government units pursuant to section 471.59 for the purpose of conducting educational programs or providing volume purchasing, data processing, financial accounting, administrative or other services to member governmental units or other educational institutions is authorized pursuant to resolution to issue and sell bonds, notes, or other obligations on behalf of the governmental units that are parties to the joint powers agreement in order to provide funds to carry out its purposes. The obligations issued pursuant to this section shall be payable solely from the revenues, earnings, and assets of the joint powers entity and shall not be a liability or indebtedness of the governmental units. The obligations issued pursuant to this section may be issued without an election. The obligations issued pursuant to this section may be sold at public or pri-

vate sale and shall be in the forms and amounts, bear interest on the notes, and mature and be subject to optional or mandatory redemption as the joint board may determine. This section shall not limit or restrict the ability of governmental units to issue obligations or incur indebtedness pursuant to section 471.59 without regard to this section.

Sec. 19. Minnesota Statutes 1982, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The state board shall supervise distribution of (THE) school aids *and grants* in accordance with law. It may make rules and regulations consistent with law for such distribution which will enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such reports and accounts to it as will assure accurate and lawful apportionment of aids. *State and federal aids and discretionary or entitlement grants distributed by the state board shall not be subject to the contract approval procedures of the commissioner of administration or chapter 16. The commissioner of education shall adopt internal procedures for administration and monitoring of aids and grants.*

Sec. 20. Minnesota Statutes 1982, section 124.15, Subdivision 5, is amended to read:

Subd. 5. If the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides such violation does not exist, or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time thereof, or that such as existed were corrected within the time permitted, there (WILL) *shall* be no reduction of special state aids payable to such school district (;). Otherwise special state aids payable to the district for the year in which the violation occurred (WILL) *shall* be reduced as follows: The total amount of special state aids to which the district may be entitled (WILL) *shall* be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which such violation exists, *multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for that year.*

Sec. 21. Minnesota Statutes 1982, section 124.19, subdivision 3, is amended to read:

Subd. 3. When a district employs (A TEACHER) *one or more teachers (THAT) who* do not hold a valid teaching certificate, special state aid shall be withheld in the proportion that the number of such teachers is to the total number of teachers employed by the district, *multiplied by 60 percent of the product of*

the foundation aid formula allowance times its pupil units for the year in which the employment occurred.

Sec. 22. Minnesota Statutes 1982, section 275.125, subdivision 2d, is amended to read:

Subd. 2d. [REFERENDUM LEVY.] (1) The levy authorized by subdivision 2a 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) *two* such (ELECTION) *elections* may be held to approve a levy increase which will commence in a specific school year. (HOWEVER, MORE THAN ONE REFERENDUM MAY BE HELD TO APPROVE A LEVY INCREASE TO COMMENCE IN THE 1983-1984 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 provided 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.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) of this subdivision 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. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be 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.

(3) A petition authorized by clause (1) 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.

(4) A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. A revocation or reduction referendum invoked

by petition shall be held within three months of submission of the petition to the school board.

(5) 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.

(6) 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. 23. Laws 1967, chapter 822, section 4, is amended to read:

Sec. 4. [POWERS OF JOINT SCHOOL BOARD.]

Subdivision 1. [GENERALLY.] To effectuate the agreement, the joint school board shall have all the powers granted by law to any or all of the participating school districts.

Subd. 2. [SECONDARY ACADEMIC COURSES.] The joint school board may provide nonpost-secondary educational programs or other services requested by a participating district. Nonpost-secondary academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Subd. 3. [LEASE-PURCHASE AGREEMENTS.] In addition to any powers granted pursuant to section 465.71, the board may lease real property with an option to purchase under a lease-purchase agreement. Notwithstanding any other law to the contrary, no election shall be required in connection with the execution of a lease-purchase agreement authorized by this subdivision. The provisions of this subdivision shall apply only to lease-purchase agreements between the school board of Special Intermediate School District No. 287 and the school boards of districts which are members of Special Intermediate School District No. 287.

Sec. 24. Laws 1969, chapter 775, section 3, is amended by adding a subdivision to read:

Subd. 1a. [LEASE-PURCHASE AGREEMENTS.] In addition to any powers granted pursuant to section 465.71, the board may lease real property with an option to purchase under a lease-purchase agreement. Notwithstanding any other law to the contrary, no election shall be required in connection with the execution of a lease-purchase agreement authorized by this subdivision. The provisions of this subdivision shall apply only to lease-purchase agreements between the school board of Special Intermediate School District No. 916 and the school boards of

districts which are members of Special Intermediate School District No. 916.

Sec. 25. Laws 1969, chapter 775, section 3, subdivision 2, as amended by Laws 1971, chapter 267, section 2, is amended to read:

Subd. 2. It shall be the duty and the function of the intermediate district to furnish to every person eligible therefor residing in any part of such district and such other resident of the state as provided by law the following:

(a) Vocational school facilities and instruction in vocational-technical education;

(b) Facilities for and instruction in special education.

The board may also provide any other non-post-secondary educational programs or other services requested by a participating district. Nonpost-secondary academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 26. Laws 1969, chapter 1060, section 4, is amended to read:

Sec. 4. [POWERS OF JOINT SCHOOL BOARD.]

Subdivision 1. [GENERALLY.] To effectuate the agreement, the joint school board shall have all the powers granted by law to any or all of the participating school districts.

Subd. 2. [SECONDARY ACADEMIC COURSES.] The joint school board may provide nonpost-secondary educational programs or other services requested by a participating district. Nonpost-secondary academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Subd. 3. [LEASE-PURCHASE AGREEMENTS.] In addition to any powers granted pursuant to section 465.71, the board may lease real property with an option to purchase under a lease-purchase agreement. Notwithstanding any other law to the contrary, no election shall be required in connection with the execution of a lease-purchase agreement authorized by this subdivision. The provisions of this subdivision shall apply only to lease-purchase agreements between the school board of Special Intermediate School District No. 917 and the school boards of districts which are members of Special Intermediate School District No. 917.

Sec. 27. Laws 1981, chapter 358, article 7, section 29, as amended by Laws 1981, Third Special Session chapter 1, article 1, section 10, and by Laws 1982, chapter 548, article 4, section 19, is amended to read:

Sec. 29. [EXEMPTION FROM PUBLIC SALE.]

Notwithstanding Minnesota Statutes, section 124.76, from (JUNE 1, 1981) *July 1, 1983* until June 30, (1983) 1985, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than twelve months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 28. [EFFECTIVE DATE.]

Section 13 is effective the day following final enactment.

Sections 23 to 26 are effective upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the respective boards of Special Intermediate School Districts Nos. 287, 916, and 917.

ARTICLE 8

SCHOOL IMPROVEMENT

Section 1. [121.601] [EDUCATION TECHNOLOGY ACT.]

Subdivision 1. [CITATION.] Sections 2 to 8 of this article may be cited as the "Minnesota Education Technology Act."

Subd. 2. [DEFINITION; TECHNOLOGY.] For the purposes of this article, "technology" includes but is not limited to: computers, telecommunications, cable television, interactive video, film, low-power television, satellite communication, and microwave communication.

Subd. 3. [DEFINITION; COURSEWARE.] For the purposes of this article, "courseware" means computer software and its supporting materials such as workbooks and textbooks and integrated video tape and disk.

Sec. 2. [121.602] [TECHNOLOGY UTILIZATION PLANS.]

Subdivision 1. [PURPOSE AND ELIGIBILITY.] In order to promote the appropriate and effective use of technology in elementary and secondary public schools, school districts are encouraged to develop and adopt written technology utilization plans. Every school district which intends to prepare and sub-

mit a plan which complies with this section is eligible to receive state aid.

Subd. 2. [CONTENTS OF PLAN.] The plan shall:

(a) describe how computers and other technologies will be used to deliver educational opportunities for all age groups within the community;

(b) prescribe goals for implementing the use of computers and other technologies within the school district, including a management plan and an instructional plan with a specified scope and sequence;

(c) describe how the district will provide training for its staff in the use of computers and other technologies to improve the effectiveness of its schools;

(d) outline the process for achieving the goals; and

(e) establish procedures for evaluating and reporting progress toward the goals.

The school board shall develop the plan after consultation with its staff and with community members. The board shall consult with its curriculum advisory committee for planning, evaluation, and reporting appointed pursuant to section 123.741, subdivision 3. The board is encouraged to review the plan each year and adopt revisions when it deems it desirable.

Subd. 3. [CRITERIA; MODEL PLANS.] By August 31, 1983, the department of education shall prepare the criteria it will use for approval of plans and will provide model plans. The department may employ consultants and specialists to advise and assist in the development of the criteria and models, and shall consult with educational cooperative service units, regional management information centers formed pursuant to section 121.935, subdivision 1, and the Minnesota educational computing consortium prior to development of the criteria and models.

Subd. 4. [AID TO DISTRICTS.] A district which applies for aid for the development of a technology utilization plan shall receive \$1 for each pupil in average daily membership enrolled in public elementary and secondary schools in the district in the 1982-1983 school year. No district which applies for aid shall receive less than \$750.

Subd. 5. [APPLICATION FOR AID.] A school district shall apply for aid on forms provided by the department of education. Aid application forms shall be provided to districts by August 31, 1983.

Subd. 6. [PAYMENT OF AID; SUBMISSION OF PLANS.] *Aid shall be paid to a district within 15 days of receipt of the district's application. Districts which receive aid shall submit technology utilization plans by January 31, 1984, or within 90 days of receipt of aid, whichever is later.*

Subd. 7. [APPROVAL OF PLAN.] *By June 30, 1984, the department shall approve or disapprove plans submitted by school districts prior to April 30, 1984. Plans submitted after April 30, 1984, shall be approved or disapproved within 60 days. Plans that are disapproved may be revised and resubmitted.*

Sec. 3. [121.603] [COURSEWARE EVALUATION.]

Subdivision 1. [EVALUATION CRITERIA AND ADVISORY COMMITTEE.] *To assist school districts with the purchase of computer courseware the commissioner of education shall establish courseware evaluation criteria and procedures. The criteria shall become the basis for evaluation and approval of courseware. The procedures developed shall contain a procedure for approval and resubmission of nonapproved courseware. The commissioner may employ consultants and specialists to assist in the development of the criteria and procedures and in the evaluation of the courseware, and shall consult with the regional management information centers formed pursuant to 121.935, subdivision 1 and the Minnesota educational computing consortium prior to development of the criteria and procedures.*

By September 1, 1983, the commissioner of education shall establish and distribute, following consultation with a courseware evaluation advisory committee, criteria and procedures for evaluation of courseware. The courseware evaluation advisory committee shall consist of at least: six teachers, two school administrators, one computer professional knowledgeable in the field of microcomputers, one person actively employed in documentation standards for courseware, one person actively employed in the field of courseware development, one person designated by the executive director of the Minnesota educational computing consortium, two parents, and two additional persons appointed by the commissioner of education. This committee shall modify and update criteria and procedures as necessary, and recommend approval or disapproval of courseware based upon field tests.

Subd. 2. [EVALUATION AND FIELD TESTING OF COURSEWARE.] *For courseware to be approved it must be submitted to the commissioner of education for evaluation and field testing, except that the commissioner may provide for the evaluation and field testing of courseware that has not been submitted if he finds that school districts have a strong interest in purchasing or leasing the courseware. The commissioner of education shall give public notice of intention to evaluate course-*

ware. As soon after September 1, 1983, as practical the commissioner shall distribute the criteria and procedures to be used in courseware evaluation to all who request copies.

Each unit of courseware obtained for approval shall be evaluated by a minimum of five persons, including three practicing teachers from appropriate grade level or content areas who will field test the courseware in their classrooms, one microcomputer professional knowledgeable in the software and documentation techniques, and one curriculum content expert. These persons shall represent to the commissioner of education that they have no financial interest in the product being evaluated nor in any similar or competing product. The commissioner of education may pay honoraria or consultant fees to evaluators based upon the size and complexity of the courseware evaluated. The evaluators shall submit a written report to the commissioner of education in a form and manner as the commissioner prescribes following the established criteria of subdivision 1.

The commissioner of education shall compile the reports. The commissioner may review the results with the courseware evaluation advisory committee, and shall either approve or disapprove the courseware. Results of the evaluation shall be available to the courseware producer for review.

Subd. 3. [PUBLICATION OF LISTING OF APPROVED COURSEWARE.] Beginning January 1, 1984, and every six months thereafter, the department of education shall distribute to all school districts a list of approved courseware. The department of education shall maintain a collection of approved courseware for review and examination. The courseware evaluation advisory committee shall distribute every six months a list of needed courseware for which there is no acceptable commercially available product. As evaluated by the criteria developed in this section, this list shall be based upon surveys or other methods which recognize input from school districts.

Sec. 4. [121.604] [COURSEWARE ACQUISITION.]

Subdivision 1. [COURSEWARE DEVELOPMENT.] The Minnesota educational computing consortium, in consultation with the department of education, is authorized to develop and design courseware which will meet the needs of public schools and which is included in the listings of needed courseware established in section 3 of this article and which is otherwise unavailable or too expensive for individual districts to purchase. The Minnesota educational computing consortium may:

(a) contract with school districts, private entrepreneurs, and other public and private agencies for the development of specified courseware;

(b) assist entrepreneurs to develop their own ideas for courseware or other software that could be used in the schools by providing funds for that purpose;

(c) secure copyrights in those materials in which it has a whole or part interest;

(d) sell developed courseware at cost to school districts in Minnesota and at commercial rates elsewhere; and

(e) sell or contract for the marketing of courseware.

The courseware shall be evaluated according to the criteria and procedures established in section 3 of this article.

Courseware developed pursuant to this subdivision shall become the property of the Minnesota educational computing consortium. Revenue from the sale of this courseware shall be used to develop more courseware pursuant to this section.

Subd. 2. [DEVELOPMENT OF ENTREPRENEURIAL IDEAS.] School districts, individuals, public and private organizations and agencies may make proposals for development of courseware to the Minnesota educational computing consortium at any time. If the Minnesota educational computing consortium chooses to fund development of the proposal, a contract shall be negotiated; provided that the Minnesota educational computing consortium funding shall not exceed the actual development cost or the agreed upon fixed price, whichever is less. Profits from future distribution of the product, if any, shall be shared according to provisions in the contract. Approval of contracts shall follow the provisions of subdivision 1. Funding of contracts can be, in part, provision of or access to equipment and technical assistance necessary to performance of the contract.

Subd. 3. [DISTRIBUTION.] The Minnesota educational computing consortium may sell courseware to Minnesota school districts at cost and may sell to school districts in other states and to the general public at commercial rates. Every contract with a developer who shares in the profits of distribution shall include a provision requiring sale of the courseware at cost to Minnesota school districts.

Sec. 5. [121.605] [PURCHASE OF COURSEWARE.]

The commissioner may purchase and make available to school districts duplication rights for courseware and related materials.

Duplication rights may be purchased and volume purchase agreements may be established by the commissioner if the materials meet the criteria developed in section 3 of this article and

if the materials are available to the state at a lower cost than if separate school districts purchase them individually.

The department of education shall make the courseware available to the Minnesota educational computing consortium for distribution to school districts. The materials shall be available to school districts without cost except for nominal costs of reproduction and distribution.

Sec. 6. [124.252] [INCENTIVES FOR PURCHASE OF COURSEWARE.]

Subdivision 1. [STATE MATCHING FUNDS.] For the purchase, lease, or lease-purchase of courseware approved under the provisions of section 3 of this article, school districts shall receive state aid. The aid shall be equal to the lesser of:

(a) \$2.40 times the number of pupils in average daily membership in the district in the 1983-1984 school year, or

(b) twenty-five percent of the actual expenditures of the district for the purchase, lease, or lease-purchase of courseware between July 1, 1983, and June 30, 1985.

Subd. 2. [PAYMENT OF AID.] The commissioner shall prescribe the form and manner of an application for aid under this section. Partial payment of aid shall be made by April 1, 1984, for courseware expenditures prior to March 1, 1984, if timely applications have been received by March 1, 1984. Partial payment of aid shall be made by April 1, 1985, for courseware expenditures prior to March 1, 1985, if timely applications have been received by March 1, 1985. Final aid payment shall be made by June 30, 1985, and shall be based upon applications received by June 1, 1985.

Sec. 7. [121.606] [TRAINING DEMONSTRATION SITES.]

Subdivision 1. [POLICY; ADVISORY COMMITTEE.] The legislature finds that training demonstration sites are needed to demonstrate ways in which instruction can be improved by using technology in elementary and secondary schools to provide learning opportunities for people of all ages. Central coordination of the training demonstration sites project shall be provided by a training demonstration site advisory committee, reporting to the state board of education. The training demonstration site advisory committee shall be appointed by the governor with representation from parents, administrators, and teachers in public schools, higher education, business and industry, the department of education, the council on quality education, the Minnesota educational computing consortium and regional management information centers.

Subd. 2. [GRANTS TO SCHOOL DISTRICTS.] For the 1983-1984 and 1984-1985 school years, the state board of education shall make grants to no fewer than ten individual school districts, multiple school district cooperatives, or educational cooperative service units, selected by the training demonstration site advisory committee to demonstrate the use of technology in instruction. Grants shall be made to exemplary programs already in progress in school districts, and where possible, to demonstrate technology-based education at three levels, elementary, junior and senior high.

The training demonstration site advisory committee shall select the sites using competitive proposals. To the extent possible, the selected sites shall be geographically well-distributed with representation from urban, suburban, and rural areas. Selection criteria shall include: (1) demonstrated interest, financial commitment, and past success by the applicant in utilization of technology; (2) evidence of interest on the part of the applicant's staff and the community to fully incorporate technology into their curriculum in order to facilitate demonstration of new methods; and (3) willingness of the applicant to cooperate with others to offer inservice training in the use of educational technology at the training demonstration site, pursuant to section 13 of this article. A general plan of implementation shall be required with the application; however, model site applicants shall not be required to present a detailed final plan at the time of application. Successful applicants shall work with the department of education, local post-secondary institutions, other public and private agencies, and local business and industry, as appropriate, to devise and implement a comprehensive plan. Grants may be used for equipment purchase, hiring of consultants, curriculum development, and staff training.

Subd. 3. [CRITERIA FOR AWARDING GRANTS.] By October 1, 1983, the state board shall adopt and distribute criteria for awarding grants prepared by the training demonstration sites advisory committee, in consultation with the Minnesota educational computing consortium, regional management information centers, the council on quality education, and the state board.

Subd. 4. [APPLICATION FOR GRANTS.] By December 1, 1983, applicants shall submit applications for the grants on forms provided by the commissioner of education. Grants shall be awarded by January 15, 1984.

Subd. 5. [PRIVATE FUNDING.] The training demonstration sites advisory committee shall seek funds and in-kind contributions from private sources to supplement state funds for the purpose of awarding grants. Private contributions may be made directly to the demonstration sites.

Subd. 6. [EVALUATION OF TRAINING DEMONSTRATION SITES.] *The state board of education shall contract with independent evaluators to conduct an evaluation of the training demonstration site programs. The evaluators' report shall be a part of the report to the legislature required in section 8 of this article.*

Sec. 8. [REPORTS TO THE LEGISLATURE.]

By February 1, 1984, the commissioner shall report to the education committees of the legislature on the progress of implementing the programs in sections 1 to 7 of this article.

By February 1, 1985, the commissioner shall report to the education committees of the legislature on the progress of the programs in sections 1 to 7 of this article and on preliminary evaluations of the programs and participants.

Sec. 9. [121.607] [CITATION.]

Sections 10 to 14 of this article may be cited as "The Comprehensive Instructional Improvement Act."

Sec. 10. [121.608] [INSTRUCTIONAL EFFECTIVENESS PLAN.]

By January 1, 1984, the commissioner of education shall develop a comprehensive statewide plan for maintaining and improving instructional effectiveness in the schools. The plan shall encourage implementation of school effectiveness strategies based on research findings in the area, develop in-service training models for school district staff, integrate developments in educational technology with classroom instruction models and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in instructional effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program.

Sec. 11. [121.609] [INSTRUCTIONAL EFFECTIVENESS TRAINING.]

Subdivision 1. [PLANNING; ADVISORY COMMITTEE.]
By January 1, 1984, the commissioner of education shall appoint an advisory committee to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation model for training school district staff in instructional effectiveness. The training program model shall be based on established principles of instructional design and the essential elements of effective instruction as determined

by educational research. The training program model shall take into account the diverse needs of the school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of the training through the educational cooperative service units.

Subd. 2. [PILOT TESTING OF TRAINING MODEL.] Between January 1, 1984, and June 1, 1984, the commissioner shall administer a pilot program of the instructional effectiveness training models which shall be implemented in at least ten pilot sites throughout the state. By June 30, 1984, the commissioner shall provide an evaluation of the pilot testing programs to the advisory committee established in subdivision 1, which shall make modification in the training models as necessary.

Subd. 3. [SELECTION OF SITES.] By March 1, 1984, the commissioner shall provide information to all school districts on the instructional effectiveness training program and shall establish criteria for selecting school districts in which to implement the program. The criteria shall include submission of a plan adopted by the district's curriculum advisory committee for planning, evaluation, and reporting that is consistent with the plan adopted in section 2 of this article and a commitment by the school board and district staff to improve instructional effectiveness. By June 30, 1984, school districts may apply to the commissioner to be considered for selection as an instructional effectiveness training site. By September 1, 1984, the commissioner shall select up to 100 school districts in which to provide an instructional effectiveness training program.

Subd. 4. [DELIVERY OF TRAINING PROGRAM.] The commissioner may enter into agreements with educational cooperative service units for the purpose of providing instructional effectiveness training pursuant to the provisions of this section.

Subd. 5. [EVALUATION AND REPORT.] The commissioner shall pay an independent evaluator to conduct an evaluation of the effectiveness of this section. The evaluator shall submit a preliminary report by September 1, 1984, based upon pilot test results and plans submitted prior to this date. The evaluator shall submit a final report, including a sample survey of district personnel trained in the programs, to the commissioner by September 1, 1985.

Sec. 12. [121.610] [SUBJECT AREA INSERVICE TEACHER TRAINING PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall establish a program for providing inservice training to school district staff. The subject areas in which the inservice training shall be provided shall change annually. During the first year, the program shall provide inservice training to elementary and secondary teachers in mathematics, science,

and social science. For the second year of the program and each year thereafter, the commissioner shall designate three subject areas for which inservice teacher training programs shall be provided each year. Inservice training programs shall be designed to offer a broad spectrum of experiences including activities which require active involvement by participants rather than classroom lectures. To the extent possible, these inservice training programs shall be integrated with technology training pursuant to section 13 of this article and instructional effectiveness training pursuant to section 11 of this article.

Subd. 2. [PRIVATE FUNDS.] The commissioner may seek contributions from additional private or public sources to supplement state funds provided by this act. These contributions shall be added to the total amount of available state funds and shall be administered by the board in the same manner as state funds.

Subd. 3. [FEDERAL FUNDS.] The commissioner of education shall apply for and accept all eligible federal funds available for inservice teacher training programs in the particular subject areas.

Subd. 4. [PROPOSALS.] Grant proposals submitted by eligible applicants to the commissioner for consideration shall contain the following elements:

(1) A variety of teacher education activities which are designed to assess and upgrade skills of those attending the training programs;

(2) Provisions for addressing the requirements for licensure in the designated areas for those teachers who are currently not licensed in those areas but who wish to be licensed;

(3) A plan for teachers who participate in the training program to return to their school districts and provide training programs or disseminate information on inservice programs to additional teachers in their districts and in the region;

(4) A process for notifying teachers in the state who teach in the particular subject areas and who are eligible for the program, a process for selecting teachers to participate in the inservice training program, and a mechanism for evaluation to be provided to the state board upon completion of the program;

(5) An estimated budget for the program, which shall provide for tuition expenses, related expenses including meals and lodging, and a stipend for participants in the program; and

(6) Other information that may be requested by the commissioner.

Subd. 5. [ELIGIBLE APPLICANTS.] *The commissioner may allocate funds to public and nonpublic institutions of higher education, public and private nonprofit organizations, educational cooperative service units, or school districts for the purpose of providing inservice teacher training. When approving or disapproving grants, the commissioner shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.*

Subd. 6. [CONSULTATION.] *When making grants for the teacher inservice training programs pursuant to this section, the commissioner shall consult with elementary and secondary teachers in the particular subject areas to ensure that proposals submitted incorporate recent research findings and address re-training needs of teachers in those subject areas.*

Subd. 7. [APPLICATION DATES.] *Applications for inservice training programs to be conducted during a particular school year shall be submitted to the board by the January 1 preceding the beginning of that school year. The commissioner shall approve or disapprove the proposals by the following March 1.*

Sec. 13 [121.611] [STAFF TRAINING IN EDUCATIONAL TECHNOLOGY.]

Subdivision 1. [STATE AID FOR EDUCATIONAL TECHNOLOGY TRAINING.] *In order to train educators to use technology to improve instruction, the commissioner shall provide funds for inservice education for staff members in elementary and secondary public schools. School districts with an approved plan for technology utilization under section 2 of this article are eligible to apply for state aid to provide inservice training under the provisions of this section. School districts are encouraged to cooperate with one another in providing inservice training for staff members.*

Subd. 2. [COMPONENTS.] *Education technology inservice training programs shall include the following components in order to qualify for aid:*

(a) *effective instructional principles and instructional management plan;*

(b) *the integration of effective instructional principles using educational technology;*

(c) *orientation and experience with different forms of instructional technology;*

(d) *exposure to future trends and uses of educational technology; and*

(e) orientation to careers in high technology available in Minnesota.

Subd. 3. [APPLICATIONS BY SCHOOL DISTRICTS.] School districts or combinations of school districts may submit education technology inservice education plans to the commissioner by December 1, 1984. Each plan shall include a description of the inservice instruction, the instructor's qualifications, and the amount of time the instruction will include. The inservice training is not limited to formal classroom presentations. The commissioner shall approve requests from the districts within 60 days of submittal.

Subd. 4. [AMOUNT OF AID.] A district or combination of districts whose inservice training plan is approved by the commissioner shall receive \$1 for each pupil in average daily membership in public elementary and secondary schools in the district in the 1983-1984 school year. Fifty percent of the aid shall be paid to districts upon approval by the commissioner. The remainder of a district's aid shall be paid upon completion of the inservice training, after the district submits a final report to the commissioner. The reports shall be made on forms furnished by the department.

Subd. 5. [INSERVICE TRAINING BY THE DEPARTMENT.] The department of education shall provide additional inservice education in improving instruction through the use of technology. It shall be completed by June 30, 1985. The training shall be on a regional or statewide basis and shall be consistent with the statewide plan for instructional effectiveness developed pursuant to section 10 of this article. The department may employ consultants or specialists for the training programs. The commissioner shall ensure that these training activities do not duplicate or conflict with services provided by other governmental agencies or organizations.

Subd. 6. [INSTRUCTIONAL COORDINATORS.] The Minnesota educational computing consortium shall provide regional instructional computing coordinators with expertise in the use of technology in instruction. The coordinators shall serve as onsite consultants to districts conducting staff training under this section, implement the delivery system for demonstration of courseware in each region, provide subject related expertise to any school district of the state, and perform other duties related to staff training.

Subd. 7. [TRAINING DEMONSTRATION SITES; INSERVICE TRAINING.] School districts are encouraged to offer inservice training programs in educational technology in cooperation with school districts that have been selected as training demonstration sites pursuant to section 7 of this article, and to offer these programs at the training demonstration sites, with the permission of the host district.

Sec. 14. [REPORT TO THE LEGISLATURE.]

By January 1, 1985, the commissioner shall report to the education committees of the legislature on the progress of the programs in sections 10 to 13 of this article and on preliminary evaluations of the programs and participants.

Section 15. [121.612] [CITATION.]

This section may be cited as the "Minnesota Academic Excellence Act."

Subdivision 1. [CREATION OF FOUNDATION.] There is created the Minnesota Academic Excellence Foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public schools through a public-private partnership. The foundation shall be a nonprofit organization.

Subd. 2. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of the governor or the governor's designee; the chairpersons of the education committee and education finance division in the house of representatives and the chairpersons of the senate education committee and senate education subcommittee on education aids; a minority member of the house of representatives to be appointed by the house minority leader; a minority member of the senate, to be appointed by the senate minority leader; the commissioner of education; and 15 members to be appointed by the governor. Of the 15 members appointed by the governor, six shall represent various education groups and nine shall represent various business groups. The board of directors shall meet as soon as possible after the effective date of this section. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation.

Subd. 3. [FOUNDATION PROGRAMS.] The foundation shall plan for programs which advance the concept of educational excellence. These may include but are not limited to:

(a) recognition programs and awards for students demonstrating academic excellence;

(b) summer institute programs for students with special talents;

(c) recognition programs for teachers, administrators, and others who contribute to academic excellence;

(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;

(e) *governor's awards ceremonies to promote academic competition; and*

(f) *consideration of the establishment of a Minnesota high school academic league.*

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Subd. 4. [RECEIPT OF PRIVATE FUNDS.] The foundation shall seek private resources to supplement the available public funds. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors. All funds received shall be administered by the board of directors.

Subd. 5. [REPORT.] By February 1, 1984, and February 1, 1985, the board of directors of the foundation shall report to the education committees of the legislature on the progress of its activities made pursuant to the provisions of this section.

Sec. 16. Minnesota Statutes 1982, section 120.10, subdivision 2, is amended to read:

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one: (1) in which all the common branches are taught in the English language, from textbooks written in the English language, and taught by teachers whose qualifications are essentially equivalent to the minimum standards for public school teachers of the same grades or subjects and (2) which is in session each school year for at least (175) 180 days or their equivalent; provided that in a program of instruction for children of limited English proficiency, instruction and textbooks may be in the primary language of the children of limited English proficiency enrolled therein. Any other language may be taught as provided in section 126.07. As used in this subdivision, the terms "children of limited English proficiency" and "primary language" shall have the meanings ascribed to them in section 126.262.

Sec. 17. Minnesota Statutes 1982, section 120.64, subdivision 2, is amended to read:

Subd. 2. A full-time classroom teacher currently employed by a school district which converts to a flexible school year program shall not, without his written consent, be required to teach under this program (1) more or less than the number of scheduled days or their equivalent the schools of the district were maintained during the year preceding implementation of the flexible school year program; (2) in a period of the calendar year substantially different from the period in which he taught during the year preceding implementation of the flexible year

program. *However, in a school district which converted to a flexible school year prior to July 1, 1984, a full-time classroom teacher may be required to teach five days more than the number of scheduled days or their equivalent that the schools of the district were maintained during the year preceding implementation of the flexible school year program.*

Sec. 18. Minnesota Statutes 1982, section 120.64, subdivision 4, is amended to read:

Subd. 4. Any school district operating a flexible school year program shall enter into one contract governing the entire school year with each teacher employed in a flexible program. If individual teachers contract to teach less than a period of (175) 180 days during a school year, each (175) 180 days of employment accrued during any five year period after the adoption of a flexible year program shall be deemed consecutive and shall constitute a full year's employment for purposes of establishing and retaining continuing contract rights to a full school year position pursuant to sections 125.12, subdivisions 3 and 4, and 125.17, subdivisions 2 and 3. A teacher who has not been discharged or advised of a refusal to renew his contract by the applicable date, as specified in section 125.12 or 125.17, in the year in which he will complete the requisite number of days for securing a continuing contract shall have a continuing full school year contract with the district.

Sec. 19. Minnesota Statutes 1982, section 124.17, subdivision 1, is amended to read:

Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school:

(a) For each handicapped pre-kindergarten pupil and each handicapped kindergarten pupil, as defined in section 120.03, enrolled in a program approved by the commissioner, a number of pupil units equal to the ratio of the number of hours of education services required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to (875) 900, but not more than one pupil unit;

(b) For kindergarten pupils, other than those in clause (a), enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and

(c) For other elementary pupils, one pupil unit.

(2) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

Sec. 20. Minnesota Statutes 1982, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district which receives special state aid shall maintain school in session or provide instruction in other districts, in state university laboratory school or in the university laboratory school, for at least (175) 180 days, not including summer school, or the equivalent in a district operating a flexible school year program. A district which holds school for the required minimum number of days and is otherwise qualified is entitled to special state aid as provided by law. If school is not held for the required minimum number of days, special state aid shall be reduced by the ratio that the difference between (175) 180 days and the number of days school is held bears to (175) 180 days, multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose special state aid, if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board and, if proper evidence is submitted and a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. Not more than (FIVE) *seven* days may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days, (EXCEPT THAT) *provided that, if the number of days devoted to parent-teacher conferences or teachers' workshops is more than five, the number of these days in excess of five shall be devoted to teacher training programs provided pursuant to the provisions of this article. However, for kindergarten classes, not more than (TEN) 12 days may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days, provided that, if the number of days devoted to parent-teacher conferences or teachers' workshops is more than ten, the number of those days in excess of ten shall be devoted to teacher training programs provided pursuant to the provisions of this article. Districts are encouraged to cooperate and coordinate with one another and with educational cooperative service units to provide inservice training on the same workshop days.*

Sec. 21. [RULEMAKING.]

The state board shall amend its rules regarding the number of days school is in session and any other rules affected by the provisions of sections 16 to 20 of this article to reflect the lengthened school year provided by sections 16 to 20 of this article.

Sec. 22. [REPORT ON NEED FOR CURRICULUM CHANGES.]

By October 1, 1983, the commissioner of education shall develop and submit a report to the education committees of the legislature on the need for adopting alternative rules governing curriculum requirements in the elementary and secondary public schools. In developing the recommendations, the commissioner shall consider the extent to which the proposed curriculum requirements shall adequately prepare the students for entering post-secondary institutions. The report shall include at least the following:

- (1) preliminary information on the extent to which school districts are in compliance with the current curriculum requirements established in state board rules;*
- (2) a preliminary draft of proposed rules which would increase the curriculum requirements in elementary and secondary schools;*
- (3) recommendations for changes in the laws which impose penalties for noncompliance with state board of education rules;*
- (4) development of a statewide monitoring system to ensure compliance with curriculum requirements;*
- (5) assessment of the feasibility of establishing homework requirements in the elementary and secondary schools; and*
- (6) recommendations for changes in high school graduation requirements.*

Sec. 23. [RULEMAKING ON CURRICULUM.]

By September 1, 1984, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary and secondary curriculum requirements which will ensure that a minimum comprehensive educational program is available to all students in the state. The rules adopted by the state board shall be effective beginning in the 1985-1986 school year.

Sec. 24. [122.535] [AGREEMENTS FOR SECONDARY EDUCATION.]

Subdivision 1. [APPLICABILITY.] The provisions of this section shall apply to a district with fewer than 375 pupils enrolled in grades 7 through 12.

Subd. 2. [AGREEMENT.] The school board may enter into one or more agreements providing for instruction of its

secondary pupils in one or more districts. The agreement shall be effective on July 1 and shall be for a specified or indefinite number of years. The agreement shall set forth the obligations of transportation, the tuition to be paid to the providing district, and all additional charges and fees to be paid to the providing district. The amount of tuition shall not be subject to the provisions of section 124.18, subdivision 2. The agreement may provide for negotiation of a plan for the assignment or employment in a providing district as an exchange teacher according to section 125.13 or placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement. "Teacher" has the meaning given it in section 125.12, subdivision 1.

Subd. 3. [INFORMATIONAL MEETING.] Before entering into agreements permitted by subdivision 2, the school board shall hold a public hearing. The board shall publish notice of the hearing in the newspaper with the largest circulation in the district. If the board proposes to enter into agreements with two or more districts, the board may conduct separate or consolidated hearings.

Subd. 4. [REVIEW AND COMMENT.] After the hearing required by subdivision 3 and before entering into an agreement, the board shall submit the agreement to the commissioner of education for review and comment.

Subd. 5. [AID PAYMENTS.] A district entering into an agreement permitted in subdivision 2 shall continue to count its resident pupils who are educated in other districts as resident pupils in the calculation of pupil units for the purposes of state aids, levy limitations, and any other purpose. A district may continue to provide transportation and collect transportation aid for its resident pupils. For purposes of aid calculations, the commissioner of education may adjust the cost per eligible pupil transported to reflect changes in cost resulting from the agreement, if any.

Sec. 25. Minnesota Statutes 1982, section 122.41, is amended to read:

122.41 [POLICY.]

(IT IS HEREBY DECLARED TO BE) The policy of the state is to encourage **(THE)** organization of school districts into **(SUCH LOCAL)** units of administration **(AS WILL)** to afford better educational opportunities for all pupils, make possible **(A)** more economical and efficient operation of the schools, and insure **(A)** more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining classified elementary and secondary schools, grades one through twelve,

unless a district has made an agreement with another district or districts as provided in section 24 of this article or 122.541.

Sec. 26. Minnesota Statutes 1982, section 122.43, is amended to read:

122.43 [DISSOLUTION OF DISTRICTS NOT A PART OF INDEPENDENT DISTRICTS.]

Subdivision 1. (IF THERE BE) Any organized school district not a part of an independent school district maintaining classified elementary and secondary schools, grades one through twelve, *is dissolved*, unless the district has made an agreement with another district or districts as provided in section 24 of this article or 122.541 (, SUCH DISTRICT SHALL HEREBY BE DISSOLVED).

Subd. 2. The board of each district so dissolved shall continue to maintain school (THEREIN) until all *its* territory (THEREOF) has been attached to a proper district not later than July 1 (, BUT). Such boards shall (HAVE POWER AND AUTHORITY) only (TO) make such contracts and (TO) do such things as are necessary to maintain *schools* properly (THE SCHOOLS) for the period they may be in session prior to the attachment.

Sec. 27. Minnesota Statutes 1982, section 122.44, is amended to read:

122.44 [PROCEDURE FOR ATTACHMENT TO ORGANIZED DISTRICTS (; PROCEDURE).]

Subdivision 1. Upon notice and hearing, as provided in section 122.22 for the attachment of dissolved districts, all territory of school districts dissolved by sections 122.41 to 122.52 and all area of the state not in a district maintaining classified elementary and secondary schools shall be attached by order of the county board to organized districts maintaining classified elementary and secondary schools, grades one through twelve, unless a district has made an agreement with another district or districts as provided in section 24 of this article or 122.541.

Sec. 28. [POLICY FOR INTERDISTRICT COOPERATION.]

It is the policy of the state to encourage districts to use experimental delivery systems that afford increased educational opportunities for pupils, make possible more efficient operation of schools, and promote more effective distribution of public school revenues.

Sec. 29. [124.272] [INTERDISTRICT COOPERATION AID.]

Subdivision 1. [LIMITATION.] This section shall not apply to Special School District No. 1, Independent School Districts Nos. 11, 625, and 709, or to school districts which are members of Intermediate School Districts, Nos. 287, 916, and 917.

Subd. 2. [ELIGIBLE DISTRICTS.] A district shall be eligible for interdistrict cooperation aid if it has entered into a cooperation agreement and if it has a cooperation plan approved by the commissioner of education.

Subd. 3. [COOPERATION PLAN.] To receive aid or to levy pursuant to section 30 of this article a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 through 12, a three-year science sequence in grades 10 through 12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year; and

(f) other information required by the commissioner.

Subd. 4. [DEFINITION.] (a) A district's "interdistrict cooperation revenue" shall equal the lesser of \$28 times the actual pupil units for that school year or the estimated cost to the district of the interdistrict cooperation program for the school year to which the levy is attributable.

(b) A district's "interdistrict cooperation levy limitation" means its levy limitation computed according to section 30 of this article.

Subd. 5. [COOPERATION AID.] A district's interdistrict cooperation aid for any school year shall equal:

(a) the difference between its interdistrict cooperation revenue and its interdistrict cooperation levy limitation for the levy for that school year, multiplied by

(b) the ratio of the amount actually levied to the amount of its interdistrict cooperation levy limitation.

Subd. 6. [APPROVAL WITH APPROPRIATION.] The commissioner may approve applications for aid within the limitation of the appropriation. Approval shall be based on criteria established by the state board of education.

Subd. 7. [REPORT.] By December 1, 1985, and each year thereafter, the department of education shall report to the education committees of the legislature about the interdistrict cooperation agreements and whether the provisions of this section have increased educational opportunities in those districts.

Sec. 30. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8a. [INTERDISTRICT COOPERATION LEVY.] Each year, a district which is eligible for aid pursuant to section 29, subdivision 2 of this article, may levy the amount of the estimated instructional costs of the interdistrict cooperation plan for the year to which the levy is attributable, but not more than \$28 times the actual pupil units for that school year. No levy under this subdivision shall exceed one mill times the adjusted assessed evaluation of the district for the preceding year. The proceeds of the levy may only be used to pay for instructional costs incurred in providing the program offerings resulting from the cooperation plan.

Sec. 31. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 8. [INTERDISTRICT COOPERATION LEVY AND AID.] Any districts which consolidate pursuant to section 122.23 and which were eligible to make the levy and receive aid pursuant to the provisions of sections 29 and 30 of this article prior to the effective date of the consolidation, shall continue to remain eligible to apply for interdistrict cooperation aid and levy after the effective date of the consolidation.

Sec. 32. [APPROPRIATIONS; FLOW THROUGH.]

Subdivision 1. There is appropriated from the general fund to the department of education the amounts indicated in this section for the biennium ending June 30, 1985.

Subd. 2. [TECHNOLOGY PLANNING AID.] For aid to school districts for the development of technology utilization

plans pursuant to section 2 of this article, there is appropriated \$800,000.

Subd. 3. [COURSEWARE SUBSIDY.] For aid to school districts for purchase or lease of courseware pursuant to section 6 of this article, there is appropriated \$1,675,000.

Subd. 4. [TRAINING DEMONSTRATION SITE GRANTS.] For grants to training demonstration sites pursuant to section 7 of this article, there is appropriated \$1,000,000.

Subd. 5. [INSTRUCTIONAL EFFECTIVENESS TRAINING.] For instructional effectiveness inservice training pursuant to section 11 of this article, there is appropriated \$950,000. The commissioner may enter into agreements with educational cooperative service units to provide this training.

Subd. 6. [SUBJECT AREA TRAINING.] For grants for subject area inservice training programs pursuant to section 12 of this article, there is appropriated \$520,000.

Subd. 7. [TECHNOLOGY TRAINING.] For aid to school districts for technology training pursuant to section 13 of this article, there is appropriated \$710,000.

Subd. 8. [COOPERATING DISTRICT AID.] For interdistrict cooperation aid pursuant to section 29 of this article, there is appropriated \$1,000,000. This aid shall be paid to qualifying districts by December 31, 1984.

Subd. 9. [ACADEMIC EXCELLENCE FOUNDATION.] The sum of \$250,000 is appropriated to provide a state match for funds raised by the academic excellence foundation pursuant to section 15 of this article. This sum shall be released to the foundation upon approval of the governor after consultation by the commissioner of education with the legislative advisory commission in the manner provided in section 3.30. The governor and legislative advisory commission shall consider the amount of revenue the foundation has raised and the plans for its use.

Sec. 33. [APPROPRIATIONS; DEPARTMENT OF EDUCATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the amounts indicated in this section for the fiscal years designated. Any unexpended amount of an appropriation for fiscal year 1984 shall not cancel but shall be available for fiscal year 1985.

Subd. 2. [DEPARTMENT STAFF.] For administration of sections 1 to 34 of this article, there is appropriated:

\$62,500 1984,

\$62,500 1985.

The department of education may add two positions to its authorized complement for these purposes. One of these positions shall be at the level of education specialist II, and one shall be a clerical support position.

Subd. 3. [TECHNOLOGY UTILIZATION MODEL.] *For development of model plans for technology utilization pursuant to section 2 of this article and for administration of section 2 of this article, there is appropriated:*

\$30,000 1984.

Subd. 4. [COURSEWARE EVALUATION.] *For evaluation of courseware pursuant to section 3 of this article, there is appropriated:*

\$325,000 1984.

Of this amount, no more than \$25,000 may be used for administration.

Subd. 5. [COURSEWARE DUPLICATION RIGHTS.] *For purchase and distribution of courseware to school districts pursuant to section 5 of this article, there is appropriated:*

\$250,000 1984.

Of this amount, no more than \$10,000 may be used for administration.

Subd. 6. [COURSEWARE SUBSIDY; ADMINISTRATION.] *For administration of the program established in section 6 of this article for aid to school districts for purchase or lease of courseware, there is appropriated:*

\$10,000 1984.

Subd. 7. [TRAINING DEMONSTRATION SITES; EVALUATION.] *For administration of section 7 of this article and for evaluation pursuant to section 7, subdivision 6 of this article, of sites that receive training demonstration grants, there is appropriated:*

\$20,000 1984,

\$40,000 1985.

No more than \$20,000 of the total appropriation in this subdivision for both years shall be used for administration.

Subd. 8. [INSTRUCTIONAL EFFECTIVENESS PLAN.] For development of the instructional effectiveness plan as provided in section 10 of this article, there is appropriated:

\$50,000 1984.

Subd. 9. [INSTRUCTIONAL EFFECTIVENESS TRAINING.] For development of the instructional effectiveness model pursuant to section 11 of this article and administration and evaluation of section 11 of this article, there is appropriated:

\$120,000 1984.

No more than \$10,000 of this amount shall be used for administration, and no more than \$20,000 of this amount shall be used for the evaluation required in section 11, subdivision 5 of this article.

Subd. 10. [SUBJECT AREA TRAINING.] For subject area training activities and administration pursuant to section 12 of this article, there is appropriated:

\$180,000 1984.

Of this amount, \$160,000 is for updating of learner outcomes and providing for measurement of those outcomes through the local testing and evaluation program provided for in section 123-742, subdivision 2.

Subd. 11. [TECHNOLOGY TRAINING.] For technology training performed by the department of education pursuant to section 13, subdivision 5 of this article, there is appropriated:

\$600,000 1984.

Of this amount, \$300,000 shall be used to provide inservice training to teachers visiting the training demonstration sites funded pursuant to section 7 of this article.

Subd. 12. [FOUNDATION FOR ACADEMIC EXCELLENCE; ADMINISTRATION.] For administration costs for the foundation for academic excellence established in section 15 of this article, there is appropriated:

\$25,000 1984,

\$25,000 1985.

Sec. 34. [APPROPRIATIONS; MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM.]

Subdivision 1. There is appropriated from the general fund to the Minnesota educational computing consortium the amounts indicated in this section for the fiscal years ending June 30 in the year designated. Any unexpended balance from the appropriation for fiscal year 1984 shall not cancel but shall be available for fiscal year 1985.

Subd. 2. [COURSEWARE ACQUISITION.] For acquisition of courseware pursuant to section 4 of this article, there is appropriated:

\$475,000 1984.

The Minnesota educational computing consortium shall add additional money from other sources in its budget to this appropriation for the purpose of developing courseware.

Subd. 3. [REGIONAL COORDINATORS.] For regional coordinators to assist school districts in the use of technology as provided in section 13, subdivision 6 of this article, there is appropriated:

\$295,000 1984,

\$295,000 1985.

Sec. 35. [EFFECTIVE DATE.]

Sections 16 to 21 of this article are effective July 1, 1984.

ARTICLE 9**COUNCIL ON QUALITY EDUCATION**

Section 1. Minnesota Statutes 1982, section 129B.02, is amended to read:

129B.02 [PURPOSE.]

The legislature of the state of Minnesota expresses concern over the future of elementary and secondary education in this state, its ability to meet the educational needs of the public school students, the professional growth and satisfaction of school staffs, the effectiveness and efficiency of present schools and their learning processes, continuing pupil unit cost escalation and the resulting financial crisis which this brings about. New approaches to the learning process, better utilization of professional staff and community resources, different requirements

as to course offerings, course content, grading, graduation and school attendance must be researched and developed. It is believed that revised programs, innovations, new attitudes about learning and the public schools' responsibilities can be effectively achieved if such research and development are performed by the council on quality education and at the local school level by the school's staff and with involvement by the students and their community. Although funds spent now for such purposes can produce substantial educational and cost benefits in the future, such capital type funds are seldom available within any single school district's budget.

The purpose of the council on quality education is, therefore, to encourage, promote, aid, and perform research and development for quality education in Minnesota elementary and secondary schools, to evaluate the results of significant innovative programs and to disseminate information about these programs throughout the state.

To these ends, the council through the state board of education shall establish a venture fund from which grants or loans may be made in support of research and development programs relating to the problems and objectives heretofore described which shall include but not be limited to:

(1) Effective utilization of community personnel and resources.

(2) Developing model personnel policies and procedures, new staffing concepts such as differentiated staffing.

(3) Assessment and evaluation of education programs.

(4) Developing (A MANAGEMENT AND UNIT OF INSTRUCTIONAL OBJECTIVES DESIGN WHICH WILL PROVIDE) *procedures to increase a school's accountability* (BY RELATING TIME AND DOLLARS TO THE AMOUNT OF LEARNING PRODUCED).

(5) Determining responsibilities to be assumed by the schools exclusively or concurrently with other agencies or individuals.

(6) Effective dissemination of educational information.

(7) Developing new knowledge about learning and teaching.

(8) Developing model educational programs (AS ALTERNATIVES TO EXISTING EDUCATIONAL PRACTICES AND CURRICULA) *and alternative delivery systems that will improve curriculum offerings for small rural schools.*

(9) Model programs and innovations to increase equality of educational opportunities.

(10) Research and testing of new concepts of educational efficiency, effectiveness and cost benefits.

(11) Comprehensive interdisciplinary programs in health education and comprehensive programs designed to coordinate and integrate the delivery of pupil support services.

The council shall not be limited to supporting innovations, programs or procedures supplementary to existing school structures and programs but may assist or research entirely new concepts such as open schools, informal schools and the like. It is the legislature's intent that any supported program shall hold promise of both educational and cost benefits and that the costs and improvements in learning effectiveness introduced thereby shall be measured and related. *The council shall provide for an evaluation of each program which it supports with a grant or loan.*

The council may also review literature and other information about innovative programs in Minnesota and other states and disseminate the results of this research throughout the state. The council may identify ideas for innovative programs in the course of this research and solicit proposals from school boards for grants for such programs; provided not to exceed ten percent of the funds appropriated to the venture fund in any year may be expended to fund such research and programs.

The council shall make a report by November 15 of each even numbered year to the legislature concerning all research and all proposals received (AND), the dispositions made thereof by the council and the state board of education, *the evaluations of the programs that were funded, and of receipts and expenditures resulting from sales of materials developed through venture fund grants.*

Sec. 2. Minnesota Statutes 1982, section 129B.04, is amended to read:

129B.04 [PROPOSALS.]

Subdivision 1. [REQUIREMENTS.] The board of any local school district or any group of such boards may develop a proposal for a grant or loan in support of a research and development program of the kind described in section 129B.02. *Except for replication and dissemination mini-grants made pursuant to subdivision 2, every such proposal shall include:*

(1) a statement of the objectives of the program, and the procedures for achieving the objectives;

(2) a description of the evaluation procedures for measuring the effectiveness of the program;

(3) provision for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement and accounting for funds paid to the applicant;

(4) provision for administration of the program by the local school district, or in cooperation with other school districts, educational institutions, or local agencies under the supervision of the local school district; and

(5) a description of the involvement of local school staff, students, and members of the community in planning and implementing the program.

Subd. 2. [MINI-GRANTS.] The council may award grants not to exceed \$5,000 to districts to (1) replicate cost-effective innovations initiated in other districts with venture fund support or which have been validated by the department of education or federal agencies when initiated with federal or other support within and outside Minnesota; or (2) disseminate information about successful projects the district initiated with a grant from the venture fund.

The council shall prescribe the form and manner of application for mini-grants.

Subd. (2) 3. [PROCEDURE.] Every program proposal shall be submitted to the council created by section 129B.01, not less than (THREE) two months before the planned commencement of the program. The council shall recommend approval or disapproval, or shall modify and then recommend such modification with respect to every proposal submitted to it. The council shall also recommend the amount and type of grant to be made in support of the proposed program in the light of the then currently available moneys in the venture fund, which information shall be provided to the council by the state board of education. The council shall also recommend what rules and regulations, if any, shall be suspended or modified in order to implement the proposal. Only such proposals as are recommended for approval shall be transmitted by the council to the state board, and all such proposals shall be approved and funded from the venture fund by the state board as recommended by the council unless the state board, within 30 days of receipt of a proposal from the council, shall make other disposition of the proposal by formal board action. One half of each grant recommended by the council and funded by the state board may be deemed an interest free loan to be repaid over a five year period.

Sec. 3. [129B.041] [COPYRIGHT AND SALE OF PRODUCTS.]

Subdivision 1. [COPYRIGHT.] Products of projects and programs funded pursuant to sections 129B.01 to 129B.05, including curriculum and instructional materials, computer and telecommunications software, and associated manuals and reports, may be copyrighted by the council in the name of the state and may be sold. However, the state shall sell the products to all school districts and public agencies in the state at prices that do not exceed the cost of reproduction and distribution.

Subd. 2. [SALE.] The council shall enter into an agreement with the Minnesota educational computing consortium for the sale and distribution of computer and telecommunications software products of projects and programs funded pursuant to sections 129B.01 to 129B.05. The agreement shall provide that the products sold be clearly labeled as products developed pursuant to a grant or loan from the council on quality education.

Subd. 3. The education products revolving account is established in the state treasury. Except as provided in the agreement between the council and the Minnesota educational computing consortium pursuant to subdivision 2, proceeds up to the cost of reproduction and distribution from the sale of products under this section shall be deposited in this account. All funds in this account are annually appropriated to the department of education and shall be used to reproduce and distribute products of projects and programs funded pursuant to sections 129B.01 to 129B.05.

Subd. 4. Proceeds in excess of costs from the sale of products pursuant to this section are appropriated to the department of education and shall be placed in the venture fund of the council and used to fund similar projects.

Sec. 4. Minnesota Statutes 1982, section 129B.05, is amended to read:

129B.05 [STATE BOARD AND COMMISSIONER.]

The state board of education shall develop and promulgate such additional recommendatory guidelines as may be appropriate for the furtherance of sections 129B.01 to 129B.05 and the development and implementation of the programs contemplated herein, for its benefit and the benefit of the council and applicants. The commissioner of education shall make available to the council at its request such staff as the council deems necessary to perform its functions. The council may also employ or contract for the services of outside consultants which may include but are not limited to research, evaluation, dissemination, cost-benefit analysis, inservice training of local and state staff in innovations developed through the venture fund, and technical and legal assistance in obtaining broadcast licenses to implement innovations, and as much of the annual appropriation to the state department of education, made for the purposes of sections 129B.01 to 129B.05 as is necessary, shall be made available to the council for this purpose.

Sec. 5. Minnesota Statutes 1982, section 129B.09, subdivision 12, is amended to read:

Subd. 12. [NEGOTIATED GRANTS.] For the 1981-1982 and 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 129B.01 to 129B.05. *For the 1983-1984 school year, the council on quality education may limit the amount of grants provided to early childhood and family education programs by reducing the number of grants made, or by reducing the amount of the grant made to any of the programs funded for the 1982-1983 school year, or both.*

Sec. 6. [REPEALER.]

Subdivision 1. Minnesota Statutes 1982, sections 121.501; 121.502; 121.503; 121.504; 121.505; 121.506; 121.507; 122.542; and 124.251 are repealed.

Subd. 2. Minnesota Statutes 1982, sections 129B.06; 129B.07; 129B.08; and 129B.09, are repealed effective June 30, 1984.

Sec. 7. [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. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to sections 129B.01 to 129B.05, there is appropriated

\$818,000 . . . 1984,

\$816,000 . . . 1985.

(a) *The appropriation for fiscal year 1984 includes \$84,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$734,000 for grants for fiscal year 1984 payable in fiscal year 1984.*

(b) *The appropriation for fiscal year 1985 includes \$82,000 for grants for fiscal year 1984 payable in fiscal year 1985, and \$734,000 for grants for fiscal year 1985 payable in fiscal year 1985.*

(c) *Any unexpended balance remaining from the appropriations in this subdivision for 1984 shall not cancel and shall be available for the second year of the biennium.*

Subd. 3. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.] For early childhood and family education programs pursuant to sections 129B.06 to 129B.09, there is appropriated:

\$1,079,000 1984.

The appropriation for fiscal year 1984 includes \$209,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$870,000 for grants for fiscal year 1984. The amount of the appropriation for grants for fiscal year 1984 is the total appropriation for these grants.

ARTICLE 10

TEACHER MOBILITY

Section 1. Minnesota Statutes 1982, section 125.60, subdivision 7, is amended to read:

Subd. 7. [APPLICATION PROCEDURES; LIMITS.] 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 procedures for applications and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of section 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) 250 applications for extended leaves beginning in the (1981-1982, 1982-1983 AND) 1983-1984 school (YEARS) year for teachers who intend to pay employee contributions and request state payment of employer contributions.

If more than (300) 250 applications for extended leaves beginning in any school year are received by March 15 of the preceding school year, 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 received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

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 contribu-

tions 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. 2. Minnesota Statutes 1982, section 125.611, subdivision 8, is amended to read:

Subd. 8. [PAYMENT; REDUCTION.] An eligible teacher *who is offered and accepts an early retirement incentive contract pursuant to subdivision 7* 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. 3. Minnesota Statutes 1982, section 354.66, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS; LIMITS.] A school district shall not assign a teacher to a part time teaching position qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the board of trustees of the teachers retirement association and the boards of trustees of the appropriate teachers 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 the applications from school districts for authorization to assign teachers to part time teaching positions qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section; provided he shall not approve more than (55) 125 total applications pursuant to this section and section 354A.094 for participation in the fund in any fiscal year. If more than (55) 125 applications for any school year are received by the commissioner by March 15 of the preceding school year, 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 received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision. 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 full accrual of service credit from and employee contributions to the retirement fund pursuant to this

section without applying for and receiving the authorization of the commissioner of education.

Sec. 4. Minnesota Statutes 1982, section 354A.094, subdivision 9, is amended to read:

Subd. 9. [APPLICATION APPROVAL; LIMITS.] 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) 125 total applications pursuant to this section and section 354.66 for participation in the fund in any fiscal year. If more than (55) 125 applications for any school year are received by the commissioner by March 15 of the preceding school year, 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 received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

Sec. 5. [REPEALER.]

Minnesota Statutes 1982, sections 124.611 and 125.611, subdivision 9, are repealed.

Sec. 6. [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 1982, sections 354.094 and 354A.091, there is appropriated:

\$1,143,000 1984,

\$1,524,000 1985.

Subd. 3. [PART-TIME TEACHING.] To meet the state's obligation prescribed in Minnesota Statutes 1982, sections 354.66 and 354A.094, there is appropriated:

\$ 74,000 1984,

\$182,000 1985.

Subd. 4. [EARLY RETIREMENT INCENTIVES.] To meet the state's obligation prescribed in Minnesota Statutes 1982, section 125.611, there is appropriated:

\$1,983,000 1984,

\$1,893,000 1985.

Subd. 5. [NONCANCELLATION; FUNDING RESTRICTION.] Any unexpended balances remaining from the appropriations in this section for fiscal year 1984 shall not cancel but shall be available for the second year of the biennium. Notwithstanding the provisions of Minnesota Statutes 1982, sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1982, 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 1982, 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. 7. [EFFECTIVE DATE.]

Sections 1, 3, and 4 of this article shall be effective the day following final enactment.

ARTICLE 11

LIBRARIES

Section 1. Minnesota Statutes 1982, section 134.07, is amended to read:

134.07 [(LIBRARIES, READING ROOMS, TAX) PUBLIC LIBRARY SERVICE.]

(SUBDIVISION 1.) The governing body of any city or county may establish and maintain a public library (, A PUBLIC READING ROOM, OR BOTH,) service for the use of its

inhabitants. By ordinance or resolution it may set apart for the benefit thereof any public property of the city or county. (EXCEPT AS PROVIDED IN SUBDIVISION 2.) In any statutory city and in any city of the second, third, or fourth class, and in any county, the governing body (THEREOF) may levy an annual tax (OF NOT MORE THAN 2.6 2/3 MILLS) on (THE DOLLAR, OF) all taxable property therein *except counties may not tax property which is already taxed for public library service.* The proceeds of (ANY SUCH) *the* tax shall be known as the library fund.

(SUBD. 2. THE GOVERNING BODY OF ANY CITY OF THE FOURTH CLASS LOCATED IN ANY COUNTY HAVING OVER 7,000 AND LESS THAN 9,000 INHABITANTS AND OVER 70 FULL AND FRACTIONAL CONGRESSIONAL TOWNSHIPS, OPERATING UNDER A HOME RULE CHARTER, MAY LEVY AN ANNUAL TAX OF NOT TO EXCEED 1.6 2/3 MILLS FOR SUCH PURPOSES, NOTWITHSTANDING ANY LIMITATION CONTAINED IN ITS HOME RULE CHARTER.)

Sec. 2. Minnesota Statutes 1982, section 134.08, is amended to read:

134.08 [(WHEN ESTABLISHED BY VOTE; EXISTING LIBRARIES) ESTABLISHING AND DISCONTINUING LIBRARY SERVICE; APPLICABILITY OF LAW.]

Subdivision 1. [ESTABLISHMENT.] If (A) public library (OR READING-ROOM) service is not (OTHERWISE) established under section 134.07, the governing body of the (MUNICIPALITY) city or county, upon the petition of (50) eligible voters, as defined in section (200.02) 201.014, subdivision (25) 1, of the (MUNICIPALITY) city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county, shall submit the question of the establishment or provision of public library services to the voters at the next (MUNICIPAL) general election. If (TWO-THIRDS) a majority of the votes cast on the question are in the affirmative, the governing body shall establish the library or (READING-ROOM) shall provide public library service as authorized in section 134.12 or 375.335 and levy (A YEARLY) an annual tax for its support (, WITHIN THE LIMITS FIXED BY SECTION 134.07).

Subd. 2. [DISCONTINUANCE.] If public library service is established under the provisions of subdivision 1, it may be discontinued only after a majority of the votes cast on the question are in the affirmative on a question on a ballot in a general election. The question of discontinuance of public library service shall be placed on the ballot at the next general election upon the petition of eligible voters, as defined in section 201.014, subdivision 1, of the city or county, in a number not less than five per-

cent of the number of persons who voted at the last general election in the city or county.

Subd. 3. [APPLICABILITY.] All public (LIBRARIES AND READING-ROOMS) library service heretofore established and now existing in cities (ARE) and counties is continued and all ordinances and resolutions setting apart public property for their support are hereby confirmed. Nothing in sections 134.08 to 134.15 shall be construed as abridging any power or duty in respect to libraries conferred by any city charter. If a city charter does not address matters provided for in chapter 134, the provisions of chapter 134 shall apply.

Sec. 3. Minnesota Statutes 1982, section 134.09, is amended to read:

134.09 [(DIRECTORS) LIBRARY BOARDS (; TERM; REMOVAL).]

Subdivision 1. [APPOINTMENT.] When (ANY SUCH) public library (OR READING ROOM) service is established, except in any city of the first class operating under a home rule charter, the mayor of the city (OR PRESIDENT OF THE STATUTORY CITY,) with the approval of the council for a city library or the board of commissioners for a county library, shall appoint a board of five, seven or nine (DIRECTORS, BUT) members from among the residents of the city or county. The number of members on the board shall be determined by resolution or ordinance adopted by the council or the board of commissioners. Not more than one (OF WHOM) council member or county commissioner shall at any time be a member of (SUCH GOVERNING BODY, SUCH) the library board. The appointments (TO) shall be made (PRIOR TO) before the first meeting of (SUCH) the library board after the end of the fiscal year.

Subd. 2. [TERM OF OFFICE.] If nine board members are appointed, three shall hold office for one year, three for two years and three for three years. If seven members (BE) are appointed, three shall hold office for one year, two for two years and two for three years; if five (BE) are appointed, two shall hold office for one year, two for two years, and one for three years. (THE NUMBER OF DIRECTORS ON THE BOARD SHALL BE DETERMINED BY RESOLUTION OR ORDINANCE ADOPTED BY THE COUNCIL.) All terms shall end with the fiscal year. Annually (THEREAFTER SUCH) the mayor (OR PRESIDENT) with the approval of the council, or the board of county commissioners shall appoint board members for the term of three years (AND) until their successors qualify a sufficient number of (DIRECTORS) members to fill the places of those whose term or terms expire. A library board member shall not be eligible to serve more than three consecutive three-year terms.

Subd. (2) 3. [REMOVAL OF MEMBERS.] The mayor (OR PRESIDENT, BY AND) with the (CONSENT) *approval* of the council, *or the board of county commissioners* may remove any (DIRECTOR) *member* for misconduct or neglect.

(SUBD. 3. TERMS OF DIRECTORS IN OFFICE AT THE TIME LAWS 1945, CHAPTER 46, TAKES EFFECT SHALL EXPIRE AT THE END OF THE CITY'S FISCAL YEAR CURRENT AT THE EXPIRATION OF THEIR TERMS AS HERETOFORE PROVIDED.)

Subd. 4. [ABOLISHMENT.] Upon recommendation of a majority of any library board created under the provisions of subdivision 1, the governing body of (SUCH) *the city or county* may abolish (SUCH) *the* library board at the end of any fiscal year provided that (SUCH) *the* governing body shall simultaneously establish a successor library board of either five, seven or nine members by resolution or ordinance. (IN THE EVENT OF SUCH RESOLUTION OR ORDINANCE, THE MAYOR, WITH THE APPROVAL OF THE COUNCIL, SHALL APPOINT A LIBRARY BOARD OF THE NUMBER OF MEMBERS AS PROVIDED BY SAID RESOLUTION OR ORDINANCE. IF NINE ARE APPOINTED, THREE SHALL HOLD OFFICE FOR ONE YEAR, THREE FOR TWO YEARS AND THREE FOR THREE YEARS. IF SEVEN MEMBERS BE APPOINTED, THREE SHALL HOLD OFFICE FOR ONE YEAR, TWO FOR TWO YEARS, AND TWO FOR THREE YEARS, IF FIVE BE APPOINTED, TWO SHALL HOLD OFFICE FOR ONE YEAR, TWO FOR TWO YEARS, AND ONE FOR THREE YEARS. ANNUALLY THEREAFTER SUCH MAYOR SHALL APPOINT FOR THE TERM OF THREE YEARS AND UNTIL THEIR SUCCESSORS QUALIFY A SUFFICIENT NUMBER OF DIRECTORS TO FILL THE PLACES OF THOSE WHOSE TERM OR TERMS EXPIRE. ALL TERMS SHALL END WITH THE FISCAL YEAR.) *The appointment of successor board members shall be made as provided in subdivision 1. The terms of successor board members shall be as provided in subdivision 2.*

Sec. 4. Minnesota Statutes 1982, section 134.10, is amended to read:

134.10 [BOARD VACANCIES; COMPENSATION.]

(VACANCIES IN) *The library board* (OF DIRECTORS) *president* shall (BE REPORTED) *report vacancies in the board* to the council (AND FILLED BY LIKE) *or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term.* (DIRECTORS) *Library board members* shall receive no compensation for their services (AS SUCH) *but may be reimbursed*

for actual and necessary traveling expenses incurred in the discharge of library board duties and activities.

Sec. 5. Minnesota Statutes 1982, section 134.11, is amended to read:

134.11 [ORGANIZATION OF BOARD; (RULES) BONDING; DUTIES.]

Subdivision 1. [ORGANIZATION.] Immediately after appointment, (SUCH) *the library board* shall organize by electing one of its number as president and one as secretary, and from time to time it may appoint such other officers (AND EMPLOYEES) as it deems necessary. (THE SECRETARY, BEFORE ENTERING UPON HIS DUTIES, SHALL GIVE BOND TO THE MUNICIPALITY IN AN AMOUNT FIXED BY THE DIRECTORS, CONDITIONED FOR THE FAITHFUL DISCHARGE OF HIS OFFICIAL DUTIES.)

Subd. 2. [BONDING.] *Each library board member or employee whose duties include receiving or disbursing money shall furnish a surety bond in an amount specified and form approved by the library board conditioned upon the faithful performance of duties. The library board shall pay the premiums for the bonds. Instead of individual bonds, the board may purchase a schedule or position fidelity insurance policy or blanket bond in an amount set by the board. The secretary shall keep the bonds or insurance policy on file.*

Subd. 3. [DUTIES.] *The library board shall adopt (SUCH) bylaws and regulations for the government of the library (AND READING-ROOM) and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all moneys collected for or placed to the credit of the library fund, of interest earned on all money collected for or placed to the credit of the library fund, of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes. All moneys received for (SUCH) the library shall be paid into the city or county treasury, credited to the library fund, kept separate from other moneys of the (MUNICIPALITY) city or county, and paid out only upon (ITEMIZED VOUCHERS APPROVED) approval by the board. The library board may lease rooms for library use (, FIX). The library board shall appoint a competent and qualified library director and other staff as necessary, establish the compensation of employees, and remove any of them (AT PLEASURE) for cause. With the approval of the council or board of county commissioners, the library board may purchase grounds and erect a library building thereon.*

Sec. 6. Minnesota Statutes 1982, section 134.12, is amended to read:

134.12 [BENEFITS OF LIBRARY.]

Subdivision 1. [NON-RESIDENTS (TO RECEIVE).] Any *library* board (OF DIRECTORS) may admit to the benefits of its *library* persons not residing within (THE MUNICIPALITY) *its city or county* under regulations and upon conditions as to payment and security prescribed by (IT) *the library board*.

Subd. 2. [(LOAN OF BOOKS,) CONTRACTS WITH CITIES AND TOWNS.] The *library* board may contract with the county board of the county in which the library is situated or the county board of any adjacent county, or with the governing body of any neighboring town or city, to loan (BOOKS OF THE LIBRARY, EITHER SINGLY OR IN TRAVELING LIBRARIES,) *library materials* to residents of the *contracting* county, town, or city.

Subd. 3. [USE OF (FREE) PUBLIC LIBRARY; TAX LEVY.] Any (SUCH) county board or *city* governing body may contract with the board (OF DIRECTORS) of any (FREE) *city or county* public library for the use of the library by the residents of the county, town, or city who do not have the use of a (FREE) *public* library, upon the terms and conditions as those granted residents of the *city or county* where the *public* library is located, and to pay (SUCH) *the library* board (OF DIRECTORS) an annual amount therefor. Any (SUCH) county board or *city* governing body may establish a library fund by levying an annual tax upon all taxable property which is not already taxed for the support of any (FREE) *public* library and all taxable property which is situated outside of any city in which is situated a (FREE) *public* library.

Sec. 7. Minnesota Statutes 1982, section 134.13, is amended to read:

134.13 [(DIRECTORS NOW IN OFFICE;) ANNUAL REPORT (; EXCEPTIONS).]

(THE DIRECTORS OF ANY SUCH LIBRARY OR READING ROOM IN OFFICE UNDER EXISTING LAWS SHALL SO CONTINUE UNTIL THE EXPIRATION OF THEIR TERMS, BUT THEIR SUCCESSORS SHALL BE APPOINTED AND VACANCIES FILLED UNDER THE PROVISION OF SECTIONS 134.08 TO 134.15. AT THE FIRST REGULAR MEETING OF THE BOARD) *As soon as practicable* following the end of (EACH) *the* fiscal year (OF A CITY,) *the library* board shall report to the governing body of the (MUNICIPALITY) *city or county* all amounts received during the preceding year and the sources thereof, the amounts expended and for what purposes, the number of (BOOKS) *library materials* on hand, the number purchased and loaned, and such other information as it deems advisable. (A COPY OF SUCH REPORT) *No later than April 1 of each year the library board shall* (BE

FILED) *file this information* with the (LIBRARY DIVISION, STATE) department of education *on forms supplied by the department.* (NOTHING IN THIS SECTION SHALL APPLY TO LIBRARIES IN CITIES OF THE FIRST CLASS.)

Sec. 8. Minnesota Statutes 1982, section 134.14, is amended to read:

134.14 [TITLE TO PROPERTY; FREE USE.]

All property given, granted, conveyed, donated, devised, or bequeathed to, or otherwise acquired by, any (MUNICIPALITY) *city or county* for a public library (OR READING-ROOM) shall vest in, and be held in the name of, (SUCH MUNICIPALITY) *the city or county* and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any public library or library board shall be deemed to have been made directly to (SUCH MUNICIPALITY) *the city or county to be used as provided in section 134.11.* Every public library (AND READING-ROOM) established under sections (134.08) *134.07* to 134.15 shall be forever free to the use of the inhabitants of the (MUNICIPALITY) *city or county* subject to (SUCH) reasonable regulations (AS) the (DIRECTORS) *library board* may adopt.

Sec. 9. Minnesota Statutes 1982, section 134.15, is amended to read:

134.15 [GIFTS (; CONTRACTS).]

With the consent of the governing body of any *city or county*, expressed by ordinance or resolution, (AND WITHIN THE LIMITATIONS OF SECTIONS 134.08 TO 134.15 AS TO THE RATE OF TAXATION,) the library board may accept any gift, grant, devise, or bequest made or offered by any person for *public* library purposes, or for the establishment, enlargement, or maintenance of an art gallery or museum in connection with its library, and may carry out the conditions of (SUCH) *the* donation. The (MUNICIPALITY) *city or county* in all such cases is authorized to acquire a site, levy a tax, and pledge itself by ordinance or resolution to a perpetual compliance with all the terms and conditions of the gift, grant, devise, or bequest so accepted.

Sec. 10. Minnesota Statutes 1982, section 134.30, is amended to read:

134.30 [DEFINITIONS.]

Subdivision 1. (AS USED IN SECTIONS 134.30 TO 134.35 AND SECTIONS 134.351, 134.352, AND 134.353,) The terms (DEFINED) *used in (THIS SECTION SHALL) chapter 134* have the meanings (ASCRIBED TO) *given them in this section.*

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134 (OR SECTION 375.33). It does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Subd. 3. "Public library services" means services provided by or on behalf of a public library and does not include services for elementary schools, secondary schools or post-secondary educational institutions.

Subd. 4. "Regional public library system" means a multi-county public library service agency that provides free access to all residents of the region without discrimination, and is organized under the provisions of (SECTIONS 134.12, 375.335, 471.59 OR CHAPTER 317) *chapter 134 or 317, or section 471.59.*

Subd. 5. "Basic system services" means services offered by all regional public library systems either directly or by contract. These services shall include, but are not limited to, communication among participants, resource sharing, delivery of materials, reciprocal borrowing, and cooperative reference service.

Subd. 6. "Multi-county, multi-type library system" means a cooperative network composed of any combination of public libraries, regional public library systems, public school libraries, public or private college or university libraries and any other libraries which share services and resources within a multi-county area.

Subd. 7. "City" or "cities" means home rule and statutory cities unless specifically provided otherwise.

Sec. 11. Minnesota Statutes 1982, section 134.32, subdivision 1, is amended to read:

Subdivision 1. The department shall provide the grants specified in this section from any available state (OR), federal, or other funds.

Sec. 12. Minnesota Statutes 1982, section 134.32, subdivision 7, is amended to read:

Subd. 7. (NOTHING WITHIN THE PROVISIONS OF THIS SECTION SHALL BE CONSTRUED TO ALLOW STATE MONEY TO BE USED FOR THE CONSTRUCTION OF LIBRARY FACILITIES) *It may provide grants for construction or remodeling of library facilities from any state and federal funds specifically appropriated for this purpose.*

Sec. 13. Minnesota Statutes 1982, section 134.351, subdivision 3, is amended to read:

Subd. 3. [AGREEMENT.] In order for a multi-county, multi-type library system to qualify for a planning, development or operating grant pursuant to sections (134.352 AND) 134.353 and *section 16 of this article*, each participating library in the system shall adopt an organizational agreement providing for the following:

- (a) Sharing of resources among all participating libraries;
- (b) Long-range planning for cooperative programs;
- (c) The development of a delivery system for services and programs;
- (d) The development of a bibliographic data base; and
- (e) A communications system among all cooperating libraries.

Sec. 14. Minnesota Statutes 1982, section 134.351, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] Each multi-county, multi-type system receiving a grant pursuant to section (134.352 OR) 134.353 or *section 16 of this article* 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) *section 134.353 and section 16 of this article*.

Sec. 15. Minnesota Statutes 1982, section 134.353, is amended to read:

134.353 [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM DEVELOPMENT GRANT.]

The state board of education may provide development (AND OPERATING) grants to multi-county, multi-type library systems (IN THEIR SECOND AND SUBSEQUENT YEARS OF OPERATION). In awarding a development (AND OPERATING) grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic regions.

Sec. 16. [134.354] [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM OPERATING GRANT.]

The state board of education may provide operating grants to multi-county, multi-type library systems. In awarding an operating grant, the state board shall consider the extra costs

incurred in systems located in sparsely populated and large geographic areas.

Sec. 17. Minnesota Statutes 1982, 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 SECTIONS 134.30 TO 134.353) *library grant programs.*

Sec. 18. Minnesota Statutes 1982, section 375.335, is amended to read:

375.335 [REGIONAL (LIBRARIES) PUBLIC LIBRARY SYSTEMS.]

Subdivision 1. [ESTABLISHMENT.] Two or more (CONTIGUOUS) counties (, EXCEPT COUNTIES ONE OR MORE OF WHICH CONTAIN A CITY OF THE FIRST CLASS OVER 300,000 ACCORDING TO THE 1960 UNITED STATES CENSUS) *or two or more cities located in two or more counties* may, through action by their governing bodies under the provisions of section 471.59, establish and maintain a regional *public library system*, even though any one or more of the counties *or cities* may already have a (COUNTY) library with a library board; provided that in any (SUCH) county *or city* already having a (COUNTY) library board, the approval of (SAID) *the* library board shall also be required. Cities (IN ANY OF THE CONTRACTING COUNTIES) having public libraries may join in the regional *public library system* by being parties to the agreement which establishes the regional *public library system* through action of their library boards *and their city councils*, or as (HEREINAFTER) provided in subdivision 3.

Subd. 2. [LIBRARY BOARD.] The agreement establishing (SUCH) a regional *public library (MAY) system* shall provide for a library board to govern the organization having all the powers and duties of *city and county library boards* as provided in (SECTION 375.33) *sections 134.11, 134.12, and 134.13 and including exclusive determination of all library services to be provided under terms of the agreement as defined in section 134.30, subdivision 5, and exclusive control of the expenditure of all funds for the services.* (SUCH) *The* regional library system board may consist of as many members as the contracting parties deem necessary, appointed in (SUCH NUMBERS) *a number from among the residents of the contracting parties and for* (SUCH) terms by each (COUNTY BOARD) party to the contract as may be determined by the contracting parties, irrespective of the existence of one or more *city and county library boards* already in existence in the participating *cities and coun-*

ties. *Not more than one member from each contracting party shall be a member of the governing body of a contracting party and no member may be appointed to serve more than three consecutive three-year terms. In (SUCH) the participating cities and counties, (SUCH) the portion of the proceeds of the city and county library tax authorized by section (375.33, SUBDIVISION 1) 134.07, shall be used for the support of the regional public library system as the contracting agreement may provide.*

Subd. 3. [CITY PARTICIPATION.] Where (SUCH) a regional public library system is established, any city located in any of the contracting counties which is excluded from the county tax supporting the regional public library system under the provisions of section (375.33, SUBDIVISION 1) 134.07, may, upon recommendation of its library board and upon action by its governing body, be included in (SUCH) the county tax and become an integral part of the regional public library system. (SUCH CITIES AND ANY OTHER CITIES IN THE PARTICIPATING COUNTIES) *Cities included in the county tax and with public libraries which are part of the regional public library system, whether or not governed by home rule charter provisions, upon action by their city council, may levy taxes for the additional support of their local library services (PROVIDED THAT SAID COMBINED LEVIES SHALL NOT EXCEED THE STATUTORY LIMIT ON THE LIBRARY LEVY).* Any (SUCH) local public library board or governing body may, at its option, continue to control (SUCH) the local library fund or pay all or part thereof into the regional public library system fund, to be used for the increase or improvement of public library services in (SUCH) the city.

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. 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.

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.

Subd. 6. [RATIFICATION.] Any multicounty regional public library heretofore created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to (6) 5 shall hereafter apply to these libraries.

Sec. 19. Minnesota Statutes 1982, section 466.01, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, *public library, regional public library system, multi-county multi-type library system*, or other political subdivision.

Sec. 20. Minnesota Statutes 1982, section 648.39, subdivision 1, is amended to read:

Subdivision 1. [FREE DISTRIBUTION.] The revisor of statutes shall without charge distribute each edition of Minnesota Statutes, supplement to the Minnesota Statutes, and the Laws of Minnesota to the persons, officers, departments, agencies, or commissions listed in this subdivision. Prior to distribution of Minnesota Statutes, supplement to the Minnesota Statutes, or the Laws of Minnesota, the revisor of statutes shall inquire whether the full number of copies authorized by this subdivision are required for their work. Unless a smaller number is needed, each edition shall be distributed without charge as follows:

- (a) 30 copies to the supreme court;
- (b) 1 copy to each judge of a district court;
- (c) 1 copy to the clerk of each district court for use in each courtroom of the district court of his county;
- (d) 100 copies to the state law library;
- (e) 100 copies to the law school of the University of Minnesota;
- (f) 100 copies to the office of the attorney general;
- (g) 10 copies each to the governor's office, the departments of agriculture, commerce, corrections, education, health, transportation, labor and industry, economic security, natural resources, public safety, public service, public welfare, and revenue, and the pollution control agency;
- (h) 1 copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (i) 1 copy to each member of the legislature;

(j) 100 copies for the use of the senate and 150 copies for the use of the house of representatives;

(k) 4 copies to the secretary of the senate;

(l) 4 copies to the chief clerk of the house of representatives;

(m) 1 copy to each judge, district attorney, clerk of court of the United States and the deputy clerk of each division of the United States district court in this state, the secretary of state of the United States, the library of congress, and the Minnesota historical society;

(n) 20 copies each to the department of administration, state auditor, and legislative auditor;

(o) 1 copy to each county library maintained pursuant to (SECTION 134.12 OR 375.33) *chapter 134*, except in counties containing cities of the first class. If a county has not established a county library pursuant to (SECTION 134.12 OR 375.33) *chapter 134*, the copy shall be provided to any public library in the county; and

(p) 50 copies to the revisor of statutes.

Sec. 21. [REPEALER.]

Minnesota Statutes 1982, sections 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33 are repealed.

Sec. 22. [INSTRUCTION TO THE REVISOR.]

The revisor of statutes, under the powers in section 648.34, shall renumber sections 134.01 and 134.02 by placing them in chapter 123; shall renumber section 134.04 by placing it in chapter 121; shall renumber section 134.30 by placing it at the beginning of chapter 134; and shall renumber section 375.335 by placing it in chapter 134.

Sec. 23. [APPROPRIATION.]

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.

Subdivision 1. [BASIC SUPPORT GRANT.] For grants pursuant to sections 134.32 to 134.35 and 134.36 for the provision of library services, there is appropriated:

\$4,417,000 1984,

\$4,688,000 1985.

The appropriation for 1984 includes \$595,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,822,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$675,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$4,013,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 2. [MULTI-COUNTY LIBRARY SYSTEMS.] For grants pursuant to sections 134.353 and 134.354 to multi-county, multi-type library systems, there is appropriated:

\$189,000 1984,

\$200,000 1985.

The appropriation for 1984 includes \$26,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$163,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriation for 1985 includes \$29,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$171,000 for aid for fiscal year 1985 payable in fiscal year 1985."

Delete the title 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 duties, and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer nonpost-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126,

subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, by adding a subdivision; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections 121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.273, subdivisions 1 and 2; 124.26, subdivision 4; 124.271, subdivision 5; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33."

With the recommendation that when so amended 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. 229, A bill for an act relating to health; allowing any interested person to seek enforcement of certain patient rights; amending Minnesota Statutes 1982, section 144.651.

Reported the same back with the following amendments:

Page 1, line 15, strike "Any"

Page 1, line 17, after the stricken "an" insert "*Every patient and resident may seek enforcement of these rights. In addition, a family member, guardian, conservator, nursing home ombudsman, health facility staff person, or other*"

Page 1, line 18, after the period insert *"An interested person is someone who demonstrates a sincere and ongoing interest in the welfare of the individual patient or resident."*

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 244, A bill for an act relating to game and fish; prohibiting harassment of hunters, trappers, and fishers; providing penalties; proposing new law coded in Minnesota Statutes, chapter 97.

Reported the same back with the following amendments:

Page 1, line 14, after *"the"* insert *"lawful"*

Page 1, delete lines 24 and 25

Page 2, delete lines 1 to 3

Page 2, line 5, delete *"without permission of the owner or his agent"*

Page 2, after line 7, insert:

"It is not a violation of this subdivision for any person to carry out any normal agricultural, occupational, or recreational practice on land adjacent to public lands or waters where the taking of wild animals by the public is permitted."

Page 2, line 9, after *"officer"* insert *"or conservation officer"*

Page 2, line 14, delete *"gross"*

Page 2, delete lines 16 to 30

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. 259, A bill for an act relating to watercraft safety; requirement for rear view mirrors while towing skiers; prohibit-

ing operating or riding while seated upon seat backs; amending Minnesota Statutes 1982, sections 361.09, subdivision 1; and 361.11.

Reported the same back with the following amendments:

Page 1, delete lines 21 to 26

Page 2, delete lines 1 to 5

Amend the title as follows:

Page 1, line 3, delete "prohibiting"

Page 1, delete line 4

Page 1, line 5, delete "sections" and insert "section"

Page 1, line 6, delete "; and 361.11"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 294, A bill for an act relating to manufactured homes; granting the right to make in park sales of homes more than 15 years old; amending Minnesota Statutes 1982, sections 327C.02, subdivision 5; and 327C.07, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 18, after the period insert "*You must also disclose in writing certain safety information about your home to anyone who wants to buy it in the park. You must give this information to the buyer before the sale on a form approved by the state commissioner of administration.*"

Page 3, after line 5, insert:

"Sec. 3. Minnesota Statutes 1982, section 327.07, is amended by adding a subdivision to read:

Subd. 1a. [SELLER DISCLOSURE.] Any resident or resident's agent who seeks to sell a home through an in-park sale must disclose to the prospective buyer the following safety information prior to the sale:

(a) the number and location of exits and egress windows in the home;

(b) *the number and location of smoke detectors and fire extinguishers in the home;*

(c) *whether or not the home contains aluminum wiring and, if so, what measures have been taken to reduce or eliminate fire hazards;*

(d) *whether or not the furnace compartment and hot water heater cabinet have been lined with fireproof sheetrock;*

(e) *if there is a wood stove or fireplace, whether or not it has been installed according to manufacturer's guidelines;*

(f) *whether the home is supported by blocking as required by law; and*

(g) *a recommendation that the buyer inspect the condition of heat tape installed in the home.*

The commissioner of administration shall prescribe a form to be used to comply with this subdivision. All disclosures required by this subdivision shall be made on the form approved by the commissioner."

Renumber subsequent section

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring sellers of homes in the park to disclose certain safety information about the home;"

Page 1, line 5, before the period insert ", and by adding a subdivision"

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. 352, A bill for an act relating to the department of economic security; establishing a pilot project to provide child care information and referral at selected job service sites; appropriating money.

Reported the same back with the following amendments:

Page 1, line 14, after the period insert "Information may be maintained on, and referrals made to, only those child care

providers licensed pursuant to sections 245.781 to 245.812, or excepted from licensing pursuant to section 245.791. Insofar as possible, the commissioner shall make use of child care information and referral services already existing in the community."

Page 1, after line 18, insert:

"Subd. 3. [COOPERATION BY THE DEPARTMENT OF PUBLIC WELFARE.] The commissioner of public welfare shall provide to the commissioner of economic security, for the area served by each pilot program established pursuant to this section, a list of currently licensed local day care sites, updated quarterly."

Renumber subdivisions

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. 360, A bill for an act relating to education; transferring authority for appointing the commissioner of education from the state board of education to the governor; amending Minnesota Statutes 1982, section 121.16.

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 372, A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; proposing new law coded in Minnesota Statutes, chapter 410.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [410.32] [CITIES AUTHORIZED TO ISSUE CAPITAL NOTES FOR CERTAIN EQUIPMENT ACQUISITIONS.]

Notwithstanding any contrary provision of other law or charter, a home rule charter city except the city of St. Paul may,

by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the term of the notes. The notes shall be payable in not more than five years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed 1/10 of one percent of the assessed value of the city for that year. A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds. Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city."

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

The report was adopted.

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

H. F. No. 397, A bill for an act relating to economic development; creating the foreign trade agency to promote state economic growth; creating the Minnesota export finance authority and the export information office; appropriating money; and proposing new law coded in Minnesota Statutes, chapter 45.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

The legislature of the state of Minnesota finds that there is a potential for state economic growth in the area of international trading of Minnesota goods and services; that in particular small and medium sized export companies need financial assistance and marketing information; that it is in the best interests of the state and within the public purpose that the state take a more active part in developing and assisting export trade; and that for the state to become involved in foreign trade will stimulate the state economy and provide needed employment for persons in Minnesota.

Sec. 2. [45.20] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 6 the following terms have the meanings given them.

Subd. 2. [AGENCY.] "Agency" means the Minnesota export agency.

Subd. 3. [OFFICE.] "Office" means the export information office.

Subd. 4. [PRE-EXPORT.] "Pre-export" means that period of time between the formation of a sale and the receipt of payment for the sale.

Subd. 5. [QUALIFIED BUSINESS.] "Qualified business" means a business located in Minnesota which, for the most part, produces or manufactures its goods in Minnesota and has gross annual sales of under \$4,000,000.

Sec. 3. [45.21] [FOREIGN TRADE AGENCY.]

Subdivision 1. [CREATION; PURPOSE.] There is created the state foreign trade agency within the department of commerce. Its purpose is to promote state economic development by encouraging and supporting small and medium sized exporting companies in their efforts to export goods and services. There shall be two divisions in the foreign trade agency known as the export information office and the Minnesota export finance authority.

Sec. 4. [45.22] [EXECUTIVE DIRECTOR; STAFF.]

Subdivision 1. [APPOINTMENT.] The governor shall appoint an executive director of the foreign trade agency. The executive director shall be knowledgeable and responsive to both public and private sector concerns relating to foreign trade and economic development. The executive director shall provide staff who shall serve in the classified service of the state civil service and who shall be assigned to work for the foreign trade agency on a continuing basis. The foreign trade agency may request staff support from all other agencies of state government as needed for the execution of its responsibilities. The executive director may contract for professional and technical services, as defined in section 16.098, subdivision 1, when the executive director determines that the services can most effectively be performed under such a contract. Other matters relating to the executive director are governed by section 15.06.

Subd. 2. [DUTIES.] The executive director shall administer the foreign trade agency. In addition to other duties delegated by the commissioner of the department of commerce, the executive director shall:

(1) assist public and private universities or colleges to develop undergraduate or graduate level education programs to train persons in the knowledge of export trading;

(2) coordinate the current international trading activities of various state and local agencies and organizations; and

(3) to the extent possible, be supportive to the states tourism promotion efforts.

Sec. 5. [45.23] [EXPORT INFORMATION OFFICE.]

Subdivision 1. [PURPOSE; DUTIES.] The export information office of the foreign trade agency shall upon the direction of the export information board:

(1) create a world-wide foreign communication network to coordinate foreign trade information and activities;

(2) compile foreign trade information available from among other places the United States department of commerce and private sources and produce readily consumable marketing information;

(3) create a program to assess the potential of international investment in Minnesota and promote international investment which results in the infusion of new capital and the creation of new jobs to the benefit of the state;

(4) disseminate to Minnesota businesses collected market information that relates to potential exporting, and to export trading companies, export management companies, and other interested persons; and

(5) prepare a list of firms that provide export support services and disseminate the list to potential exporters to assist their endeavors.

Subd. 2. [EXPORT INFORMATION BOARD.] (a) The governor shall appoint an export information board to establish policy and program goals for the office. The board shall ensure that the two functions of the information division, data collection and marketing outreach, are adequately performed.

(b) There shall be seven members of the export information board appointed by the governor with the advice and consent of the senate. The board shall include the director of the office and board members from the following areas and in the following numbers:

(1) one member from export trading or management companies;

(2) one member with international finance experience;

(3) *two members from small or medium sized manufacturing processing companies;*

(4) *one member with international transportation experience; and*

(5) *one member representing agriculture.*

Terms, compensation, and removal of board members are governed by section 15.059.

Subd. 3. [DIRECTOR.] The governor shall appoint a director of the export information office. Matters relating to the director that are not specifically addressed in this section are governed by section 15.06.

Sec. 6. [45.24] [MINNESOTA EXPORT FINANCE AUTHORITY.]

Subdivision 1. [CREATION; PURPOSE.] The Minnesota export finance authority is created to aid and facilitate the financing of exports, by qualified businesses, from the state of Minnesota. The finance authority powers shall be used exclusively to meet the pre-export credit needs of Minnesota exporters.

Subd. 2. [POWERS.] The Minnesota export finance authority has the power and authority to perform the following functions and may:

(1) *insure, co-insure, and guarantee against commercial pre-export credit risks;*

(2) *sue and be sued;*

(3) *enter into agreements and transactions with any person, partnership, or corporation, both foreign and domestic, state, federal, and foreign governments and governmental agencies;*

(4) *acquire and hold personal and real property pursuant to the provisions of insurance and the granting of guarantees;*

(5) *pledge an appropriate collateral;*

(6) *charge premiums, interest, and fees;*

(7) *provide administrative, consultive, and technical services to assist in the financing of exports;*

(8) *prepare and receive reports regarding credit, insurance, and guarantees with respect to export finance;*

(9) perform all necessary and appropriate operations, administration, processing, and marketing functions related to the authority's functions; and

(10) promulgate such rules and regulations as are necessary to carry out responsibilities under this act.

Subd. 3. [CAPITAL.] The Minnesota export finance authority shall have working capital in the amount of \$2,000,000 appropriated by the state from the general fund.

Subd. 4. [PRESIDENT AND BOARD OF DIRECTORS.] The governor shall appoint, upon the advice and consent of the senate, a president of the finance authority. The president, subject to the supervision of the board, shall be the executive officer of the finance authority and may hire staff as described in section 4, subdivision 1. The governor shall also appoint six members to the authority's board of directors. The six members shall be as follows: three members with experience in international finance; two private exporters; and one attorney with experience in international law. The president of the finance authority shall also serve on the board. Members of the board may be compensated at the rate of \$100 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted pursuant to section 43A.18, subdivision 2. Membership terms and removals are governed by section 15.0575. Board members shall perform their duties in a nonself-serving manner and in compliance with section 10A.07.

Subd. 5. [BOARD MEETING.] The board shall meet on a regular basis, but in no case less than twice per month; the board shall also meet upon the call of the president or a majority of the board. The president shall be the presiding officer, and four directors and the president shall constitute a quorum for the transaction of any business or the exercise of any power or function of the finance authority. The finance authority may act by a majority of directors present at any meeting at which a quorum is in attendance.

Subd. 6. [ANNUAL REPORT.] The president and board of directors shall submit to the governor and the legislature an annual report on the activities of the finance authority.

Subd. 7. [LIABILITY LIMITATION.] The Minnesota export finance authority may not have at any one time net liabilities greater than four times its capital and reserves.

Subd. 8. [INSURANCE AND GUARANTEES.] The Minnesota export finance authority may provide insurance and guarantees to the following extent:

(1) *the finance authority may not provide to any qualified business insurance or guarantees in excess of \$250,000;*

(2) *the policy of the agency is to provide insurance and guarantees for export credits that would otherwise not be made and that the president and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment;*

(3) *the finance authority shall contract with, among others, the Foreign Credit Insurance Association, the U.S. Export-Import Bank, and private insurers to secure reinsurance for country and commercial risks for the finance authority's insurance program; and*

(4) *losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves.*

Sec. 7. [APPROPRIATION.]

The sum of \$ is appropriated from the general fund to the foreign trade agency for the purpose of fulfilling the duties described in . This appropriation remains available until expended.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 6 are effective ."

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. 422, A bill for an act relating to state government; regulating judicial branch salaries; amending Minnesota Statutes 1982, section 15A.083, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 3.099, subdivision 2, is amended to read:

Subd. 2. The compensation of each member of the legislature (UNTIL THE START OF THE LEGISLATIVE SESSION IN 1979) shall be (\$8,400 PER YEAR. COMMENCING WITH

THE START OF THE LEGISLATIVE SESSION IN 1979, THE COMPENSATION OF EACH MEMBER OF THE LEGISLATURE SHALL BE \$16,500 PER YEAR. EFFECTIVE JANUARY 1, 1980, THE COMPENSATION OF EACH MEMBER OF THE LEGISLATURE WILL BE \$18,500 PER YEAR) *determined pursuant to sections 10 and 11.*

Sec. 2. Minnesota Statutes 1982, section 15A.081, subdivision 6, is amended to read:

Subd. 6. (THE FOLLOWING) Salaries (ARE PROVIDED) for the constitutional officers of the state (:) *shall be determined pursuant to sections 10 and 11.*

	(EFFECTIVE (EFFECTIVE	
	JULY 1,	JULY 1,
	1979)	1980)
(GOVERNOR	\$62,000	\$66,500)
(ATTORNEY GENERAL	52,500	56,000)
(LIEUTENANT GOVERNOR	38,000	40,000)
(AUDITOR	34,000	36,000)
(SECRETARY OF STATE	34,000	36,000)
(TREASURER	34,000	36,000)

The salaries of the chief deputy attorney general, deputy auditor, deputy secretary of state and deputy treasurer shall be 95 percent of the salaries of their respective superior constitutional officers.

Sec. 3. [15A.082] [JUDICIAL COMPENSATION COUNCIL.]

The judicial compensation council is created to assist the legislature in establishing the compensation of justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court.

The council consists of six members appointed by and serving at the pleasure of the governor; one justice of the supreme court, one judge of the court of appeals, one district court judge, one county or municipal court judge, and one person who is not a judge, appointed by and serving at the pleasure of the chief justice of the supreme court. No more than two of the members

appointed by the governor shall be attorneys and at least two members appointed by the governor shall have expertise in principles of salary administration. The council shall select one of its members to serve as chairperson. The chairperson shall schedule meetings of the council. Members appointed by the governor and the nonjudge appointed by the chief justice of the supreme court shall be compensated for their service on the council as provided in section 15.059. The legislative coordinating commission shall provide the council with administrative and support services.

Sec. 4. [15A.0821] [JUDGES' SALARIES.]

By December 1 of each even-numbered year the judicial compensation council shall submit to the speaker of the house and the president of the senate a recommended compensation plan for justices of the supreme court and judges of the court of appeals, district court, county court, and county municipal court. The salary portion of a plan shall take effect July 1 next following the date the plan is required to be submitted, unless a plan is modified or rejected in a bill passed by the legislature, effective prior to that July 1. If the legislature does not modify or reject the plan, the legislature shall be deemed to have prescribed judicial compensation as recommended in the plan. The opportunity for the legislature to review and reject or modify the recommendations of the commission is a condition precedent to legislative prescription of judicial compensation, and no judge shall be entitled to the compensation recommended by the commission until this condition has been satisfied in the manner set forth in this section.

Sec. 5. Minnesota Statutes 1982, section 15A.083, subdivision 1, is amended to read:

Subdivision 1. [ELECTIVE JUDICIAL OFFICERS.] The following salaries shall be paid annually to the enumerated elective judicial officers of the state:

	Effective	Effective	Effective
	July 1,	July 1,	July 1,
	1979	1980	1983
(1) Chief justice of the supreme court	(\$56,000)	\$59,000	\$75,000
(2) Associate justice of the supreme court	(52,500)	56,000	\$70,000
(3) Judge of the court of appeals			\$67,500

(4) District judge,
judge of county court
((LEARNED IN THE
LAW),) probate
court, and county
municipal court

(45,000) 48,000 \$62,500

((4) JUDGE OF A
COUNTY COURT
(NOT LEARNED
IN THE LAW))

(29,500) (31,500)

Sec. 6. Minnesota Statutes 1982, section 15A.083, subdivision 2, is amended to read:

Subd. 2. [COUNTY COURT AND COUNTY MUNICIPAL JUDGES.] (1) Notwithstanding any other law to the contrary, the salary paid to a judge of a county court shall also be paid to judges of the probate court of St. Louis county and to judges of the Duluth municipal court.

(2) Judges of the county municipal courts, and county courts in the counties of Hennepin, Ramsey, Washington, Anoka, Scott, St. Louis, Carver and Dakota shall receive a salary of (\$45,000, EFFECTIVE JULY 1, 1979, AND) \$48,000, effective July 1, 1980 and \$62,500, effective July 1, 1983.

(3) If any judge enumerated in this subdivision dies while in office, the amount of his salary remaining unpaid for the month in which his death occurs, shall be paid to his estate.

Sec. 7. Minnesota Statutes 1982, section 15A.083, subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] (SALARIES OR SALARY RANGES ARE PROVIDED FOR THE FOLLOWING POSITIONS IN THE JUDICIAL BRANCH OF GOVERNMENT. THE APPOINTING AUTHORITY OF ANY POSITION FOR WHICH A SALARY RANGE HAS BEEN PROVIDED SHALL FIX THE INDIVIDUAL SALARY WITHIN THE PRESCRIBED RANGE, CONSIDERING THE QUALIFICATIONS AND OVERALL PERFORMANCE OF THE EMPLOYEE. APPOINTMENTS TO FILL VACANCIES SHALL NOT BE MADE ABOVE THE MIDPOINT OF THE SALARY RANGE PRESCRIBED FOR THE POSITION UNLESS THE STATE COURT ADMINISTRATOR HAS BEEN CONSULTED IN ADVANCE AND HIS APPROVAL OBTAINED. ANY SALARY INCREASE THAT WOULD ADJUST AN EMPLOYEE'S RATE OF PAY BEYOND THE MIDPOINT OF THE RANGE PRESCRIBED FOR THE POSITION MUST BE APPROVED IN ADVANCE BY THE STATE COURT ADMINISTRATOR.)

(SALARY OR RANGE)

(EFFECTIVE) (EFFECTIVE)

(JULY 1,) (JULY 1,)

(1979) (1980)

(PUBLIC DEFENDER)	(\$37,500)	(\$40,000)
(DISTRICT) (ADMINISTRATOR)	(27,000-37,500)	(28,500-40,000)
(COUNTY-ATTORNEYS) (COUNCIL) (EXECUTIVE) (DIRECTOR)	(22,000-32,000)	(23,500-34,000)
(BOARD-ON-JUDICIAL) (STANDARDS) (EXECUTIVE-DIRECTOR)	(36,000)	(38,000)
(STATE-COURT) (ADMINISTRATOR)	(44,500)	(47,000)

The salary of the state public defender shall be the same as the salary of the chief deputy attorney general. Salaries for district court administrators shall be determined pursuant to section 484.68, subdivision 6. The salaries of the state court administrator and the executive director of the board on judicial standards shall be determined by the appointing authority.

Sec. 8. Minnesota Statutes 1982, section 15A.083, subdivision 5, is amended to read:

Subd. 5. [TAX COURT.] Salaries of judges of the tax court shall be the same as the base salary for district judges (AS PROVIDED IN SUBDIVISION 1).

Sec. 9. Minnesota Statutes 1982, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals shall be

90 percent of the salary for district judges (AS PROVIDED IN SUBDIVISION 1). Salaries of compensation judges shall be 75 percent of the salary of district court judges (AS PROVIDED IN SUBDIVISION 1).

Sec. 10. [15A.25] [COMPENSATION COUNCIL.]

The executive and legislative branch compensation council is created to assist the legislature in establishing the compensation of executive branch agency heads, legislators, and constitutional officers. The council consists of two nonlegislators appointed by the speaker of the house; two nonlegislators appointed by the committee on rules and administration of the senate; one member each appointed by the attorney general, auditor, treasurer, and secretary of state; and eight members appointed by the governor, one member from each congressional district.

The council shall select one of its members to serve as chairperson. The chairperson shall schedule meetings of the council. Membership terms, compensation, and removal of members shall be governed by section 15.059, except that a member may not be removed from the council at the pleasure of the appointing authority. The commissioner of employee relations shall provide the council with administrative and support services.

Sec. 11. [15A.26] [SALARIES.]

Subdivision 1. [LEGISLATIVE SALARIES.] By December 1 of each odd-numbered year, the compensation council shall submit to the speaker of the house and the president of the senate a report with a recommended salary plan for legislators. The salaries recommended in the plan shall take effect at the beginning of the term of office of the house of representatives next elected following the council's report unless the plan is modified or rejected in a bill passed by the legislature and signed by the governor, effective prior to that date. The salary plan for legislators shall be subject to additional terms that may be adopted pursuant to section 3.099, subdivisions 1 and 3.

Subd. 2. [CONSTITUTIONAL OFFICERS AND AGENCY HEADS.] By December 1, 1983 and December 1 of each even-numbered year thereafter, the compensation council shall submit to the speaker of the house and the president of the senate a report with a recommended salary plan of the six constitutional officers and for the heads of the following state departments and agencies: administration; administrative hearings; agriculture; banking; insurance; securities and real estate; consumer services; corrections; ombudsman for corrections; economic security; education; energy, planning and development; finance; health; housing finance agency; human rights; Indian affairs board; iron range resources and rehabilitation board; labor and industry; mediation services; natural resources; employee relations; pollution control agency; public safety; public service;

public utilities commission director; public welfare; revenue; transportation; transportation regulation board; veterans affairs.

The salary plan shall take effect on July 1 next following the date the plan is required to be submitted, unless the plan is modified or rejected in a bill passed by the legislature and signed by the governor effective prior to that date.

Sec. 12. Minnesota Statutes 1982, section 43A.18, subdivision 5, is amended to read:

Subd. 5. [GOVERNOR TO SET CERTAIN SALARIES.] The governor shall, on or before January 31 of each odd numbered year, submit to the legislative commission on employee relations recommendations for salaries for the positions listed in sections 15A.081 and 15A.083. The governor may also propose additions or deletions of positions from those listed.

(a) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations (. BEFORE SUBMITTING RECOMMENDATIONS FOR AN EMPLOYEE IN THE OFFICE OF A CONSTITUTIONAL OFFICER, THE GOVERNOR SHALL CONSULT WITH THE CONSTITUTIONAL OFFICER CONCERNING THE RECOMMENDATIONS AND SHALL GIVE DUE CONSIDERATION TO THE ADVICE OF THE OFFICER);

(b) Except for positions for which salary ranges have been established; the recommendations shall contain a specific salary for each position listed in sections 15A.081 and 15A.083. The governor shall determine only a fixed salary for (THE POSITIONS OF THE CONSTITUTIONAL OFFICERS, THE JUDGES OF THE WORKERS' COMPENSATION COURT OF APPEALS AND) the commissioner of public service;

(c) In making recommendations, the governor shall consider only those criteria established in subdivision (7) 8 and shall not take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities and accountabilities and in determining recommendations rate each position by this system; and

(d) The initial salary of a head of an agency hereafter established whose salary is not specifically prescribed by law shall be fixed by the governor, after consultation with the commissioner, whose recommendation shall be advisory only, in an amount comparable to the salary of an agency head having similar duties and responsibilities.

Sec. 13. Minnesota Statutes 1982, section 484.68, subdivision 6, is amended to read:

Subd. 6. [SALARY.] The salary of the district administrator shall be set by the state court administrator (WITHIN THE LIMITS PROVIDED IN SECTION 15A.083,) and shall be paid by the state. The salaries of the district administrators of the second and fourth judicial districts may be supplemented by the appropriate county board by an amount not to exceed \$10,000 per year. If an administrator dies, the amount of his salary remaining unpaid for the month in which his death occurs shall be paid to his estate.

Sec. 14. [EFFECTIVE DATE.]

Section 1 is effective at the beginning of the term of office of the house of representatives next elected following the report of the council under section 11. Sections 3, 4, 5, 6, 8, 9, and 13 are effective July 1, 1983. Sections 2 and 7 are effective July 1, 1984."

Delete the title and insert:

"A bill for an act relating to state government; establishing a compensation council to assist in establishing the salary of executive branch agency heads, legislators and constitutional officers; establishing a judicial compensation council; regulating judicial branch salaries; amending Minnesota Statutes 1982, sections 3.099, subdivision 2; 15A.081, subdivision 6; 15A.083, subdivisions 1, 2, 4, 5, and 7; 43A.18, subdivision 5; and 484.68, subdivision 6; proposing new law coded in Minnesota Statutes, chapter 15A."

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 423, A bill for an act relating to the town of St. Cloud; permitting its division into urban and rural service districts.

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. 426, A bill for an act relating to child support enforcement; amending Minnesota Statutes 1982, section 256.87, subdivision 1a, and by adding subdivisions.

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. 431, A bill for an act relating to employment; encouraging public and private sector pension funds to invest in real estate; permitting certain public funds to participate in real estate investments; amending Minnesota Statutes 1982, sections 69.77, subdivision 2; 354A.08; 422A.05, subdivision 2c; 423.389; and 423.60; proposing new law coded in Minnesota Statutes, chapter 356.

Reported the same back with the following amendments:

Page 2, delete lines 16 to 18

Page 7, line 21, delete everything after "trust"

Page 7, lines 22 and 23, delete everything before the period

Page 7, line 29, delete everything after "trust"

Page 7, lines 29 to 31, delete everything before the period

Pages 7 and 8, delete sections 6 and 7

Page 8, line 31, delete "8" and insert "6"

Renumber the sections

Amend the title as follows:

Page 1, line 6, after the last semicolon, insert "and"

Page 1, line 7, delete "423.389; and 423.60;"

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. 467, A bill for an act relating to retirement; adopting a rule of 85, altering the actuarial reduction for early retirement, and changing surviving spouse benefits for members of the Minnesota state retirement system; amending Minnesota Statutes 1982, sections 352.115, subdivision 1; 352.116, subdivision 1; and 352.12, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 353.30, subdivision 1a, is amended to read:

Subd. 1a. Any person (WHOSE ATTAINED AGE PLUS CREDITED ALLOWABLE SERVICE TOTALS 90 YEARS) *who has attained the age of at least 62 years and who received credit for not less than 30 years of allowable service* is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, without any reduction in annuity by reason of such early retirement.

Sec. 2. [356.80] [UNREDUCED EARLY RETIREMENT.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding any law to the contrary of the laws governing the funds enumerated in subdivision 2, any person whose attained age plus credited allowable service totals 85 years shall be entitled upon application to a retirement annuity in an amount equal to the normal annuity without any reduction in annuity by reason of early retirement.

Subd. 2. [COVERED FUNDS.] The provisions of this section shall apply to the following retirement funds:

(1) *state employees retirement fund, established pursuant to chapter 352;*

(2) *correctional employees retirement program, established pursuant to chapter 352;*

(3) *state patrol retirement fund, established pursuant to chapter 352B;*

(4) *public employees retirement association, established pursuant to chapter 353;*

(5) *public employees police and fire fund, established pursuant to chapter 353;*

(6) *teachers retirement fund, established pursuant to chapter 354;*

(7) *Minneapolis teachers retirement fund association, established pursuant to chapter 354A;*

(8) *Duluth teachers retirement fund association, established pursuant to chapter 354A;*

(9) *St. Paul teachers retirement fund association, established pursuant to chapter 354A.*

Sec. 3. [REPEALER.]

Section 2 is repealed effective June 30, 1985.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; public funds generally; adopting a rule of 85; public employees retirement association; reinstating age and years of service requirements; amending Minnesota Statutes 1982, section 353.30, subdivision 1a; proposing new law coded in Minnesota Statutes 1982, chapter 356."

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 486, A bill for an act relating to local government; providing authority for cities and counties to establish and maintain district heating systems; proposing new law coded in Minnesota Statutes, chapter 444.

Reported the same back with the following amendments:

Page 1, line 10, delete "*, except a city of the first class,*"

Page 1, line 20, before the period insert "*and in any city or part thereof where by resolution the city authorizes a county to exercise all or part of the powers provided for in this act*"

Page 2, line 11, after the comma insert *"or in the case of cities of the first class, in accordance with the provisions of chapter 435,"*

Page 6, line 16, after "section" insert *", except for cities of the first class, where procedures of chapter 435 will apply"*

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 500, A bill for an act relating to game and fish; affording protection to the coyote; authorizing a season thereon; amending Minnesota Statutes 1982, sections 100.26, subdivision 1; and 100.27, subdivisions 3 and 7.

Reported the same back with the following amendments:

Page 2, line 20, delete *"Coyote,"*

Page 2, line 21, before the period insert ";

(7) *Coyote"*

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 516, A bill for an act relating to the city of Montevideo; giving it certain powers of a statutory city.

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. 538, A bill for an act relating to education; providing that no member of the higher education coordinating board shall be an employee of or receiving compensation from a public or private post-secondary institution while serving on the board;

amending Minnesota Statutes 1982, section 136A.02, subdivision 1.

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. 544, A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1982, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] Upon request a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

Upon a patient's written request, a provider at a reasonable cost to the patient shall furnish to the patient: ((A)) copies of the patient's health record, including but not limited to laboratory reports, x-rays, prescriptions, and other technical information used in assessing the patient's health condition (; (B)). *With the consent of the patient, the provider may instead furnish only the pertinent portion of the record relating to a specific condition (;) or ((C)) a summary of the record. The provider shall respond within two weeks of receipt of the appropriate written request.*

If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the (PHYSICAL OR) mental health of the patient, or is likely to cause the patient to harm himself or another, he may withhold the information from the patient. The information may be supplied to an appropriate third party or to another provider, as defined in subdivision 1, clause (b) (1). The provider or third party may release the information to the patient."

Page 1, line 10, before "The" insert "*Subdivision 1. [HOSPITAL RECORDS.]*"

Page 1, line 19, delete "are"

Page 1, delete lines 20 and 21

Page 1, line 22, after "record" insert ", as defined by the commissioner of health."

Page 2, line 8, after the period insert "*Nor shall anything in this section be construed to prohibit patient access to hospital medical records as provided in section 144.335.*"

Page 2, after line 8, insert:

"Subd. 2. [RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH.] *The commissioner of health shall define the term "individual permanent medical record" by enumerating the specific types of records or other information which, at a minimum, must be maintained on a permanent basis by the hospital. The commissioner of health shall propose the definition by publishing it in the state register and allowing a period of 60 days from the date of publication for interested persons to submit written comments to the commissioner. Within 60 days after the close of the comment period, and, after considering any comments received, the commissioner shall adopt the definition in final form. The definition is exempt from the definition of "rule" in section 14.02, subdivision 4, and has the force and effect of law upon compliance with section 14.38, subdivision 7. The effective date of the definition occurs as prescribed in section 14.38, subdivision 8.*"

Renumber the section

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing requirements for release of records;"

Page 1, line 4, delete "section" and insert "sections 144.335, subdivision 2; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 566, A bill for an act relating to Hennepin County; providing for a purchasing preference for American made materials.

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

The report was adopted.

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

H. F. No. 575, A bill for an act relating to state government; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, section 179.741, subdivision 1, and by adding a subdivision.

Reported the same back with the following amendments:

Page 4, after line 9, insert:

"Sec. 3. [AMENDED UNIT COMPOSITION SCHEDULE.]

The unit composition schedule for state employees adopted by the legislative commission on employee relations on March 24, 1980, as amended through the effective date of this section, is amended by striking the job classifications entitled "police training course supervisor" and "police training instructor" from unit (14) and inserting those job classifications into unit (1)."

Page 5, line 10, delete "to 4" and insert ", 2, 4, and 5"

Page 5, line 11, after the period insert "Section 3 is effective July 1, 1983."

Renumber the sections accordingly

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. 584, A bill for an act relating to commerce; regulating the consignment of works of art; specifying the rights and duties of consignors and consignees; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [324.01] [DEFINITIONS.]

For the purposes of sections 1 to 5, the following terms have the meanings given them:

(1) "artist" means the creator of a work of art or, if he or she is deceased, that person's heirs or personal representatives;

(2) "art" means a painting, sculpture, drawing, work of graphic art, photograph, weaving, or work of craft art;

(3) "art dealer" means a person engaged in the business of selling works of art, other than a person exclusively engaged in the business of selling goods at public auction;

(4) "person" means an individual, partnership, corporation, association, or other group, however organized; and

(5) "consignment" means that no title to, estate in, or right to possession of, art, superior to that of the consignor vests in the consignee, notwithstanding the consignee's power or authority to transfer and convey to a third person all of the right, title, and interest of the consignor in and to such art.

Sec. 2. [324.02] [DELIVERY TO AND ACCEPTANCE BY ART DEALER.]

Notwithstanding any custom, practice, or usage of the trade to the contrary, whenever an artist delivers or causes to be delivered a work of art of the artist's own creation to an art dealer in this state for the purpose of exhibition or sale, or both, on a commission, fee, or other basis of compensation, the delivery to and acceptance of the work of art by the art dealer constitutes a consignment, unless the delivery to the art dealer is pursuant to an outright sale for which the artist receives or has received full compensation for the work of fine art upon delivery.

Sec. 3. [324.03] [RESULTS OF CONSIGNMENT; ARTIST-ART DEALER RELATIONSHIPS.]

A consignment of a work of fine art results in all of the following:

(1) *the art dealer, after delivery of the work of art, is an agent of the artist for the purpose of sale or exhibition of the consigned work of art within the state of Minnesota;*

(2) *the work of art is property held in trust by the consignee for the benefit of the consignor, and is not subject to claim by a creditor of the consignee;*

(3) *the consignee is responsible for the loss of, or damage to, the work of art; and*

(4) *the proceeds from the sale of the work of art must be held in trust by the consignee for the benefit of the consignor. The proceeds must first be applied to pay any balance due to the consignor, unless the consignor expressly agrees otherwise in writing.*

Sec. 4. [324.04] [TRUST PROPERTY.]

A work of art received as a consignment remains trust property until the price is paid in full by the consignor, notwithstanding the subsequent purchase of it by the consignee directly or indirectly for the consignee's own account. If the work is thereafter resold to a bona fide purchaser before the consignor has been paid in full, the proceeds of the resale received by the consignee constitute funds held in trust for the benefit of the consignor to the extent necessary to pay any balance still due to the consignor. The trusteeship continues until the fiduciary obligation of the consignee with respect to this transaction is discharged in full.

Sec. 5. [324.05] [APPLICATION.]

Sections 1 to 5 do not apply to a written contract executed prior to August 1, 1983, unless either the parties agree by mutual consent that sections 1 to 5 apply, or the contract is extended or renewed after August 1, 1983.

The provisions of sections 1 to 5 prevail over any conflicting or inconsistent provisions of the Uniform Commercial Code affecting the subject matter of these sections."

With the recommendation that when so amended 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. 585, A bill for an act relating to commerce; art; regulating the sale of fine prints; providing sales and advertising disclosures; prescribing penalties; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [324.01] [DEFINITIONS.]

As used in sections 1 to 5:

(1) "artist" means the person who conceived or created the master image for, or which served as model for, the print;

(2) "edition" means the number of fine prints made from the plate or negative during a single run;

(3) "fine print" or "print" means the product created by an artist by a process commonly used in graphic or photographic arts, including, but not limited to, engraving, etching, wood-cutting, lithography, serigraphy, or photography;

(4) "impression" means the printed image on suitable material, whether paper or any other substance, made off the plate or negative by printing, stamping, casting, developing, or any other process commonly used in the graphic or photographic arts;

(5) "plate" includes any plate, stone, block, or other material hand-drawn by the artist, used for the purpose of creating the print from which the impression or impressions were taken;

(6) "negative" includes any negative, photographic plate, slide, or other material created by the artist and used for the purpose of creating the print from which the impression or impressions were taken;

(7) "reproduction" means a copy of an original or a copy of a print made by a commercial mechanical process; and

(8) "signed fine print" means a fine print autographed by the artist, irrespective of whether it was signed or unsigned in the plate or negative.

Sec. 2. [324.02] [EXCEPTIONS.]

Sections 1 to 5 do not apply to:

(1) prints which are sold prior to the effective date of sections 1 to 5; or

(2) prints which are clearly and conspicuously described as reproductions and which are not alleged to be signed, numbered, or limited editions, or any combination thereof.

Sec. 3. [324.03] [ACTS PROHIBITED; DISCLOSURE STATEMENTS.]

Subdivision 1. [ADVERTISING DISCLOSURES.] No catalogue, prospectus, or circular offering fine prints for sale in this state shall be knowingly published or distributed, or both, unless it clearly and conspicuously discloses the relevant infor-

mational detail as required by section 4 concerning each edition of the prints so offered.

Subd. 2. [ADVERTISING DISCLAIMER.] If the person offering fine prints by means of a catalogue, prospectus or circular disclaims knowledge as to any relevant detail referred to in section 4, that person shall so state specifically and categorically with regard to each detail so that the purchaser is able to judge the degree of uniqueness or scarcity of each print contained in the edition so offered. Describing the edition as an edition of "reproductions" eliminates the need to furnish further informational details unless the edition was allegedly published in a signed, numbered, or limited edition, or any combination thereof, in which case all of the informational details are required to be furnished.

Subd. 3. [SALES DISCLOSURES.] No fine print may be knowingly offered for sale or sold in this state by any person unless a written invoice or receipt for the purchase price or a certificate furnished to the purchaser clearly and conspicuously discloses all of the relevant informational details required under section 4.

Subd. 4. [SALES DISCLAIMER.] If the seller disclaims knowledge as to any relevant detail referred to in section 4, he or she shall so state specifically and categorically with regard to each detail so that the purchaser is able to judge the degree of uniqueness or scarcity of the fine print. Describing the print as a "reproduction" eliminates the need to furnish information details unless it was allegedly published in a signed, numbered, or limited edition, or any combination thereof, in which case all of the informational details are required to be furnished.

Sec. 4. [324.04] [INFORMATIONAL DETAIL.]

The following informational detail is required under section 3:

(1) the name of the artist and the year when the fine print was printed;

(2) the authorized maximum number of artist's, publisher's, printer's, or other proofs, if any, outside of the regular edition and the total size of the edition;

(3) whether the plate or negative has been destroyed, altered, or defaced, after the latest edition;

(4) if there were any prior fine prints of the same impression, utilizing a different process, paper, media, or color, the total number of the fine prints and designation of the fine prints;

(5) *if there were any prior or later editions from the same plate or negative;*

(6) *the name of the workshop, if any, where the edition was printed.*

Sec. 5. [324.05] [LIABILITY.]

(a) *Any person who sells a fine print and who fails to disclose the information required by section 4 is liable to the purchaser thereof in an amount equal to the purchase price of the fine print, including any sales tax paid.*

(b) *In addition to the liability imposed by clause (a), a person who sells a fine print and who willfully fails to disclose the information required by section 4 is liable to the purchaser in the amount of \$1,000 or in an amount equal to three times the purchase price of the fine print, whichever is greater.*

(c) *No action can be maintained to enforce any liability under this section unless the person who is injured by the failure to disclose returns the fine print to the person violating the provisions of paragraphs (a) or (b) and the action is brought within one year after discovery of the violation upon which it is based and in no event more than three years after the fine print was sold."*

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. 623, A bill for an act relating to commerce; permitting the sale of certain eye glasses by persons other than optometrists; amending Minnesota Statutes 1982, section 148.56.

Reported the same back with the following amendments:

Page 2, line 23, delete the first "of" and insert "having"

Page 2, line 23, after "power" insert "of up to and including 3.25,"

Page 2, line 24, delete "incidental to other businesses in that establishment" and insert "that sells prescription eyewear"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 625, A bill for an act relating to labor; providing funds for labor education; appropriating money.

Reported the same back with the following amendments:

Page 1, line 17, delete "*education*" and insert "*labor and industry*"

With the recommendation that when so amended 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. 635, A bill for an act relating to health; providing for the distribution of federal funds for maternal and child health care; amending Minnesota Statutes 1982, sections 145.881, subdivision 1; and 145.882; 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. Minnesota Statutes 1982, section 145.881, is amended to read:

145.881 [MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

(1) professionals with expertise in maternal and child health services;

(2) representatives of local health boards as defined in section 145.913; and

(3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed

(AND TERMS SHALL EXPIRE) as provided in section 15.059, subdivision 6. *Notwithstanding section 15.059, subdivision 5, the maternal and child health advisory task force shall terminate on June 30, 1985.*

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

(a) Review and report on the health care needs of mothers and children throughout the state of Minnesota;

(b) Review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(c) Establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income, high risk patients and fulfilling the purposes defined in section 145.88;

(d) Review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) Make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) Make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; and

(g) Make recommendations to the commissioner of health on (A) the process to distribute, award and administer the maternal and child health block grant funds (AFTER JULY 1, 1983 THAT WILL FULFILL THE PURPOSES OF SECTION 145.88).

Sec. 2. Minnesota Statutes 1982, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

(THE MATERNAL AND CHILD HEALTH CARE BLOCK GRANT SHALL BE DISTRIBUTED TO THE SAME RECIPIENTS THAT RECEIVED FUNDS DURING THE PREVIOUS YEAR UNTIL JULY 1, 1983. A REDUCTION IN FEDERAL FUNDING SHALL BE DISTRIBUTED TO REFLECT A PROPORTIONAL REDUCTION FOR EACH RECIPIENT.)

Recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the same level as in state fiscal year 1983 until September 30, 1985, if they comply with provisions of sections 145.881, and 2 to 7. These recipients are also eligible to apply for state grants under sections 2 to 7. The proportion of funds expended in direct services through special projects shall be maintained at not less than the current 1983 level.

The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds, including the amounts to be expended for indirect costs, direct services, and special projects. The report shall also identify the statewide needs of low-income, high-risk populations and the state department of health's plans for meeting their needs. The legislature shall receive the report no later than January of each year.

Sec. 3. [145.883] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 145.881, 145.882, and 3 to 7, the terms defined in this section shall have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [QUALIFIED PROGRAM.] "Qualified program" means a program with professional maternal and child health care staff which is established for the purpose of providing one or more essential services in maternal and child health care to a target population of low income and high risk persons.

Subd. 4. [ESSENTIAL SERVICES.] "Essential services" means (a) prenatal, delivery, and post partum care; (b) comprehensive health care for children from birth through five years of age; (c) adolescent health services; (d) family planning services; (e) preventive dental care; or (f) special services for chronically ill children and for handicapped children.

Subd. 5. [LOW INCOME.] "Low income" means an individual or family with an income determined to be at or below 175 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with the Economic Opportunity Act of 1964, section 624.

With respect to an individual who is a high risk person, "low income" means the income of the high risk person or the person's family is determined to be at or below 200 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with the Economic Opportunity Act of 1964, section 624. The commissioner shall establish the low income level for eligibility for services to children with handicaps.

Subd. 6. [HIGH RISK PERSON.] *"High risk person" means a mother or child person with a condition which significantly increases the probability of disease, injury, death, or other adverse health-related problem. Determination that a condition results in high risk shall be based on well-validated, scientific studies.*

Subd. 7. [SPECIAL PROJECT.] *"Special project" means a qualified program that receives maternal and child health block grant money and is administered by a public or private nonprofit agency other than the Minnesota department of health. A special project shall not impose residency requirements, other than state residence, as a condition of receiving essential services.*

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] *"Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from a prior state fiscal year sufficient funds for qualified programs approved through the federal fiscal year.*

Sec. 4. [145.884] [GRANTS TO QUALIFIED PROGRAMS.]

The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants to public and private nonprofit agencies administering qualified programs of maternal and child health care services to identified low income and high risk populations. Before March 1 of each year, the commissioner shall publish in the State Register the following information:

- (a) procedures for grant applications;*
- (b) conditions and procedures for administration of the grants;*
- (c) criteria for eligibility for grants; and*
- (d) such other information as the commissioner finds necessary for the proper administration of the grant program.*

Sec. 5. [145.885] [APPLICATION FOR A GRANT.]

An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner shall prescribe. The application shall contain:

(a) a complete description of the program and the manner in which the applicant intends to conduct the program;

(b) a budget and justification for the amount of grant funds requested;

(c) a description of the target population served by the qualified program and estimates of the number of low income and high risk persons the program is expected to serve;

(d) the name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

(e) the reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Sec. 6. [145.886] [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the Minnesota department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel shall be professionals with expertise in maternal and child health care. No member of the panel shall be an employee of a public or private non-profit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner. The commissioner shall award grants under sections 5 and 6 only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 7. [145.887] [LIMITATIONS.]

Grants awarded to qualified programs under sections 5 to 7 shall not exceed 75 percent of the estimated annual cost of the qualified program for the fiscal year for which the grant is awarded.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete the second comma

Page 1, line 5, delete "subdivision 1"

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. 636, A bill for an act relating to local government; authorizing sewer and water commissions to obtain accountant services; amending Minnesota Statutes 1982, section 116A.24, subdivision 2.

Page 3, line 29, after "annual" insert "audited"

Page 3, line 35, delete "if the commission so requests"

Page 3, line 36, after "accountant" insert "if the commission so requests"

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. 654, A bill for an act relating to outdoor recreation; requiring licensing of cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [POLICY.]

The legislature finds that cross country skiing is a form of outdoor recreation beneficial to the residents and the economy of the state of Minnesota. To further the development of cross country skiing, a user fee system is created to continue the development and maintenance of cross country ski trails.

Sec. 2. [85.40] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 8 the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of the department of natural resources.

Subd. 3. [CROSS COUNTRY SKI GRANT-IN-AID PROGRAM.] "Cross country ski grant-in-aid program" means a program administered by the department, as described in section 6.

Subd. 4. [CROSS COUNTRY SKI RACE.] "Cross country ski race" means a timed skiing event organized for the participation of a large number of skiers at one time over a course prepared specifically for a ski race.

Subd. 5. [CROSS COUNTRY SKI TRAIL.] "Cross country ski trail" means a public pathway designated and promoted for cross country skiing.

Subd. 6. [CROSS COUNTRY SKIING.] "Cross country skiing" means traveling across country over snow by human power on skis. "Cross country skiing" does not require the use of lifts, tows, or other mechanical devices.

Subd. 7. [DEPARTMENT.] "Department" means the department of natural resources.

Subd. 8. [ADVISORY TASK FORCE.] "Advisory task force" means a volunteer group constituting trail users, organizations, and trail sponsors which reflect nonpartisan membership in the cross country ski program under the jurisdiction of the department of natural resources.

Sec. 3. [85.41] [USER FEES.]

Subdivision 1. [ON PERSON.] While skiing on cross country ski trails, a person between the ages of 16 and 65 years shall carry on his or her person a valid cross country ski license.

Subd. 2. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of annual cross country ski licenses. A county auditor may appoint subagents within his or her county or within adjacent counties to sell licenses. Upon appointment the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent at any time. Upon demand of the commissioner, the auditor shall revoke a subagent's ap-

pointment. The auditor shall furnish license blanks on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the license blanks to be consigned to that subagent. The county auditor shall be responsible for all license blanks issued to, and user fees received by agents, except in St. Louis county or in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed upon the county auditor are imposed upon the county. The commissioner may promulgate additional regulations pursuant to section 98.50, subdivision 2.

Any resident desiring to sell annual cross country ski licenses may either purchase for cash or obtain on consignment license blanks from a county auditor in groups of not less than ten individual license blanks. The license fee shall include a 50 cent fee for issuing the license. In selling such licenses, he shall be deemed a subagent of the county auditor and the commissioner, and he shall observe all rules and regulations promulgated by the commissioner for the accounting and handling of such licenses pursuant to section 98.50, subdivision 10.

The county auditor shall promptly deposit all monies received from the sale of licenses with the county treasurer, and shall promptly transmit such reports as may be required by the commissioner, plus 96 percent of the price to the licensee, exclusive of the license 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 the issuing fee for licenses consigned to subagents.

In addition, for licenses sold for cash directly to the licensee, the auditor shall collect the same issuing fee as a subagent. 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.

Subd. 3. [OTHER AGENTS.] Daily permits may be sold at field offices of participating units. The license fee shall include a 50 cent fee for issuing the license.

Subd. 4. [EXEMPTIONS.] Participants in cross country ski races and official school activities are exempt from the license requirement in subdivision 1 if a special use permit has been obtained by the organizers of the event in advance from the appropriate participating agency. Permits shall require that permit holders return the trail and any associated facility to its original condition if any damage is done by the permittee.

Limited permits for special events may be issued and shall require the removal of any trail markers, banners, and other material used in connection with the special event. Any landowner who grants an easement for a grant-in-aid ski trail is not required to have a cross country ski license when skiing on his own property.

Subd. 5. [FORM.] *The department shall provide forms and blanks to all agents authorized to issue licenses and daily permits by the commissioner. The license and daily permit shall: attach to the skier's clothing to visibly identify the holder as a licensed skier; be easily transferable from garment to garment by means of a device prescribed by the commissioner in consultation with the advisory task force. Additionally, the license shall include the applicant's name and other information deemed necessary by the commissioner.*

Subd. 6. [AGENT'S FEE.] *The fee for an annual cross country ski license shall be increased by the amount of an agent's fee of 50 cents per license. The agent shall collect the fee by retaining the amount of the agent's fee from the purchase price of a license. 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 and handling of such licenses pursuant to section 98.50, subdivision 10. A license shall indicate the amount of the fee that is retained by the agent.*

Sec. 4. [85.42] [USER FEE.]

The fee for an annual cross country ski license shall be \$5 in addition to the issuing fee and auditor's commission as prescribed in section 3, subdivision 2. This fee shall be collected at the time the license is purchased. Annual licenses are valid from October 1 through September 30 of the following year. Licenses shall not be transferable.

The cost for a daily cross country skier permit shall be \$1 in addition to the issuing fee. This fee shall be collected at the time the permit is purchased. The daily permit is valid only for the date designated on the permit form.

Sec. 5. [85.43] [DISPOSITION OF RECEIPTS; PURPOSE.]

Fees from cross country ski licenses and permits shall be deposited with the state treasurer and shall be expended only as authorized by law for grants-in-aid cross country ski trails sponsored by local units of government and special park districts, and for cross country ski trails under the jurisdiction of the commissioner for the purposes of maintenance, winter grooming, and for associated administrative costs for all cross country ski trails under the jurisdiction of the department.

Sec. 6. [85.44] [CROSS COUNTRY SKI TRAIL GRANT-IN-AID PROGRAM.]

The department shall offer a grant-in-aid trail program to local units of government, and special park districts to fund the development and maintenance of cross country ski trails. Grants shall be available for acquisition of trail easements but may not be used to acquire any lands in fee title. The department shall reimburse all public sponsors of grants-in-aid cross country ski trails based upon criteria established in consultation with the advisory task force. Prior to the use of any reimbursement criteria, a certain proportion of the revenues shall be allocated on the basis of user fee sales location.

Sec. 7. [APPROPRIATION.]

There is appropriated to the department of natural resources from the general fund \$400,000 for the period ending June 30, 1985, to carry out the purposes of sections 1 to 6. Of this amount, \$30,000 shall be spent to publicize and promote the use of cross country skier licensing.

Sec. 8. [85.45] [PENALTY.]

A person found skiing on public ski trails or grant-in-aid ski trails who does not have a paid cross country ski license shall be guilty of a petty misdemeanor.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to outdoor recreation; requiring a user fee for cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85."

With the recommendation that when so amended 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. 663, A bill for an act relating to the general assistance program; creating a flat grant system of payment; authorizing the commissioner of public welfare to provide by rule

for the payment of reasonable fees in certain cases to persons assisting recipients in applying for benefits from federal programs; requiring general assistance recipients, with exceptions, to register for work with the department of economic security; authorizing the commissioner of public welfare to adopt temporary rules in certain cases; making various other changes in the general assistance program; authorizing the commissioner of economic security to make wage subsidy payments to certain employers and to allocate funds for certain public service jobs; authorizing the commissioner of economic security to adopt permanent and temporary rules in certain cases; amending Minnesota Statutes 1982, sections 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.06, subdivision 5; 256D.09, subdivision 2; proposing new law coded in Minnesota Statutes, chapters 256D and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a.

Reported the same back with the following amendments:

Page 3, after line 21, insert:

"Sec. 3. Minnesota Statutes 1982, section 256D.02, is amended by adding a subdivision to read:

Subd. 8a. An allowance received pursuant to section 9 is unearned income under subdivision 8."

Page 4, delete lines 3 to 6 and insert "*authorizing local agencies to retain up to 25 percent of the amounts recovered under interim assistance agreements when the agency has provided special assistance to recipients in processing their claims for maintenance benefits from other sources. The funds retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons for special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer and assist recipients who may be eligible for benefits under the federal programs for the disabled*"

Page 4, line 7, delete everything before the period

Page 4, line 19, delete "[256D.111]" and insert "[256D.101]"

Page 4, line 25, delete the second "*the*" and insert "*reasonable*"

Page 4, line 26, delete "*provisions of section 268.08,*" and insert "*requirements*"

Page 4, line 27, delete "*subdivision 1,*"

Page 5, after line 10, insert:

"(e) a person who is or may be eligible for displaced home-maker services, programs, or assistance under section 4.40;"

Page 5, line 11, delete "(e)" and insert "(f)"

Page 5, line 16, delete "(f)" and insert "(g)"

Page 5, line 21, delete "(g)" and insert "(h)"

Page 5, line 24, delete "(h)" and insert "(i)"

Page 5, line 29, delete "or"

Page 5, line 30, delete "(i)" and insert "(j)"

Page 5, line 33, delete the period and insert "; or"

Page 5, after line 33, insert:

"(k) a person who has been certified as unemployable by the commissioner of economic security."

Page 6, line 11, delete "of section 268.10" and insert "applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4)"

Pages 6 to 10, delete section 6 and insert:

"Sec. 7. [256D.102] [TEMPORARY AUTHORITY TO REFER CERTAIN RECIPIENTS TO COMMISSIONER OF ECONOMIC SECURITY.]

The local agency shall refer a recipient to the commissioner of economic security for services under the small business job creation incentive program or the public service jobs program upon the payment to the recipient of a one-month grant. A referral shall be in writing, shall describe the jobs programs for which the referral is being made, shall state the address of the office to which the recipient is being referred, and shall state that if the recipient is not accepted for participation in the jobs programs, the recipient should return to the local agency. Notwithstanding the provisions of section 6, subdivision 3, and section 256D.10, assistance to a general assistance recipient referred to the commissioner of economic security pursuant to this section shall be suspended at the time of the referral for a period of 30 days following the period for which a grant has been issued. If the recipient does not return to the local agency within the 30-day period, assistance shall be terminated. This section does not apply (1) to persons that the commissioner of economic security has determined, pursuant to section 8, are not eligible for the jobs programs, are not likely to secure a job through one of the

jobs programs, or are not able to successfully perform a job available through one of the jobs programs; (2) to persons who are recipients of general assistance on July 1, 1983; and (3) to persons who the local agency has substantial reason to believe are covered by section 6, subdivision 2.

Nothing in this section shall be construed as prohibiting any recipient who has not been referred by the local agency from applying to the commissioner of economic security for services under the small business job creation incentive program or the public service jobs program. The local agency shall provide to all recipients a written description of the small business job creation incentive program and the public service jobs program.

Sec. 8. [256D.103] [APPLICATION PROCESS; DETERMINATIONS.]

Any person may apply to the commissioner for services under the small business job creation incentive program or the public service jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the programs, the person's ability to successfully perform a job available through one of the programs, and the person's eligibility for an allowance pursuant to section 9. In determining the eligibility of a person for the allowance, the commissioner shall apply the eligibility standards set forth in sections 256D.01 to 256D.21. A person referred by a local agency pursuant to the provisions of section 7 shall be deemed to be eligible for the allowance. If the commissioner finds at any time that a person is not eligible for services under the jobs programs or if the commissioner determines after a three-month period that the person is unlikely to secure a job through one of the jobs programs, then the commissioner shall issue a written determination stating the findings and provide the person with a written referral to the appropriate local agency. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through one of the jobs programs, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 10, and shall provide the person with a written referral to the appropriate local agency. If the commissioner finds that a person is not eligible for an allowance pursuant to section 9, the commissioner shall advise the person in writing that the person may make an application for general assistance with the appropriate local agency.

Sec. 9. [256D.104] [PAYMENT OF ALLOWANCE.]

A person accepted pursuant to section 8 for participation in the small business job creation incentive program or the public service jobs program and determined by the commissioner to satisfy the eligibility standards set forth in sections 256D.01 to

256D.21 shall be paid a cash allowance by the commissioner equal to the amount of the general assistance grant that the person would otherwise receive pursuant to sections 256D.01 to 256D.21. The initial allowance shall be paid to the person as soon as administratively feasible. A person referred by a local agency pursuant to section 7 shall be paid the initial allowance upon the expiration of the period covered by the one-month grant received from the local agency. Thereafter, the allowance shall be paid at such intervals as the commissioner shall by rule or temporary rule prescribe.

Sec. 10. [256D.105] [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 8 that the person is not able to successfully perform a job available through the small business job creation incentive program or the public service jobs program may appeal that determination in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 9, the person shall receive the allowance prescribed by section 9 until a final decision on the appeal is rendered.

Sec. 11. [256D.106] [SUITABLE EMPLOYMENT FOR PURPOSES OF GENERAL ASSISTANCE.]

For purposes of eligibility for general assistance pursuant to sections 256D.01 to 256D.21, a job provided through the small business job creation incentive program or the public service jobs program shall be deemed to be "suitable employment," as that term is defined in section 256D.02, subdivision 13."

Page 10, line 29, delete "Section 6 is" and insert "Sections 3 and 6 to 11 are"

Page 10, line 31, delete "3, 6, 7, and 8" and insert "4, 12, and 13"

Page 10, line 32, after the second comma insert "and"

Page 10, line 32, delete "4, and 5" and insert "3 and 5 to 11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "authorizing" insert "counties to refer certain general assistance recipients to"

Page 1, line 13, delete "to make wage subsidy"

Page 1, delete line 14

Page 1, line 15, delete "for certain public service jobs"

Page 1, line 16, delete "adopt permanent" and insert "pay allowances to persons eligible for general assistance"

Page 1, line 17, delete "and temporary rules"

Page 1, line 19, after "subdivision 4" insert "and by adding a subdivision"

Page 1, line 21, delete "chapters" and insert "chapter"

Page 1, line 21, delete "and 268"

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. 711, A bill for an act relating to state government; altering certain miscellaneous provisions related to financial management of state funds; authorizing the commissioner of finance and the state treasurer to take certain actions relating to the issuance, form, execution, delivery, transfer of ownership, and payment of bonds and certificates of indebtedness; appropriating the proceeds of bonds and certificates of indebtedness for the payment of certain expenses; amending Minnesota Statutes 1982, sections 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; and 124.46, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Page 3, line 22, after the period insert "*The commissioner of finance must consult with the legislative advisory commission pursuant to Minnesota Statutes 1982, section 3.30, before selling bonds without sealed bids.*"

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. 720, A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota educational consulting consortium; repealing Minnesota Statutes 1982, sections 120.81 and 120.82.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [120.801] [PURPOSE.]

The legislature recognizes that one of the principal public purposes of the state is to provide an adequate education for its citizenry. An important means of furthering this public purpose is the continuation of educational computing services provided by the Minnesota educational computing consortium, including development and distribution of computer software, training educators in the use of computers in the classroom, and negotiating purchasing arrangements for Minnesota educational institutions. The intent of sections 1 to 12 is to accomplish those public purposes.

Sec. 2. [120.802] [DEFINITIONS.]

For the purpose of sections 1 to 12 "consortium" means the Minnesota educational computing consortium originally created pursuant to Minnesota Statutes, section 471.59, and created as a state agency by this act.

"Minnesota educational institutions" means Minnesota school districts or combination of school districts, area vocational technical institutions, the state department of education, community colleges, state universities, and the University of Minnesota.

Sec. 3. [120.803] [TRANSFER.]

The consortium created under section 471.59 is abolished as of the date of the transfer required by this section, and the Minnesota educational computer consortium is created as an independent state agency in the executive branch as a continuation of the abolished consortium. All powers and duties formerly assigned to the consortium created under section 471.59 are transferred to the state agency created by this act. Section 15.039 governs the transfer required by this section. All employees of the consortium are transferred to the state agency.

Sec. 4. [120.804] [STATE AGENCY.]

Subdivision 1. [STAFF.] The governor shall appoint and set the salary of an executive director of the consortium to serve at the pleasure of the governor. The director may employ other

staff. The person who serves as executive director of the consortium on the effective date of section 3 shall continue to serve as executive director until the governor appoints a new director.

Subd. 2. [COMPENSATION.] *The executive director shall establish the compensation of other staff.*

Subd. 3. [APPLICATION OF OTHER LAW.] *The consortium is exempt from the application of chapters 14, 16, 43A, and 179. However, consortium employees may participate in the group insurance plans provided to state employees. The commissioner of administration shall provide office space and other administrative services as requested by the consortium; and the consortium shall reimburse the commissioner for services provided.*

Subd. 4. [ADVISORY TASK FORCE.] *The executive director may appoint an advisory task force to advise in carrying out the responsibilities assigned by sections 5 to 8. Members shall be knowledgeable in areas related to the work of the consortium. Membership terms, compensation, and removal of members shall be governed by section 15.059. Until advisory task force members are appointed, the current consortium board shall serve as the advisory task force.*

Sec. 5. [120.805] [DUTIES OF CONSORTIUM.]

Subdivision 1. [PRODUCTS.] *Notwithstanding any law to the contrary, the consortium shall provide its services and products at cost, including overhead, to Minnesota educational institutions.*

Subd. 2. [SERVICES TO OTHERS.] *The consortium may provide its products and services to other than Minnesota educational institutions. To further the public purpose expressed in section 1, the consortium may establish a differential pricing policy between sales to Minnesota educational institutions and sales to others.*

Sec. 6. [120.806] [POWERS.]

The consortium may:

(a) *develop computer software and documentation for use by educational institutions;*

(b) *train educators in the use of computing;*

(c) *research and develop innovative uses of instructional and management computing for education; and*

(d) *contract with educational institutions for the development of software, documentation, and instructional and management computing services and charge for the cost of the development or services.*

Sec. 7. [120.807] [MINNESOTA EDUCATIONAL INSTITUTIONS; POWERS.]

All Minnesota educational institutions are authorized to designate the consortium as their purchasing agent for computer hardware, software, and development of software. Minnesota educational institutions are authorized, notwithstanding the requirements of sections 16.07, 471.345, or 123.37, to contract directly with the consortium for the development of computer programs and documentation and for instructional and management computing services for educational institutions.

Sec. 8. [REPORT.]

The advisory task force shall study and report to the legislature by December 1, 1983, on the feasibility and desirability of transferring all or part of the powers and duties of the consortium to a nonprofit corporation. The report shall include recommendations for legislation needed to accomplish any recommendations.

Sec. 9. Minnesota Statutes 1982, section 120.81, subdivision 2, is amended to read:

Subd. 2. (NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION 1.) The consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium. The Minnesota educational computing consortium shall charge users of consortium facilities for on-line computer time actually used. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. (THE CONSORTIUM BOARD SHALL APPOINT AN EXECUTIVE DIRECTOR WHO SHALL BE ITS CHIEF ADMINISTRATIVE OFFICER. THE EXECUTIVE DIRECTOR MAY BE IN THE UNCLASSIFIED SERVICE. ALL OTHER EMPLOYEES ARE IN THE CLASSIFIED SERVICE OF THE STATE.)

Sec. 10. Minnesota Statutes 1982, section 120.82, is amended to read:

120.82 [CONTRACTS.]

The Minnesota educational computing consortium, created (AND NOW EXISTING) pursuant to section (471.59) 3, its members and elementary-secondary and vocational school regional computing centers, are authorized to provide computer

services to private educational institutions and to other individuals or groups in the event that MECC has computer service capabilities in excess of need and to establish and collect fees therefor. Provided, however, that the fees shall in no event be less than the cost of providing the services.

Sec. 11. [APPROPRIATION.]

The sum of \$ is appropriated to the consortium from the general fund.

Sec. 12. [REPEALER.]

Section 120.81, subdivision 1, is repealed."

Delete the title and insert

"A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota education computer consortium; appropriating money; amending Minnesota Statutes 1982, sections 120.81, subdivision 1; and 120.82; proposing new law coded in chapter 120; repealing Minnesota Statutes 1982, section 120.81, subdivision 1."

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 741, A bill for an act relating to real estate; regulating the duties of a county recorder; amending Minnesota Statutes 1982, sections 386.31; and 386.36.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 386.31, is amended to read:

386.31 [CONSECUTIVE NUMBERING.]

Each county recorder shall endorse plainly upon (THE TOP OF THE BACK, WHEN FOLDED, OF) each instrument received by him for record or filing as soon as received a number consecutive to the number affixed to the instrument next previously received and enter such number as a part of the entry

relating to such instrument in all the indexes kept in his office and on the margin of the record of the instrument, and such number shall be prima facie evidence of priority of registration. If more than one instrument shall be received at the same time, by mail or other like enclosure, the recorder shall affix such number in the order directed by the sender; if no direction be given, then in the order in which the instruments actually come to his hand in opening the enclosures. (HIS FEE FOR SUCH NUMBERING AND ENTRY SHALL BE FIVE CENTS.)

Sec. 2. Minnesota Statutes 1982, section 386.36, is amended to read:

386.36 [FARM NAMES RECORDED.]

The owner of farm lands in the state may designate a specific name of his farm lands and this name, together with a description of the farm lands according to the government survey thereof, may be filed with the county recorder of the county wherein the lands, or a part thereof, are situated, and this name, together with the description of the lands, shall be recorded by the county recorder in a book to be provided for such purpose, upon payment of a fee (OF 50 CENTS THEREFOR) *as prescribed in section 357.18*, but no two names so designated and recorded shall be alike in the same county.

Sec. 3. Minnesota Statutes 1982, section 580.24, is amended to read:

580.24 [REDEMPTION BY CREDITOR.]

If no such redemption be made by the mortgagor, his personal representatives or assigns, the senior creditor having a lien, legal or equitable, upon the mortgaged premises, or some part thereof, subsequent to the mortgage, may redeem within five days after the expiration of the redemption period specified in section 580.23; and each subsequent creditor having a lien in succession, according to priority of liens, within five days after the time allowed the prior lienholder, respectively, may redeem by paying the amount aforesaid and all liens prior to his own held by the person from whom redemption is made; provided that no creditor shall be entitled to redeem unless within the period allowed for redemption he file for record notice of his intention to redeem with the county recorder *or registrar of titles* of each county where the mortgage is recorded.

Sec. 4. Minnesota Statutes 1982, section 580.25, is amended to read:

580.25 [REDEMPTION, HOW MADE.]

Redemption shall be made as follows,

The person desiring to redeem shall pay to the person holding the right acquired under such sale, or for him to the sheriff who made the sale, or his successor in office, the amount required by law for such redemption, and shall produce to such person or officer:

(1) A copy of the docket of the judgment, or of the deed or mortgage, or of the record or files evidencing any other lien under which he claims a right to redeem, certified by the officer in whose custody such docket, record, or files shall be, or the original deed or mortgage, with the certificate of record endorsed thereon;

(2) Any assignment necessary to establish his claim, verified by the affidavit of himself or a subscribing witness thereto, or some person acquainted with the signature of the assignor. If the redemption is under an assignment of a judgment, the assignment shall be filed in the court rendering the judgment, as provided by law, and the person so redeeming shall produce a certified copy thereof and of the record of its filing, and the copy of the docket shall show that the proper entry was made upon the docket;

(3) An affidavit of himself or his agent, showing the amount then actually due on his lien.

Within 24 hours after such redemption is made, the person redeeming shall cause the documents so required to be produced to be filed with the county recorder, or *registrar of titles*, who (SHALL ENDORSE THEREON THE DATE AND HOUR OF FILING, AND SHALL PRESERVE THE SAME IN HIS OFFICE FOR ONE YEAR THEREAFTER, FOR WHICH SERVICE HE) shall be entitled to receive (\$1) *fees as prescribed in section 357.18 or section 508.82*. If such redemption shall be made at any place other than the county-seat, it shall be sufficient forthwith to deposit such documents in the nearest post office, addressed to such recorder or *registrar of titles*, with the postage prepaid.

Sec. 5. Minnesota Statutes 1982, section 582.03, is amended to read:

582.03 [PURCHASER AT FORECLOSURE, EXECUTION, OR JUDICIAL SALE MAY PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR INTEREST.]

The purchaser at any sale, upon foreclosure of mortgage or execution or at any judicial sale during the year of redemption, may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any expiring policy upon mortgaged premises, and may, in case any interest or instalment of principal upon any prior or superior mortgage is in default

or shall become due during such year of redemption, pay the same, and, in all such cases, the sum so paid, with interest, shall be a part of the sum required to be paid to redeem from such sale. Such payments shall be proved by the affidavit of the purchaser, his agent or attorney, stating the items and describing the premises, which must be filed for record with the county recorder *or registrar of titles*, and a copy thereof shall be furnished to the sheriff at least ten days before the expiration of the year of redemption.

Sec. 6. Minnesota Statutes 1982, section 582.04, is amended to read:

582.04 [HOMESTEAD INCLUDED IN MORTGAGE; SEPARATE SALE.]

In all proceedings to foreclose any mortgage upon real property in this state, if the whole or any part of the homestead of the mortgagor, or of any one claiming under him, as such homestead is defined by the laws of this state, shall be included in the real estate described in such mortgage, the person claiming such homestead may, at any time prior to the foreclosure sale, serve or cause to be served upon the sheriff making such sale a notice of such claim which shall designate and describe with reasonable certainty the real estate so claimed and selected as such homestead, which selection shall include the site of the dwelling and its appurtenances, shall be compact in form and shall be so made as not unreasonably to affect the value of the remaining part, which notice, together with the proof of service thereof, shall be filed for record and recorded in the office of the county recorder *or registrar of titles*. Upon the service and filing of such notice it shall be the duty of the sheriff, at the time of the sale, to first offer for sale and sell that part of the mortgaged real estate, or so much thereof as is necessary, which is not included in such selected homestead; and thereupon, if the proper purposes of the foreclosure require, he shall offer for sale and shall sell separately that part of the mortgaged real estate included in the selected homestead; provided, that if such homestead claimant shall have, prior to such foreclosure, made a property homestead selection from his real estate, he shall be bound thereby, and cannot change the same for the purposes of such foreclosure.

Sec. 7. [REPEALER.]

Minnesota Statutes 1982, section 357.181, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to real estate; regulating the duties of a county recorder; amending Minnesota Statutes 1982, sections 386.31; 386.36; 580.24; 580.25; 582.03; 582.04; repealing Minnesota Statutes 1982, section 357.181."

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. 742, A bill for an act relating to welfare; proposing a moratorium on new construction and new certification of nursing home beds; providing a limit on inpatient chemical dependency treatment; requiring a second medical opinion prior to reimbursement for certain elective surgeries; making medicare certification a condition of medical assistance reimbursement; amending Minnesota Statutes 1982, sections 256.045, subdivision 3; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.03, subdivision 2, as amended; 256B.04, by adding a subdivision; 256B.061; 256B.064, subdivision 2; 256B.27, subdivisions 3 and 4; and 256B.48, by adding a subdivision; and Laws 1981, chapter 360, article II, section 54, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [MORATORIUM.] Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary, the commissioner of health, in coordination with the commissioner of public welfare, shall deny each request by a nursing home or boarding care home for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 2 during a period of three years beginning on the effective date of this section and ending on June 30, 1986. The total number of certified beds in the state in the skilled level and in the intermediate level of care, including the intermediate level of care for the mentally retarded, shall remain at or decrease from the number of beds certified at each level of care on the effective date of this section until June 30, 1986. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medicare or medical assistance program, under United States Code, title 42, sections 1395 et seq. and 1396 et seq.

The commissioner of public welfare, in coordination with the commissioner of health, shall deny any request to issue a license under the provisions of sections 245.781 to 245.812 and 252.28

to a nursing home or boarding care home if that license would result in an increase in the reimbursement amount.

Subd. 2. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of welfare, may approve the addition of a new certified bed or change in the certification status of an existing bed under the following conditions:

(a) To replace a bed decertified after the effective date of this section or if the commissioner finds an extreme hardship situation in a particular county that has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, number of elderly in the county shall be determined by the most recent federal census or estimate of the state demographer of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives; or

(b) To certify a new bed in a facility that commenced construction before the effective date of this section. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; all zoning and building permits were secured; and significant alteration of the site was made and continues in accordance with the construction schedule; or

(c) When the change in certification status results in a decrease in the reimbursement amount.

Subd. 3. [MONITORING.] The commissioner of health, in coordination with the commissioner of public welfare, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984 and annually thereafter, an assessment of the impact of the moratorium by geographic area with particular attention to service deficits or problems and a corrective action plan.

This section is repealed June 30, 1986.

Sec. 2. Minnesota Statutes 1982, section 245.62, is amended to read:

245.62 [COMMUNITY MENTAL HEALTH (PROGRAM; TAX LEVY) CENTER.]

Subdivision 1. [ESTABLISHMENT.] Any city, county, town, (OR ANY) combination thereof, or private nonprofit corporation may establish a community mental health (SERVICES PROGRAM AND MAY ESTABLISH CLINICS AND STAFF SAME WITH PERSONS SPECIALLY TRAINED IN PSYCHIATRY AND RELATED FIELDS) center.

Subd. 2. [DEFINITION.] A community mental health center is a private nonprofit corporation or public agency approved under the temporary and permanent rules promulgated by the commissioner pursuant to subdivision 4.

Subd. 3. [CLINICAL DIRECTOR.] All community mental health center services shall be provided under the clinical direction of a licensed consulting psychologist licensed under sections 148.88 to 148.98; or a physician who is board certified or eligible for board certification in psychiatry, and who is licensed under section 147.02.

Subd. 4. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:

(a) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, mental retardation and developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;

(b) establishment of a community mental health center board pursuant to section 245.66; and

(c) approval pursuant to section 245.69, subdivision 2.

Sec. 3. Minnesota Statutes 1982, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]

Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center (UNDER CONTRACT WITH A COUNTY BOARD OR HUMAN SERVICE BOARD SHALL, BEFORE IT MAY COME

WITHIN THE PROVISIONS OF SECTIONS 245.61 TO 245.69 AND RECEIVE FUNDS FROM THE COUNTY BOARD OR HUMAN SERVICE BOARD,) *shall* establish a community mental health center board. The community mental health center (BOARDS) *board* may include county commissioner representatives from each participating county and shall be representative of (LOCAL HEALTH DEPARTMENTS, MEDICAL SOCIETIES, HOSPITAL BOARDS, LAY ASSOCIATIONS CONCERNED WITH MENTAL HEALTH, MENTAL RETARDATION AND CHEMICAL DEPENDENCY, LABOR, AGRICULTURE, BUSINESS, CIVIC AND PROFESSIONAL GROUPS AND THE GENERAL PUBLIC. MEMBERSHIP MAY INCLUDE A REPRESENTATIVE FROM ANY COUNTY WHICH PURCHASES SUBSTANTIAL SERVICES FROM THE COMMUNITY MENTAL HEALTH BOARD) *the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public.* Each community mental health center board shall be responsible for the (GOVERNING) *governance and performance* of its center (AND SHALL BE RESPONSIBLE FOR THE PERFORMANCE OF THE CENTER UNDER ANY CONTRACTS ENTERED INTO WITH A COUNTY BOARD OF COMMISSIONERS OR HUMAN SERVICES BOARD. THIS GOVERNING SHALL INCLUDE DETERMINATION OF THE SERVICES TO BE PROVIDED BY THE COMMUNITY MENTAL HEALTH CENTER, ESTABLISHMENT OF THE ANNUAL BUDGET, APPOINTMENT OF THE CENTER DIRECTOR, AND ESTABLISHMENT OF PERSONNEL STANDARDS AND COMPENSATION FOR EMPLOYEES OF THE CENTER).

Sec. 4. Minnesota Statutes 1982, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] In counties in which the commissioner of welfare has not appointed a local welfare referee, any person applying for or receiving any of the forms of public assistance described in subdivision 2 whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, or terminated by a local agency, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or any vendor of medical care aggrieved by the amount of the payment allowed by the department of welfare for services rendered a patient, or the proposed action of the commissioner taken pursuant to section 256B.064, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant (OR), recipient, *patient, relative, or vendor* shows good cause why the request was not submitted within the 30 day time limit. A local agency (OR), applicant (OR), recipient, *patient, relative, or vender* aggrieved

by a ruling of a local welfare referee may appeal the ruling to the state agency by filing a notice of appeal with the state agency within 30 days after receiving the ruling of the local welfare referee. A state welfare referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of public welfare. In appeals from rulings of local welfare referees, the hearing may be limited, upon stipulation of the parties, to a review of the record of the local welfare referee.

Sec. 5. Minnesota Statutes 1982, section 256.966, subdivision 1, is amended to read:

Subdivision 1. [IN GENERAL.] For the biennium ending June 30, (1983) 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed eight percent. The period for measuring growth shall be the state fiscal year.

Sec. 6. Minnesota Statutes 1982, section 256.968, is amended to read:

256.968 [LIMITATION ON INPATIENT CHEMICAL DEPENDENCY TREATMENT.]

The commissioner of public welfare shall limit medical assistance and general assistance medical care reimbursement for treatment of alcoholism, chemical dependency or drug addiction which is rendered in a licensed hospital or certified nursing home to 10 days unless need for extended care is certified by the attending physician and has received prior approval from the commissioner. In no case shall reimbursement for inpatient treatment extend beyond 30 days in a 12-month period unless there is prior authorization from the commissioner. The commissioner shall seek the advice of the professional services advisory committee concerning the need for extended inpatient treatment.

Sec. 7. Minnesota Statutes 1982, 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. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish a proposed list of elective surgeries that require a second medical opinion prior to reimbursement in the State Register by July 1, 1983, and the public shall be given an opportunity to review and comment on the proposed list prior to implementation. The list is not subject to the require-

ments of sections 14.01 to 14.70. The final list shall be published in the State Register and implemented by August 15, 1983.

(2) Skilled nursing home services and services of intermediate care facilities.

(3) Physicians' services.

(4) Outpatient hospital or *physician-directed* clinic services. *The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises.*

(5) *Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2 and provided by a community mental health center as defined in section 245.62, subdivision 2.*

((5)) (6) Home health care services.

((6)) (7) Private duty nursing services.

((7)) (8) Physical therapy and related services.

((8)) (9) Dental services, excluding cast metal restorations.

((9)) (10) Laboratory and x-ray services.

((10)) (11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formu-

lary committee shall review and comment on the formulary contents. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act.

((11)) (12) Diagnostic, screening, and preventive services.

((12)) (13) 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.

((13)) (14) 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)) (15) 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)) (16) 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)) (17) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 8. Minnesota Statutes 1982, section 256B.03, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article II, section 4, is amended to read:

Subd. 2. [LIMIT ON ANNUAL INCREASE TO LONG-TERM CARE PROVIDERS.] Notwithstanding the provisions of sections 256B.42 to 256B.48, Laws 1981, Chapter 360, Article II, Section 2, or any other provision of chapter 360, and rules promulgated under those sections, rates paid to a skilled nursing facility or an intermediate care facility, including boarding care facilities and supervised living facilities, except state owned and operated facilities, for rate years beginning during the biennium ending June 30, (1983) 1985, shall not exceed by more than (TEN) eight percent the final rate allowed to the facility for the preceding rate year. For purposes of this section, "final rate" means the rate established after any adjustment by the commissioner, including but not limited to adjustments resulting from cost report reviews, field audits, and computations of unimplemented cost changes. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal, subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary.

Notwithstanding provisions of section 256B.45, subdivision 1, the commissioner shall not increase the percentage for investment allowances.

Sec. 9. Minnesota Statutes 1982, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

- (1) Eyeglasses;
- (2) Hearing aids and supplies; and
- (3) Durable medical equipment, including but not limited to:
 - (a) hospital beds;
 - (b) commodes;
 - (c) glide-about chairs;
 - (d) patient lift apparatus;
 - (e) wheelchairs and accessories;
 - (f) oxygen administration equipment;
 - (g) respiratory therapy equipment; and
 - (h) electronic diagnostic, therapeutic and life support systems.

Counties that are able to negotiate a volume purchase for any of the above items through their own competitive bidding process shall seek an exemption from the provisions of this subdivision from the commissioner when the price negotiated by the county is lower than the price available to the commissioner.

Sec. 10. Minnesota Statutes 1982, section 256B.04, is amended by adding a subdivision to read:

Subd. 15. [LONG-TERM CARE.] *Establish criteria for the placement of individuals at different levels of care in nursing homes and boarding care homes licensed pursuant to chapter 144A and reimbursed pursuant to sections 256B.41 to 256B.48. The commissioner shall clarify in rule the services to be provided by the per diem established in the reimbursement formula pursuant to sections 256B.41 to 256B.48 in order to avoid additional*

billings for the same services by other vendors of medical care under chapter 256B. The commissioner shall adopt temporary and permanent rules under the provisions of chapter 14, the administrative procedure act, to implement the provisions of this section.

Sec. 11. Minnesota Statutes 1982, section 256B.04, is amended by adding a subdivision to read:

Subd. 16. [UTILIZATION REVIEW.] Establish on a statewide basis a program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in pre-paid health plans, long term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both pre-payment and post-payment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group appointed by the commissioner. Determinations shall be binding on all parties, and shall not be subject to provisions of sections 14.57 to 14.62 or section 256.045.

Sec. 12. Minnesota Statutes 1982, section 256B.061, is amended to read:

256B.061 [ELIGIBILITY.]

If any individual has been determined to be eligible for medical assistance, it will be made available to him for care and services included under the plan and furnished in or after the third month before the month in which he made application for such assistance, if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to his application for or receipt of medical assistance benefits.

Sec. 13. Minnesota Statutes 1982, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; sus-

pension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. No sanction may be imposed or monetary recovery obtained against any vendor of nursing home or convalescent care for providing services not medically necessary when the services provided were ordered by a licensed health professional not an employee of the vendor. The determination of (ABUSE OR) services not medically necessary shall be made by the commissioner in consultation with a (REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) provider advisory (COMMITTEES AS) *committee* appointed by the commissioner on the recommendation of appropriate professional organizations.

Sec. 14. Minnesota Statutes 1982, section 256B.064, subdivision 2, is amended to read:

Subd. 2. The commissioner shall determine monetary amounts to be recovered and the sanction to be imposed upon a vendor of medical care for conduct described by subdivision 1a. Neither a monetary recovery nor a sanction will be sought by the commissioner without prior notice and an opportunity for a hearing, pursuant to (CHAPTER 14) *section 256.045*, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to a vendor of medical care, except a nursing home or convalescent care facility, prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

Sec. 15. Minnesota Statutes 1982, section 256B.27, subdivision 3, is amended to read:

Subd. 3. The commissioner of public welfare (, WITH THE WRITTEN CONSENT OF THE RECIPIENT,) shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. The determination of (ABUSE OR) provision of services not medically necessary shall be made by the commissioner in consultation with (A REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) *an advisory (COMMITTEES) committee* of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for

providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 16. Minnesota Statutes 1982, section 256B.27, subdivision 4, is amended to read:

Subd. 4. (NO) A person (SHALL) *determined to* be eligible for medical assistance (UNLESS HE HAS) *shall be deemed to have* authorized the commissioner of public welfare in writing to examine all personal medical records developed while receiving medical assistance for the purpose of investigating whether or not a vendor has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part, or in order to determine whether or not the medical care provided was medically necessary. (A VENDOR OF MEDICAL CARE SHALL REQUIRE PRESENTATION OF THIS WRITTEN AUTHORIZATION BEFORE THE STATE AGENCY CAN OBTAIN ACCESS TO THE RECORDS UNLESS THE VENDOR ALREADY HAS RECEIVED WRITTEN AUTHORIZATION.)

Sec. 17. Minnesota Statutes 1982, section 256B.48, is amended by adding a subdivision to read:

Subd. 4. [MEDICARE CERTIFICATION REQUIRED.] *No nursing home which is certified by the commissioner of health as a skilled nursing facility shall be eligible for medical assistance reimbursement unless it is also certified by the commissioner of health as a Title XVIII medicare facility under United States Code, title 42, section 1395 et seq.*

Sec. 18. Minnesota Statutes 1982, section 260.191, subdivision 2, is amended to read:

Subd. 2. All orders under this section shall be for a specified length of time set by the court not to exceed one year. However, before the order has expired and upon its own motion or that of any interested party, the court (HAS CONTINUING JURISDICTION TO RENEW THE ORDER OR) *shall, after notice to the parties and a hearing, renew the order for another year or make some other disposition of the case, until the individual is no longer a minor. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.*

Sec. 19. Minnesota Statutes 1982, section 260.242, subdivision 2, is amended to read:

Subd. 2. (a) A guardian appointed under the provisions of subdivision 1 has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian,

the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to subdivision 1, clause (a), the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of subdivision 1 shall not of itself include the guardianship of the estate of the ward.

(d) If the ward is in foster care, the court shall, upon its own motion or that of the guardian, conduct a dispositional hearing within 18 months of the foster care placement and once every two years thereafter to determine the future status of the ward including, but not limited to, whether the child should be continued in foster care for a specified period, should be placed for adoption, or should, because of the child's special need or circumstances, be continued in foster care on a permanent or long-term basis. When the court has determined that the special needs of the ward are met through a permanent or long-term foster care placement, no subsequent dispositional hearings are required.

Sec. 20. Laws 1981, chapter 360, article II, section 54, as amended by Laws 1981, First Special Session chapter 4, article IV, section 22, is amended to read:

Sec. 54. [SUNSET PROVISION.]

Article II, sections 26, (27,) 31, 36, and 40 are repealed effective June 30, (1982) 1983. Notwithstanding the provisions of Minnesota Statutes, Section 645.34, the repeal of Article II, Sections 26, (27,) 31, and 36 shall revive the corresponding provision or section of the original law as it existed immediately prior to the amendments made by Article II, Sections 26, (27,) 31, and 36; provided, however, that amendments made to the statutory sections amended by Article II, Sections 26, (27,) 31, and 36 between the effective date of this section and June 30, 1983 shall remain effective after June 30, 1983 unless otherwise provided by law.

Sec. 21. [REPEALER.]

Section 1 is repealed effective June 30, 1985.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to welfare; proposing a moratorium on new construction and new certification of nursing home beds; defining mental health center; providing the commissioner of public welfare with rulemaking authority; providing a limit on inpatient chemical dependency treatment; requiring a second medical opinion prior to reimbursement for certain elective surgeries; making medicare certification a condition of medical assistance reimbursement; providing for annual review of court-ordered child placement; providing for dispositional hearings for state wards; amending Minnesota Statutes 1982, sections 245.62; 245.66; 256.045, subdivision 3; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.03, subdivision 2, as amended; 256B.04, subdivision 14 and by adding subdivisions; 256B.061; 256B.064, subdivisions 1a and 2; 256B.27, subdivisions 3 and 4; 256B.48, by adding a subdivision; 260.191, subdivision 2; and 260.242, subdivision 2; and Laws 1981, chapter 360, article II, section 54, as amended."

With the recommendation that when so amended 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. 755, A bill for an act relating to public welfare; continuing to allow personal care attendants' services as services under medical assistance; amending Minnesota Statutes 1982, 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.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 763, A bill for an act relating to game and fish; removing the limitation on use of muzzle loading firearms to public lands only; amending Minnesota Statutes 1982, section 100.27, subdivision 2.

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

The report was adopted.

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

H. F. No. 764, A bill for an act relating to retirement; qualifying park district police for certain pension aids; amending Minnesota Statutes 1982, section 69.011, subdivision 1.

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

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 765, A bill for an act relating to insurance; health and accident; allowing insurers to negotiate and contract for alternative rates of payment; allowing insurers to limit payments to providers who contract for alternative rates with the agreement of policyholders; amending Minnesota Statutes 1982, sections 62A.03, by adding a subdivision; 62A.10, by adding a subdivision; 62A.11, subdivision 5; 62C.14, subdivision 3; and 72A.20, subdivision 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 72A.20, subdivision 15, is amended to read:

Subd. 15. [PRACTICES NOT HELD TO BE DISCRIMINATION OR REBATES.] Nothing in subdivisions 8 (AND), 9, or 10, or in section 72A.12, subdivisions 3 and 4, shall be construed as including within the definition of discrimination or rebates any of the following practices:

(1) In the case of any contract of life insurance or annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;

(2) In the case of life insurance policies issued on the industrial debit plan, making allowance, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer, in an amount which fairly represents the saving in collection expense;

(3) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;

(4) *In the case of a group health insurance policy, the payment of differing amounts of reimbursement to insureds who elect to receive health care goods or services from providers designated by the insurer."*

Amend the title:

Page 1, line 2, delete everything after the first semicolon and insert "permitting differing benefit payments for services by designated health care providers"

Page 1, delete lines 3 to 5

Page 1, line 6, delete everything before the semicolon

Page 1, line 7, delete everything after the first comma and insert "section 72A.20, subdivision 15."

Page 1, delete lines 8 to 10

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. 768, A bill for an act relating to state departments and agencies; authorizing a study by the department of energy, planning and development of a possible merger of the departments of health and public welfare into a new state department to be called the department of human services; appropriating money.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 771, A bill for an act relating to education; authorizing disaster or emergency reimbursements and metropolitan agricultural preserve reductions to be subtracted from a school district's minimum guarantee for minimum aid; amending Minnesota Statutes 1982, section 124.2126, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [124.195] [PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

Subdivision 1. [APPLICABILITY.] Notwithstanding any law to the contrary, this section applies to all aids or credits paid by the commissioner of education or department of education from the general fund of the state of Minnesota to any school district for placement in the operating fund of a school district for the financing of education in elementary schools, secondary schools, middle schools, and vocational center schools as defined in section 120.05. The procedures described in this section for making disbursements to school districts shall be used in fiscal year 1985 and each fiscal year thereafter and shall apply to both prior year final adjustment payments and current year entitlements.

Subd. 2. [DEFINITION.] The term "other-than-general-fund payments" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, any payments made by the commissioner of education from federal funds, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to sections 294.21 to 294.26 and chapter 298.

Subd. 3. Each year the commissioner of education shall pay to a school district on the days indicated below an amount of cash from the state general fund which, when added to the sum of

(1) estimated cumulative other-than-general-fund payments to school district operating funds between July 1 and the payment date, and

(2) all prior disbursements during the fiscal year of state general fund cash to school district operating funds, will provide the operating funds of the school district with state general fund payments and other-than-general-fund payments that in total will not exceed for the payment date the following percentages of the sum of all estimated state general fund payments and

other-than-general-fund payments due the district during the fiscal year:

<i>Payment 1</i>	<i>First business day prior to July 15</i>	<i>2.25%</i>
<i>Payment 2</i>	<i>First business day prior to July 30</i>	<i>4.50</i>
<i>Payment 3</i>	<i>First business day prior to August 15</i>	<i>6.75</i>
<i>Payment 4</i>	<i>First business day prior to August 30</i>	<i>9.0</i>
<i>Payment 5</i>	<i>First business day prior to September 15</i>	<i>12.75</i>
<i>Payment 6</i>	<i>First business day prior to September 30</i>	<i>16.5</i>
<i>Payment 7</i>	<i>First business day prior to October 15</i>	<i>20.75</i>
<i>Payment 8</i>	<i>First business day prior to October 30</i>	<i>25.0</i>
<i>Payment 9</i>	<i>First business day prior to November 15</i>	<i>31.0</i>
<i>Payment 10</i>	<i>First business day prior to November 30</i>	<i>37.0</i>
<i>Payment 11</i>	<i>First business day prior to December 15</i>	<i>40.0</i>
<i>Payment 12</i>	<i>First business day prior to December 30</i>	<i>43.0</i>
<i>Payment 13</i>	<i>First business day prior to January 15</i>	<i>49.25</i>
<i>Payment 14</i>	<i>First business day prior to January 30</i>	<i>51.5</i>
<i>Payment 15</i>	<i>First business day prior to February 15</i>	<i>56.0</i>
<i>Payment 16</i>	<i>First business day prior to February 28</i>	<i>60.5</i>
<i>Payment 17</i>	<i>First business day prior to March 15</i>	<i>65.25</i>
<i>Payment 18</i>	<i>First business day prior to March 30</i>	<i>70.0</i>
<i>Payment 19</i>	<i>First business day prior to April 15</i>	<i>74.0</i>
<i>Payment 20</i>	<i>First business day prior to April 30</i>	<i>78.0</i>
<i>Payment 21</i>	<i>First business day prior to May 15</i>	<i>83.75</i>
<i>Payment 22</i>	<i>First business day prior to May 30</i>	<i>89.5</i>
<i>Payment 23</i>	<i>First business day prior to June 15</i>	<i>94.75</i>
<i>Payment 24</i>	<i>First business day prior to June 30</i>	<i>100.0</i>

Subd. 4. In no case shall the commissioner of education pay to a school district for placement in its operating funds an amount of money from the state general fund that exceeds the sum of the district's estimated aid entitlements for placement in its operating funds for the current school year, plus the final adjustment payment for aids for placement in its operating funds for the preceding school year.

Subd. 5. For purposes of determining the amount of state general fund money to be paid to schools pursuant to subdivision 3, the commissioner of education shall assume that the payments to school districts by the county treasurer pursuant to section 276.10 are made in the following manner:

(a) 50 percent within seven business days of each settlement date; and

(b) 100 percent within 14 business days of each settlement date.

The commissioner shall also assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made in the months indicated in that subdivision.

Subd. 6. In fiscal year 1985 and each fiscal year thereafter, state general fund payments to school districts for placement in nonoperating funds shall be made in 12 equal monthly installments.

Sec. 2. Minnesota Statutes 1982, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the (FIFTH) 20th day of (MARCH, JUNE, AND NOVEMBER) February, May, and October of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 3. Minnesota Statutes 1982, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in (MARCH, JUNE, AND NOVEMBER) *February, May, and October* of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them.

Sec. 4. Minnesota Statutes 1982, 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) *February, May, and October* 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. The treasurer 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 the clerk's 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 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. The treasurer 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. Minnesota Statutes 1982, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the (FIRST) 15th day of (JUNE) May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to (JUNE 1) May 15 of the year in which the taxes are payable.

Sec. 6. Minnesota Statutes 1982, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real

estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court before the (FIRST) 15th day of (JUNE) May of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 7. Minnesota Statutes 1982, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the (FIRST) 15th day of (JUNE) May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next (NOVEMBER 1) October 15, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the (FIRST) 15th day of (JUNE) May or the (FIRST) 15th day of (NOVEMBER) October, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and
- (3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 8. Minnesota Statutes 1982, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the (FIRST) 15th day of (NOVEMBER) *October* of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the (FIRST) 15th day of (NOVEMBER) *October* of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 9. Minnesota Statutes 1982, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On (JUNE FIRST) *May 15*, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on non-homestead property. Thereafter, for both homestead and non-homestead property, on the (FIRST) *15th* day of each month, up to and including (NOVEMBER FIRST) *October 15* following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$10, one-half thereof may be paid prior to (JUNE FIRST) *May 15*; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to (NOVEMBER FIRST) *October 15* following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on non-homestead property. Thereafter, for homestead property, on the (FIRST) *15th* day of each month up to and including (JANUARY 1) *December 15* following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for non-homestead property, on the (FIRST) *15th* day of each month up to and including (JANUARY 1) *December 15* following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to (JUNE FIRST) *May 15*, the same may be paid at any time prior to (NOVEMBER FIRST) *October 15*, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until (NOVEMBER FIRST) *October 15* following; provided, also, that the same may be paid in installments as follows: One-fourth prior to (APRIL FIRST) *March 15*; one-fourth prior to (JUNE FIRST) *May 15*; one-fourth prior to (SEPTEMBER FIRST) *August 15*; and the remaining one-fourth prior to (NOVEMBER FIRST) *October 15*, subject to the aforesaid penalties. Where the taxes delinquent after (NOVEMBER FIRST) *October 15* against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 10. Minnesota Statutes 1982, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (a), within the county and the total tax on contribution value pursuant to subdivision

6, within the county. On or before (JUNE 1) *May 15* of each year, he shall certify the differences so determined to each county auditor. In addition, he shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June (30) *15* and November (30) *15* of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification."

Delete the title and insert:

"A bill for an act relating to education; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and years thereafter; requiring that property taxes be paid 15 days earlier; altering settlement dates; amending Minnesota Statutes 1982, sections 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivision 5; 279.01, subdivision 1; and 473F.08, subdivision 7a; proposing new law coded in Minnesota Statutes, chapter 124."

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

The report was adopted.

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

H. F. No. 793, A bill for an act relating to retirement; public employees retirement association; optional annuity election for disabled member.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 353.33, subdivision 3a, is amended to read:

Subd. 3a. [OPTIONAL ANNUITY ELECTION.] A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit (AND SHALL BE EFFECTIVE 30 DAYS AFTER RECEIPT OF

THE ELECTION OR THE DATE ON WHICH THE DISABILITY BENEFIT BEGINS TO ACCRUE AS PROVIDED IN SUBDIVISION 2, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE,). The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 2. Minnesota Statutes 1982, section 353.656, subdivision 1a, is amended to read:

Subd. 1a. [OPTIONAL ANNUITY ELECTION.] A disabled member of the police and fire fund may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit (AND SHALL BE EFFECTIVE 30 DAYS AFTER RECEIPT OF THE ELECTION OR THE DATE ON WHICH THE DISABILITY BENEFIT BEGINS TO ACCRUE, WHICHEVER OCCURS LATER. UPON BECOMING EFFECTIVE,). The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies retroactively to May 1, 1981."

Delete the title and insert:

"A bill for an act relating to retirement; public employees retirement association; removing a waiting period prior to the effect of an optional annuity for disabilitants; amending Minnesota Statutes 1982, sections 353.33, subdivision 3a; and 353.656, subdivision 1a."

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. 798, A bill for an act relating to tax-forfeited land; authorizing the sale of a certain tract within the city of Orono.

Reported the same back with the following amendments:

Page 1, line 14, after the period insert "If an owner of adjoining property purchases the tract, the price of the tract shall be at least the appraised value of the tract created by combining the tract sold under this section with the adjoining

parcel owned by the buyer, less the appraised value of the adjoining parcel before the sale."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 818, A bill for an act relating to the city of Minneapolis; abolishing the office of comptroller-treasurer in the city of Minneapolis.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [MINNEAPOLIS, OFFICE OF COMPTROLLER-TREASURER.]

Notwithstanding the Minneapolis city charter or any other law, the office of comptroller-treasurer in the city of Minneapolis is abolished.

Sec. 2. [REORGANIZATION OF DUTIES.]

Subdivision 1. The city council of Minneapolis shall by ordinance initiate and direct any reorganization, consolidation, or delegation of the functions, duties, and responsibilities of the comptroller-treasurer, and other fiscal management functions which the city may exercise, except the establishment and functions of the office of the budget as provided in chapter 5, section 8, of the Minneapolis city charter, and may make other administrative changes as deemed necessary for the purpose of promoting efficiency in city government.

Subd. 2. The city council by ordinance shall designate the title of the division or department and establish the method of appointing the finance officer to head the division or department assuming the reorganized duties and functions. The finance officer shall be in the unclassified service of the city. If the person appointed to the position is a member of the classified service of the city of Minneapolis, the appointee shall be deemed to be on leave of absence during the person's tenure in the appointive position, and upon the termination of the service shall be returned to the person's permanent civil service classification. If no vacancy is available in the person's permanent civil service classified position, seniority shall prevail and the person most recently certified to the position shall be returned to the perma-

ment civil service position held by the person prior to the certification.

Subd. 3. The finance officer shall continue to provide the function of treasurer for the various boards and commissions served by the previous comptroller-treasurer but shall not serve as a member of the boards and commissions.

Subd. 4. The city council by ordinance shall provide for an independent internal audit of the financial records which may be done by an independent agency of the city, or otherwise.

Sec. 3. [MEMBERSHIP ON BOARD OF ESTIMATE AND TAXATION.]

Notwithstanding the provisions of the city charter or any other law to the contrary, membership on the board of estimate and taxation previously held by the comptroller-treasurer shall be held by either the president of the city council or a citizen of the city, trained and experienced in finance or accounting, to be selected in the manner adopted by ordinance by the city council.

Sec. 4. [MAYOR'S VETO.]

Any ordinance passed pursuant to section 2 or 3 shall be subject to chapter 3, section 1, of the Minneapolis city charter.

Sec. 5. Minnesota Statutes 1982, section 422A.02, is amended to read:

422A.02 [RETIREMENT BOARD; MEMBERS.]

A retirement board of seven members is hereby constituted which shall consist of the following:

- (1) Mayor, or a designee selected by the mayor;
- (2) (THE CITY COMPTROLLER-TREASURER;)
- ((3)) One member of the city council selected by the council; and
- ((4) FOUR) (3) Five legally qualified voters to be chosen by the (EMPLOYEES AS DEFINED IN) members of the retirement fund created by sections 422A.01 to 422A.25 (WHO ARE CONTRIBUTORS TO THE RETIREMENT FUND CREATED BY SECTIONS 422A.01 TO 422A.25) at least two of whom shall be retired members. The (EMPLOYEES) members may form an association for that purpose and the employing authorities are authorized to make payroll deductions for the payment of dues to the association. The persons selected shall

serve for staggered terms of (TWO) *three* years from the first of the next succeeding January after their election, and until their successors are duly elected. The selection shall be made by the (EMPLOYEES) *members of the association* during the first week of December of each year. Vacancies occurring by death, resignation, or removal of representatives shall be filled by representatives chosen by the (EMPLOYEES) *members of the association*.

Sec. 6. Minnesota Statutes 1982, section 422A.03, subdivision 3, is amended to read:

Subd. 3. At the regular meeting in January each year, the board shall elect from among its members a president, a vice president, and a (SECRETARY) *secretary-treasurer*, who shall hold office for one year or until successors have been elected and qualified. (THE CITY COMPTROLLER-TREASURER SHALL SERVE AS TREASURER OF THE BOARD.) The president shall preside at all meetings at which he is present. In the absence of the president the vice president shall preside and have all the powers of the president while acting as such. The recording secretary shall keep a record of all proceedings of the board, which shall be open to public inspection. At least one of the officers of the board shall be one of the representatives elected by the employees of the city to the board.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Minneapolis city council."

Delete the title and insert:

"A bill for an act relating to the city of Minneapolis; abolishing the office of comptroller-treasurer in the city of Minneapolis; authorizing the reorganization, reallocation, consolidation, and delegation of the functions of the office; restructuring the board of estimate and taxation in the city of Minneapolis; amending Minnesota Statutes 1982, sections 422A.02; and 422A.03, 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. 819, A bill for an act relating to state government; reorganizing functions related to water; abolishing the water

planning board, the southern Minnesota rivers basin board, and the water resources board; transferring duties to the environmental quality board; appropriating money; amending Minnesota Statutes 1982, section 40.072, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 116C; repealing Minnesota Statutes 1982, sections 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; and chapter 114A.

Reported the same back with the following amendments:

Page 2, after line 18, insert:

"Subd. 2a. [WATERSHED MANAGEMENT; WATER RESOURCES ADVISORY COUNCIL; AUTHORITY OF BOARD.] The water resources advisory council is created and shall consist of five members appointed by the governor, who are conversant with water problems and conditions within watersheds of the state. The council is subject to the provisions of section 15.059.

The council shall have the duties and responsibilities provided by law, except that final action by the council on any matter within its jurisdiction is subject to the review and comment of the board. The advisory council, without assignment of a hearing examiner, shall hear any matter under its jurisdiction for which a contested case hearing is required.

The members of the water resources board as constituted before enactment of this act shall be the first members of the water resources advisory council. The environmental quality board may adjust the terms of the first members of the advisory council to conform with the requirements of Minnesota Statutes, section 15.059. This subdivision is repealed June 30, 1987."

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 829, A bill for an act relating to metropolitan government; regulating airport development; amending Minnesota Statutes 1982, section 473.611, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [RESTRICTIONS ON CERTAIN AIRPORTS.]

Notwithstanding any other provision of law, the metropolitan airports commission shall not take any action with respect to an airport owned by it which would result in a permanent net reduction in useable runway length at the airport.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to airports; prohibiting certain acts by the metropolitan airports commission."

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. 848, A bill for an act relating to public welfare; entitling certain low income families to child care at reduced rates; amending Minnesota Statutes 1982, sections 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; and 245.87.

Reported the same back with the following amendments:

Page 2, lines 8 and 9, reinstate the stricken language

Page 2, line 9, before "to" insert "*or other sources*"

Page 3, line 15, after "*following*" insert "*two*"

Page 3, line 16, delete "*year*" and insert "*years*"

Page 3, line 20, after "*that*" insert "*and the next*"

Page 3, line 32, after the comma insert "*and*"

Page 3, line 33, delete "*of the program*" and insert "*, that the county provides services under this subdivision*"

Page 4, delete lines 3 and 4

Page 4, line 5, delete everything before "*are*"

Page 4, lines 2, 6, and 32, delete "*7*" and insert "*8*"

Page 4, line 6, delete everything after the period

Page 4, lines 7 to 28, delete the new language, strike the old language, and insert "*As money that is allowed or required to be used for providing child care, becomes available to the county from federal, state, or local sources, including money appropriated for sections 1 to 8 that becomes available when families cease receiving services under section 245.84, subdivision 2, the county board shall make child care services available to single parent families in which the parent needs child care services under this section to secure or retain employment, or obtain the training or education necessary to secure employment, or for other circumstances, established by the commissioner, related to education, training, or employment, and, in the following order of priority:*

(i) *who are receiving aid to families with dependent children under sections 256.72 to 256.87. Child care services to these families shall be made available as in-kind services, to cover the difference between the actual cost and \$160 per month per child or the amount disregarded under rules for persons not employed full-time, then*

(ii) *whose household income is within the income range established by the county board. Child care services to these families shall be made available on a sliding fee. The minimum income range a county board may establish is between the aid to families with dependent children eligibility limit and household income of less than 60 percent of the state median income for a family of four adjusted for family size, and the maximum income range is between the aid to families with dependent children eligibility limit and household income of less than 90 percent, of the state median income for a family of four adjusted for family size."*

Page 4, line 32, delete "7" and insert "8"

Page 5, line 21, delete everything after "residents"

Page 5, line 22, delete "paragraphs (c) and (d)" and insert "entitled to them under paragraph (c)"

Page 5, line 24, delete "the" and insert "any"

Page 5, line 25, after "services" insert "under paragraph (c)"

Page 5, line 28, delete "7" and insert "8"

Page 6, lines 2 and 3, reinstate the stricken language

Page 7, line 3, after "allocation" insert "under section 245.84, subdivision 1"

Page 7, after line 6, insert:

"Sec. 8. [SCHEDULE FOR PARTICIPATION.]

The commissioner of public welfare shall report to the legislature by January 1, 1984 with a schedule for requiring additional counties to provide child care services under sections 1 to 8."

Page 7, line 7, delete "8" and insert "9"

Page 7, line 8, delete "7" and insert "8"

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 849, A bill for an act relating to state lands; authorizing the sale of a certain lakeshore lot in Douglas 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 Energy to which was referred:

H. F. No. 864, A bill for an act relating to the housing finance agency; proposing an innovative housing loan program; appropriating money; amending Minnesota Statutes 1982, sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 16, after "is" insert "*designed to provide long-term affordability, and which is*"

Page 2, line 12, after "may" insert "*create a revolving fund to be used to*"

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 868, A bill for an act relating to education; providing for Indian scholarships; amending Minnesota Statutes 1982, section 124.48.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.]

Subdivision 1. [AUTHORIZATION.] The state board, with the advice and counsel of the Minnesota Indian scholarship committee, may award (SCHOLARSHIPS) a need-based scholarship or tuition aid to (ANY MINNESOTA RESIDENT) a student (WHO) if the board finds the student:

- (a) is of one-fourth or more Indian ancestry;*
- (b) is a resident of Minnesota;*
- (c) has met the requirements for admission to an accredited or approved college or a business, technical, or vocational school;*
- (d) has applied for other existing state and federal scholarship and grant programs; and (WHO,)*
- (e) in the opinion of the board, has the capabilities to benefit from further education. (SCHOLARSHIPS SHALL BE FOR ADVANCED OR SPECIALIZED EDUCATION IN ACCREDITED OR APPROVED COLLEGES OR IN BUSINESS, TECHNICAL OR VOCATIONAL SCHOOLS. SCHOLARSHIPS)*

Subd. 2. [USE OF AWARD.] A need-based scholarship and tuition aid shall be used to defray the student's cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned.

Subd. 3. [TUITION AID.] The board may grant aid to a student enrolling in a public institution in an amount not to exceed the cost of tuition and fees. For students enrolling in private institutions, the board may grant aid in an amount not to exceed the cost of tuition and fees in a comparable public institution.

Subd. 4. [NEED-BASED SCHOLARSHIP.] The amount and type of (EACH SUCH) a need-based scholarship shall be determined (THROUGH) by the board with the advice and coun-

sel of the Minnesota Indian scholarship committee, based on the student's total cost of education and the student's demonstrated need. Need-based scholarships may be given in addition to tuition aid, provided that the total award is not greater than the total cost of attendance. The state board shall not award scholarships beyond the limit of the appropriation for this subdivision.

Subd. 5. [RENEWAL.] When an Indian student satisfactorily completes the work required by a certain college or school in a school year (HE), the student is eligible for additional scholarships, if additional training is necessary to reach (HIS) the student's educational and vocational objective. (SCHOLARSHIPS MAY NOT BE GIVEN TO ANY INDIAN STUDENT FOR MORE THAN FOUR YEARS OF STUDY) This eligibility shall continue as long as the student is making reasonable progress toward the completion of a program.

Sec. 2. [124.481] [INDIAN POST-SECONDARY PREPARATION; GRANTS TO SCHOOL DISTRICTS.]

Subdivision 1. [ELIGIBILITY.] The state board, with the advice and counsel of the Minnesota Indian scholarship committee, may award grants to school districts to be used to support programs for elementary and secondary students who are of one-fourth or more Indian ancestry and who, in the opinion of the district superintendent, have the capabilities to benefit from higher education.

Subd. 2. [APPLICATION.] A school district may apply to the state board for a grant to provide additional education programs for eligible Indian students. These programs may include developmental reading, developmental math, advanced science, and study skills.

Subd. 3. [PROCEDURES AND CRITERIA.] The state board shall develop procedures necessary for grant applications and criteria for the awarding of grants by September 1, 1983.

Sec. 3. [124.482] [INDIAN SCHOLARSHIP REPORT TO THE LEGISLATURE.]

By January 15 of each odd-numbered year, the state board of education shall report to the education committees of the legislature about the status of tuition aid and need-based scholarships and the recipients.

Sec. 4. [APPROPRIATION.]

There is appropriated from the general fund to the department of education \$3,309,731 for the purposes of section 1, subdivision 3, and section 2. The state shall not be obligated for any amount in excess of the appropriation in this section for these purposes."

Delete the title and insert:

"A bill for an act relating to education; providing for need-based scholarships and tuition aid to students of Indian ancestry; authorizing grants to school districts; requiring a report; appropriating money; amending Minnesota Statutes 1982, section 124.48; proposing new law coded in Minnesota Statutes, chapter 124."

With the recommendation that when so amended 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. 880, A bill for an act relating to public welfare; establishing an experimental block grant program for treatment services for mentally ill and chemically dependent persons in certain counties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [245.95] [BLOCK GRANTS TO CERTAIN COUNTIES FOR MENTALLY ILL AND CHEMICALLY DEPENDENT PERSONS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of public welfare shall establish a five-year experimental block grant program for treatment services for mentally ill and chemically dependent persons residing in at least ten counties representative of the geographic regions of the state.

Subd. 2. [COUNTY PARTICIPATION OPTIONAL.] A county specified in subdivision 1 may elect to participate in the program by forwarding a resolution to that effect to the commissioner of public welfare from the county board of commissioners.

Subd. 3. [COUNTY DUTIES.] A participating county shall assume full financial responsibility for its residents who are mentally ill and chemically dependent, and for whom other funds are not available or are insufficient, including the costs for persons placed in state hospitals. With respect to state hospital services, the county shall pay the portion of state hospital per diem charges that is not reimbursed by other third-party payors.

This rate shall be determined annually by the commissioner of public welfare based on the reimbursement experience of the state hospital system during the previous state fiscal year of operation.

Participating counties shall develop an individual program plan for each person being considered for treatment based on a multi-disciplinary assessment of the individual's needs. The plan shall be the basis for deciding whether or not to place the person in a treatment facility. The counties shall monitor treatment plans and provide case management services.

Subd. 4. [SERVICES.] The county shall ensure that mental health services and chemical dependency services are provided to adults requiring them. The services provided shall be the least restrictive alternative available to meet the needs of each individual. The county shall ensure that at least the following services for mental health and for chemical dependency are available and provided as necessary: outpatient treatment; emergency care services; day treatment; screening and assessment; consultation and education; inpatient treatment; and residential and transitional living programs. The county may provide services directly, contract for services, or make grants to other providers to develop services.

Subd. 5. [ELIGIBILITY.] Individuals entitled to services provided through the demonstration project are individuals in state hospitals and individuals proposed for admission to state hospitals for which the participating counties are the counties of financial responsibility.

Subd. 6. [FORMULA FOR DISTRIBUTION OF FUNDS.] The commissioner of public welfare shall calculate the amount to be paid each participating county by using the following formula:

(a) total appropriation for state hospitals minus fixed costs for hospital facilities;

(b) minus costs of treatment for the mentally retarded persons;

(c) minus costs attributable to the Minnesota State Security Hospital;

(d) minus the ten percent that is the county's rate of participation in state hospital costs;

(e) divided by the population of the state;

(f) multiplied by the population of each county to arrive at the county payment under this experimental program.

Subd. 7. [USE OF FUNDS.] The counties shall use the funds under this program to purchase rehabilitation services for their chemically dependent and mentally ill residents from the state hospital system, private hospitals, and other public and private vendors, based on the individual client's needs, subject to the following limitations:

(a) During the first year of this program, 85 percent of the funds shall be used exclusively for state hospital services;

(b) In the second year, at least 70 percent of the funds shall be used for state hospital services;

(c) In the third year, at least 50 percent of the funds shall be used for state hospital services; and

(d) In the fourth year, at least 25 percent of the funds shall be used for state hospital services.

In the fifth year of the program, allocations under this program shall be made available to the participating counties for community social services under Minnesota Statutes, section 256E.06, except that no additional matching funds shall be required from the county.

Subd. 8. [REINSURANCE.] The county and any other provider of services through the demonstration project may contract with an insurer, health care provider, or nonprofit health services plan corporation to provide insurance or similar protection against the cost of care or to provide coverage against the risks of providing services within the block grant amount. The patients served through the demonstration project are a permissible group under group insurance laws and the Nonprofit Health Service Plan Corporation Act. Under this type of contract, the insurer or corporation may make benefit payments to a participating provider for services rendered or to be rendered to a patient. Any insurer or nonprofit health services plan corporation licensed to do business in this state is authorized to provide this insurance or similar protection.

Subd. 9. [TECHNICAL ASSISTANCE.] The commissioner shall give technical assistance to county boards that request it with respect to implementing this program.

Subd. 10. [REPORT, EVALUATION.] The commissioner of public welfare shall report to the legislature by January 15, 1986, concerning the effectiveness of the program.

Before the project's implementation, the participating counties and the commissioner of public welfare shall develop an evaluation method that specifies the project's goals and objectives and includes criteria for measuring the extent to which

those goals and objectives are met. The evaluation method shall also be designed to compare the costs and benefits of providing services through the experimental project with those provided through the system in the remainder of the state.

Subd. 11. [RELATION TO OTHER FUNDS.] Nothing in this section shall reduce the amount of state funds allocated to participating counties to assist them in bringing their residential facilities for adult mentally ill persons into compliance with rules of the commissioner of public welfare which regulate licensing of those facilities.

Subd. 12. [RULES.] The commissioner may adopt permanent and temporary rules to implement this section.

Sec. 2. [ALLOCATION OF APPROPRIATION.]

Of the amount appropriated for state hospitals for the biennium ending June 30, 1985, \$ is allocated in accordance with section 1, subdivision 6, for use in implementing section 1."

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. 891, A bill for an act relating to retirement; teachers; definitions, coordination with social security benefits, and various administrative changes; amending Minnesota Statutes 1982, sections 354.05, subdivisions 2 and 35; 354.44, subdivision 5; 354.52, subdivision 4; and 354.63, subdivision 2.

Reported the same back with the following amendments:

Page 3, line 14, delete everything after "payments" and insert "*Severance payments include, but are not limited*"

Page 5, line 12, after the period insert "*This section is applicable for persons who retired effective July 1, 1982 or later.*"

Page 5, after line 17, insert:

"Sec. 6. Laws 1982, Third Special Session, chapter 1, article II, section 7, is amended to read:

356.62 [PAYMENT OF EMPLOYEE CONTRIBUTION.]

For purposes of any public pension plan, as defined in section (356.60, SUBDIVISION 1, CLAUSE (A)) 356.61, each employer shall pick up the employee contributions required pursuant to law or the pension plan for all salary payable after December 31, 1982. If the United States Treasury department (OR A FEDERAL COURT) rules that pursuant to section 414(h) of the Internal Revenue Code of 1954, as amended, that these picked up contributions (,) are not includable in the employee's adjusted gross income until they are distributed or made available, then these picked up contributions shall be treated as employer contributions in determining tax treatment pursuant to the Internal Revenue Code of 1954, as amended, and the employer shall discontinue withholding federal income taxes on the amount of these contributions. The employer shall pay these picked up contributions from the same source of funds as is used to pay the salary of the employee. The employer shall pick up these employee contributions by a reduction in the cash salary of the employee.

Employee contributions that are picked up shall be treated for all purposes of the public pension plan in the same manner and to the same extent as employee contributions that were made prior to the date on which the employee contributions pick up began. *The amount of the employee contributions that are picked up shall be included in the salary upon which retirement coverage is credited and retirement and survivor's benefits are determined.* For purposes of this section, "employee" means any person covered by a public pension plan. For purposes of this section, "employee contributions" include any sums deducted from the employee's salary or wages or otherwise paid in lieu thereof, regardless of whether they are denominated contributions by the public pension plan.

For any calendar year in which withholding has been reduced pursuant to this section, the (ASSOCIATION OR AGENCY ADMINISTERING THE PLAN) *employing unit* shall supply each employee and the commissioner of revenue with an information return indicating the amount of the employer's picked-up contributions for the calendar year that were not subject to withholding. This return shall be provided to the employee not later than January 31 of the succeeding calendar year. The commissioner of revenue shall prescribe the form of the return and the provisions of sections 290.41 and 290.42 shall apply to the extent not inconsistent with the provisions of this section."

Page 5, line 19, delete "Section" and insert "Sections"

Page 5, line 20, after "2" insert "and 6"

Page 5, line 20, delete "is" and insert "are"

ReNUMBER the remaining section

Amend the title as follows:

Page 1, line 7, after "2" insert "; and Laws 1982, Third Special Session, chapter 1, article II, section 7"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 892, A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to accept gifts; revising the procedure for purchasing veterans grave markers; authorizing an imprest cash fund at veterans homes; providing for the disposal of abandoned property of veterans at veterans homes; amending Minnesota Statutes 1982, section 197.23; proposing new law coded in Minnesota Statutes, chapter 198; and repealing Minnesota Statutes 1982, section 198.055.

Reported the same back with the following amendments:

Page 2, line 26, delete "*from funds provided by counties and others*"

Page 2, line 27, after "*placed*" insert "*by the commissioner*"

Page 2, line 28, after "*placed*" insert "*by the commissioner in the state*"

Page 2, line 29, after "*from*" insert "*sources in*"

Page 2, line 30, after the first "*funds*" insert "*available*"

Page 2, lines 30 and 31, delete "*the county government and*"

Page 2, line 32, after "*county*" insert "*plus any funds that may be provided by the county government*"

Page 3, after line 14, insert:

"Sec. 5. Minnesota Statutes 1982, section 268.14, subdivision 5, is amended to read:

Subd. 5. [VETERANS REPRESENTATIVES.] (a) As may be determined by the commissioner, based on a demonstrated need for the service, there shall be assigned by the commissioner to the staff of each full functioning employment service office a veterans employment representative (WHOSE ACTIVITIES SHALL BE DEVOTED TO DISCHARGING THE DUTIES PRESCRIBED OF A VETERANS EMPLOYMENT REPRESENTATIVE). The position of veterans employment

representative shall be filled by one or more employees of the department of economic security who are veterans as defined in section 197.447. Pursuant to United States Code, title 38, section 2003A, representatives shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for the provision of services in the following order:

(1) services to disabled veterans of the Vietnam era who are participating in or have completed a program of vocational rehabilitation under United States Code, title 38, chapter 31;

(2) services to other disabled veterans; and

(3) services to other eligible veterans, taking into account applicable rates of unemployment and the employment emphasis in United States Code, title 38, chapter 42.

(b) Each representative shall carry out the following functions for the purpose of providing services to eligible veterans:

(1) development of job training opportunities for veterans through contacts with employers, especially small and medium sized private sector employers;

(2) promotion and development of apprenticeship and other on-the-job training positions;

(3) outreach activities to locate veterans through contacts with local veterans organizations, the Veterans Administration, the state system of public employment offices, and community-based organizations;

(4) appropriate assistance to community-based groups, organizations, and prime sponsors under the comprehensive employment and training act;

(5) appropriate assistance to local employment service office employees with responsibility for veterans;

(6) consultation and coordination with other appropriate representatives of federal, state, and local programs to promote employment opportunities for and provide maximum employment assistance to veterans; and

(7) promotion and development of entry level and career job opportunities for veterans."

Page 3, delete lines 15 and 16

Amend the title as follows:

Page 1, line 8, delete "section" and insert "sections" and, after the semicolon, insert "and 268.14, subdivision 5; and"

Page 1, line 9, delete "chapter" and insert "chapters 196 and"

Page 1, line 9, delete "; and repealing"

Page 1, line 10, delete everything before the period

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. 901, A bill for an act relating to game and fish; enlarging upon the waters which may be managed as experimental waters for fisheries purposes; amending Minnesota Statutes 1982, section 97.48, subdivision 26.

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. 906, A bill for an act relating to health services; establishing voluntary and contingent mandatory systems for health service provider reporting or disclosure of prices; appropriating money; proposing new law coded in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1982, section 144.705.

Reported the same back with the following amendments:

Page 1, line 15, after "not" insert "always"

Page 2, line 3, delete "; however, it is" and insert ". The legislature is encouraged by the past progress resulting from the voluntary efforts of the health care provider groups. It would be"

Page 2, line 3, after "legislature" insert ", however,"

Page 2, line 4, after "through" insert "further"

Page 4, line 4, after "SYSTEMS.]" delete to the end of the line

Page 4, delete lines 5 to 25 and insert *"For each provider group the commissioner shall solicit, no more frequently than annually, proposed performance targets for developing or maintaining a voluntary system of reporting or disclosing meaningful information describing the prices charged by members of the provider groups for the treatment of illnesses, injuries, or other conditions. The solicitation must be published in the state register and must allow a period of up to 90 days for response. The targets proposed by the provider groups must possess the characteristics specified in subdivision 2. The commissioner shall propose an assessment period, not to exceed three years, as an element of each target, after which an evaluation under subdivision 3 would be made. The commissioner shall review each proposed performance target for conformance with the characteristics specified in subdivision 2 and shall communicate any concerns to the provider group. The provider groups must respond to these concerns within 60 days of receipt. The commissioner shall, after considering the provider groups' comments, adopt final performance targets, including assessment periods, by publishing them in the state register. The targets as finally adopted are exempted from the definition of rule in section 14.02, subdivision 4, and have the force and effect of law upon compliance with section 14.38, subdivision 7. The effective date of any target is the date prescribed in section 14.38, subdivision 8."*

Page 5, line 31, after the comma insert *"the commissioner shall report to the house health and welfare and the senate health and human services committees. No sooner than nine months after the determination,"*

Page 5, line 32, delete *"periodically"* and insert *"initially"*

Page 7, delete lines 21 to 27

Renumber the sections

Amend the title as follows:

Page 1, line 5, delete *"appropriating money;"*

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. 907, A bill for an act relating to retirement; White Bear Lake volunteer firefighters; providing for incentive benefit amounts, validating prior actions; repealing Laws 1971, chapter 214; Laws 1979, chapter 201, sections 30 and 31; Laws 1981, chapter 224, section 257.

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. 911, A bill for an act relating to retirement; the Minneapolis police relief association; board membership; sources and uses of funds; member contributions; amending Laws 1949, Chapter 406, Sections 1, Subdivision 1, as amended; 3, as amended; 4, Subdivisions 2 and 3, as amended; 5, Subdivisions 1, 3, and 5, as amended; and 6, Subdivision 3, as amended; Laws 1953, Chapter 127, Sections 1, Subdivisions 1, as amended, and 4, and by adding a subdivision; and Laws 1965, Chapter 493, Section 5; and Minnesota Statutes 1982, section 423A.01, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 5, delete "*have retired or who will*"

Page 2, line 26, after "other" insert "*five*"

Pages 7 to 10, delete section 12

Renumber the remaining section

Delete the title and insert:

"A bill for an act relating to retirement; the Minneapolis police relief association; board membership; sources and uses of funds; member contributions; amending Laws 1949, chapter 406, sections 1, subdivision 1, as amended; 3, as amended; 4, subdivisions 2 and 3, as amended; 5, subdivisions 1, as amended, 3, as amended, and 5, as amended; and 6, subdivision 3, as amended; Laws 1953, chapter 127, section 1, subdivisions 2, as amended, 4, and by adding a subdivision; and Laws 1965, chapter 493, section 3."

With the recommendation that when so amended 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. 914, A bill for an act relating to Ramsey County; reinstating a provision relating to mandatory retirement age

for military veterans; amending Minnesota Statutes 1982, section 383A.30.

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. 916, A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; amending Minnesota Statutes 1982, section 16.073; proposing new law coded in Minnesota Statutes, chapter 16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [16.072] [PREFERENCE FOR MINNESOTA CONTRACTORS, LABOR, AND MATERIALS.]

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

(a) *"Municipality" has the meaning assigned to it in section 471.345, subdivision 1;*

(b) *"Public agency" includes all state agencies, the University of Minnesota, the state university board, the state board for community colleges, and all municipalities;*

(c) *"Resident" means:*

(1) *any individual who has been a resident of Minnesota for one year or more immediately prior to bidding on or performing work under the contract;*

(2) *any partnership or association whose members have been residents of Minnesota for one year or more immediately prior to bidding on or performing work under the contract; and*

(3) *a corporation, incorporated in Minnesota, which has been in existence for one year or more immediately prior to bidding on or performing work under the contract, and which has its principal place of business in Minnesota; and*

(d) *"State agency" means an agency as defined in section 14.02, subdivision 2.*

Subd. 2. [RESIDENT CONTRACTORS PREFERRED.] Notwithstanding any other law to the contrary, any contract awarded by a public agency for the design, erection, construction, alteration, or repair of any public building or structure, or for any public work or improvement for which competitive bidding is not required by law, must be awarded to a Minnesota resident. If competitive bidding is required by law, the contract must be awarded to the resident making the lowest responsible bid if the resident's bid is not more than ten percent higher than the lowest responsible nonresident bid. A successful resident bidder may not subcontract more than 20 percent of the work covered by the contract to nonresident subcontractors.

Subd. 3. [MINNESOTA LABOR PREFERRED.] All contracts subject to subdivision 2 must require that, wherever possible, resident laborers, workers, and mechanics be used to perform all work covered by the contract.

Subd. 4. [PREFERENCE SUBJECT TO FEDERAL LAW.] The provisions of this section are subject to applicable laws of the United States and regulations of federal agencies governing the use and payment of funds granted or advanced by the United States in connection with public works contracts.

Sec. 2. [16.0721] [PREFERENCE FOR MINNESOTA AND AMERICAN MADE MATERIALS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Public agency" has the meaning assigned to it in section 1, subdivision 1, clause (b) and includes any contractor acting pursuant to a contract with a public agency;

(b) "Materials" means any goods, supplies, equipment or any other tangible products or materials, including foods;

(c) "Manufactured" means mined, grown, produced, manufactured, fabricated or assembled;

(d) "Manufactured in Minnesota" means manufactured in whole or in substantial part within Minnesota or that the majority of its components were manufactured in whole or in substantial part in Minnesota;

(e) "Manufactured in the United States" means manufactured in whole or in substantial part within the United States or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States;

(f) "Purchase" means acquire by purchase or lease.

Subd. 2. [PURCHASE PREFERENCE.] Notwithstanding the provisions of any other law to the contrary, no materials may be purchased by a public agency for use for governmental purposes which are not manufactured in Minnesota or the United States, except as may be provided in this section. When all other factors are substantially equal, preference must be given first to those products which are manufactured to the greatest extent in Minnesota, and second to those products which are manufactured to the greatest extent in the United States. To the extent possible, specifications must be written so as to permit the public agency to purchase materials manufactured in Minnesota.

Subd. 3. [EXEMPTIONS.] Subdivision 2 does not apply if the person having contracting authority in respect to the purchase determines that (1) the materials are not manufactured in Minnesota or the United States in sufficient or reasonably available quantities, (2) the price or bid of the materials exceeds by more than ten percent the price or bid of available and comparable materials manufactured outside of Minnesota or the United States, (3) the quality of the materials is substantially less than the quality of comparably priced available materials manufactured outside of Minnesota or the United States, or (4) the purchase of the materials manufactured in Minnesota or the United States is otherwise not in the public interest. Subdivision 2 also does not apply if the materials are purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale.

Subd. 4. [OTHER LAW SUPERCEDED.] The provisions of this section supercede Minnesota Statutes, section 16.073.

Sec. 3. [REPEALER.]

Sections 1 and 2 are repealed June 30, 1985."

Delete the title and insert:

"A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 928, A bill for an act relating to education; requiring the higher education coordinating board to study and report on

teacher education programs; requesting higher education governing boards and institutions to cooperate in the study.

Reported the same back with the following amendments:

Page 1, line 11, after "board" insert "*in consultation with the state board of teaching*"

Page 2, after line 9, insert:

"Sec. 2. [STUDY OF STUDENT PROGRESS.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall conduct a study of policies and standards relating to student progress toward completion of programs in Minnesota higher education systems and institutions. This study shall result in a report and recommendations for improving policies on student progress. The report shall be submitted to the legislature by January 1, 1984.

Subd. 2. [FACTORS.] The study shall consider such factors as trends toward longer academic residency of students, the relationship between the retention of students and sources of institutional revenue, the retention of students whose grades are below average, counseling and advising of students regarding completion of programs, changes in standards which measure performance and progress, and other factors relevant to student progress."

Page 2, line 11, delete the first "and" and insert a comma

Page 2, line 12, after "institutions" insert ", and the state board of teaching"

Page 2, line 13, delete "this" and insert "these"

Page 2, line 14, delete "study" and insert "studies"

Page 2, line 16, delete "and 2" and insert "to 3"

Renumber the sections accordingly

Amend the title as follows:

Page 1, line 4, after the semicolon insert "requiring the higher education coordinating board to study and report on student progress,"

Page 1, line 6, delete "study" and insert "studies"

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. 933, A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 1, line 11, delete "*a national*"

Page 1, line 12, delete "*project*" and insert "*projects*"

Page 1, line 17, delete "*The case manager*" and insert "*Each participating provider*"

Page 1, line 24, delete "*project*" and insert "*projects*"

Page 1, line 25, delete "*the*" and insert "*a*"

Page 2, line 4, delete "*project*" and insert "*projects*"

Page 2, line 10, delete "*project*" and insert "*projects*"

Page 2, line 12, delete "*project's*" and insert "*projects'*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 934, A bill for an act relating to Ramsey County; providing for a purchase preference for American made materials; proposing new law coded in Minnesota Statutes, chapter 383A.

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

The report was adopted.

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

H. F. No. 946, A bill for an act relating to state government; implementing an executive order transferring the state soil and water conservation board from the department of natural resources to the department of agriculture; amending Minnesota Statutes 1982, section 40.03.

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. 950, A bill for an act relating to state governments; governing compensation of members of boards, councils, and committees who are public employees; amending Minnesota Statutes 1982, sections 15.059, subdivision 3; and 214.09, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 15.059, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Members of the advisory councils and committees shall be compensated at the rate of \$35 per day spent on council or committee activities, when authorized by the council or committee, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted pursuant to section 43A.18, subdivision 2. *If members who are state employees or employees of political subdivisions (SHALL NOT) receive the \$35 per day, and if the major part of their activities occur during normal working hours for which they are also compensated by the state or political subdivision, the employer shall deduct the \$35 from the employee's compensation for the day. In no other case shall a member who is an employee of the state or a political subdivision (SHALL NOT) suffer a loss in compensation or benefits from the state or political subdivision as a result of (HIS) service on the council or committee. Members who are full time state employees or full time employees of the political subdivisions of the state may receive the expenses provided for in this section unless the expenses are reimbursed by another source. (A STATE EMPLOYEE WHO SERVES ON AN ADVISORY COUNCIL OR COMMITTEE AS A REPRESENTATIVE OF A SPECIFIC STATE DEPARTMENT OR AGENCY SHALL NOT RECEIVE THE \$35 PER DAY.)*

Sec. 2. [121.2111] [COMPENSATION FOR PERFORMANCE EVALUATIONS BY STATE EMPLOYEES.]

Notwithstanding any law to the contrary, a state employee who is asked by the department of education to undertake a performance evaluation of an area vocational-technical school may be compensated at the rate provided for in section 15.059.

To be eligible for compensation under this section, a state employee must take an unpaid leave of absence for the period of time the employee performs the evaluation.

Sec. 3. Minnesota Statutes 1982, section 214.09, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Members of the boards shall be compensated at the rate of \$35 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as (RECEIVED BY STATE EMPLOYEES) *authorized by the commissioner's plan adopted according to section 43A.18, subdivision 2. If members who are full time state employees or employees of the political subdivisions of the state (SHALL NOT) receive the \$35 per day, and if the major part of their activities occur during normal working hours for which they are also compensated by the state or political subdivision, the employer shall deduct the \$35 from the employee's compensation for that day. In no other case shall a board member who is an employee of the state or political subdivision (SHALL) suffer (NO) a loss in compensation or benefits as a result of (THEIR) service on the board. Members who are state employees or employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. (A STATE EMPLOYEE WHO SERVES ON A BOARD AS A REPRESENTATIVE OF A SPECIFIC STATE DEPARTMENT OR AGENCY SHALL NOT RECEIVE THE \$35 PER DAY.)*

Sec. 4. [NORTHWEST MINNESOTA MULTI-COUNTY HOUSING AND REDEVELOPMENT AUTHORITY; COMPENSATION.]

Notwithstanding Minnesota Statutes, section 462.441, each commissioner of the Northwest Minnesota Multi-County Housing and Redevelopment Authority may be paid \$35 per meeting for attending regular and special meetings of the authority. The aggregate of all payments to each commissioner for any one year shall not exceed \$3,000.

Sec. 5. [LOCAL APPROVAL.]

Section 4 takes effect the day after compliance by the governing body of the Northwest Minnesota Multi-County Housing and

Redevelopment Authority with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 3 are effective July 1, 1983, except that if these sections conflict with a contractual agreement in existence on July 1, 1983, they shall not take effect with respect to employees covered by that agreement until the expiration of the agreement."

Delete the title and insert:

"A bill for an act relating to state government; governing compensation of members of boards, councils, and committees who are public employees; providing for per diem compensation for attendance of commissioners of the Northwest Minnesota Multi-County Housing and Redevelopment Authority at meetings; amending Minnesota Statutes 1982, sections 15.059, subdivision 3; and 214.09, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 121."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 954, A bill for an act relating to the Minneapolis park and recreation board; providing for the appointment of various employees; amending Laws 1969, chapter 1024, sections 1 and 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. 958, A bill for an act relating to long term care; requiring the commissioners of health and public welfare to prepare a report to the legislature.

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. 959, A bill for an act relating to commerce; authorizing certain retailers of motor vehicle fuel to compute sales by the half-gallon; proposing new law coded in Minnesota Statutes 1982, section 325E.095.

Reported the same back with the following amendments:

Page 1, line 10, delete "*person*" and insert "*retail business*"

Page 1, line 11, delete "*at retail*"

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. 962, A bill for an act relating to general assistance medical care; extending the ceiling on payment increases; adjusting the base year for payments to vendors; clarifying eligibility standards; adding services; eliminating free choice of vendor; authorizing counties to contract for services on a pre-paid basis; eliminating the power of the commissioner of public welfare to rateably reduce payments to providers; prohibiting recipient copayments; authorizing promulgation of rules; setting standards for payments to counties for hospitalization of certain persons; amending Minnesota Statutes 1982, sections 256.966, subdivision 1; 256.967; 256D.03, subdivisions 3, 4, and by adding subdivisions; and 261.23.

Reported the same back with the following amendments:

Page 2, line 33, delete "*personal*"

Page 4, line 17, after "*drugs*" insert "*or any over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate, and cost effective*"

Page 4, line 18, strike "*physician's*" and insert "*physician, chiropractic, and podiatry*"

Page 4, line 18, after "*transportation,*" insert "*laboratory services,*"

Page 4, line 19, after the period insert "*Determinations with respect to payment for over-the-counter drugs shall not be subject to the requirements of the Administrative Procedure Act.*"

Page 5, line 30, after the period insert "*Local agencies shall be required to contract with the commissioner of public welfare for centralized disbursement of general assistance medical care payments.*"

Page 6, line 25, delete "*may*" and insert "*shall*"

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. 973, A bill for an act relating to commerce; securities and real estate; modifying the definitions of "investment adviser" and "franchise"; clarifying the definition of "trust account"; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; modifying real estate education requirements; providing for the suspension of a broker's or salesperson's license pending a hearing; continuing the existence of the real estate advisory council; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; repealing the corporate take-over act; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, and by adding a subdivision; 80C.01, subdivision 4; 82.17, subdivisions 4 and 6; 82.18; 82.22, subdivisions 6, 8, and 10; 82.27, subdivision 3; 82.30; 82.34, subdivision 7; 309.515, subdivision 1; repealing Minnesota Statutes 1982, sections 80B.01 to 80B.13; and 82.22, subdivisions 7 and 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 80A.02, is amended to read:

80A.02 [(ADVISORY) PROHIBITED ACTIVITIES.]

Subdivision 1. [ADVISORY ACTIVITIES.] It is unlawful for any person who receives, *directly or indirectly*, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale (, WHETHER THROUGH THE ISSUANCE OF ANALYSES OR REPORTS OR OTHERWISE):

(a) to employ any device, scheme, or artifice to defraud the other person; (OR)

(b) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person; or

(c) *to knowingly sell any security to or purchase any security from a client while acting as principal for his or her own account or knowingly effect any sale or purchase of any security for the account of a client while acting as broker for a person other than the client, unless that person discloses to the client in writing before the execution of the transaction the capacity in which he or she is acting and obtains the consent of the client to the transaction.*

Subd. 1a. [SOLICITATION ACTIVITIES.] *In the solicitation of advisory clients, it is unlawful for any person to make any untrue statements of material facts, or, in light of the circumstances under which they are made, to omit to state material facts necessary in order to make the statements made not misleading.*

Subd. 2. [CONTRACT ACTIVITIES.] It is unlawful for any investment adviser to enter into, extend, or renew any investment advisory contract the terms of which are in contravention of (SUCH) rules (AND REGULATIONS AS) the commissioner (MAY PRESCRIBE) *prescribes* as necessary or appropriate in the public interest or for the protection of investors.

Subd. 3. [ACTIVITIES AS CUSTODIAN OF CERTAIN FUNDS.] It is unlawful for any investment adviser to take or have custody of any securities or funds of any client in contravention of (SUCH) rules (AND REGULATIONS AS) the commissioner (MAY PRESCRIBE) *prescribes* as necessary or appropriate in the public interest or for the protection of investors.

Sec. 2. Minnesota Statutes 1982, section 80A.04, subdivision 2, is amended to read:

Subd. 2. It is unlawful for any broker-dealer or issuer to employ an agent to represent him or her in this state unless the agent is licensed. The licensing of an agent is not effective during any period when he or she is not associated with a specified broker-dealer licensed under this chapter or a specified issuer.

No agent shall at any time represent more than one broker-dealer or issuer, except that where broker-dealers affiliated by direct common control are licensed under this chapter, an agent may represent (ANY SUCH) *the* broker-dealer. When an agent begins or terminates his or her employment with a broker-dealer or issuer, or begins or terminates those activities which make (HIM) *that person* an agent, the agent as well as the broker-dealer or issuer shall promptly notify the commissioner or *his or her designated representative*.

Sec. 3. Minnesota Statutes 1982, section 80A.04, subdivision 3, is amended to read:

Subd. 3. It is unlawful for any person to transact business in this state as an investment adviser unless (HE) *that person* is so licensed or licensed as a broker-dealer under this chapter or unless his or her only clients in this state are (PERSONS TO WHOM SALES ARE EXEMPTED UNDER SECTION 80A.15, SUBDIVISION 2, CLAUSE (G)) *investment companies as defined in the Investment Company Act of 1940, other investment advisers, broker-dealers, banks, trust companies, savings and loan associations, insurance companies, employee benefit plans, corporations with a class of equity securities registered under section 12(g) of the Securities Exchange Act of 1934, small business investment companies, and government agencies or instrumentalities, whether acting for themselves or as trustees with investment control, or other institutional investors as are designated by rule or order of the commissioner.*

Sec. 4. Minnesota Statutes 1982, section 80A.07, subdivision 1, is amended to read:

Subdivision 1. The commissioner may by order deny, suspend, or revoke any license or may censure the licensee, if he or she finds (a) that the order is in the public interest and (b) that the applicant or licensee or, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

(1) has filed an application for license which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) has willfully violated or failed to comply with any provision of this chapter or a predecessor law or *any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule under any*

of these statutes, or any order thereunder of which he *or she* has notice and to which he *or she* is subject;

(3) has been convicted, within the past ten years, of any misdemeanor involving a security or any aspect of the securities business, or any felony;

(4) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

(5) is the subject of an order of the commissioner denying, suspending, or revoking a license as a broker-dealer, agent or investment adviser;

(6) is the subject of an order entered within the past five years by the securities administrator of any other state or by the securities and exchange commission denying or revoking registration or license as a broker-dealer, agent, or investment adviser, or is the subject of an order of the securities and exchange commission suspending or expelling (HIM) *that person* from a national securities exchange or association registered under the Securities Exchange Act of 1934, or is the subject of a United States post office fraud order (; BUT). The commissioner may not institute a revocation or suspension proceeding under this clause more than one year from the date of the order relied on, and may not enter an order under this clause on the basis of an order under another state law unless the order was based on facts which would currently constitute a ground for an order under this section;

(7) has engaged in dishonest or fraudulent practices in the securities business;

(8) has failed to maintain the minimum net capital or to comply with the limitation on aggregate indebtedness which the commissioner by rule prescribes;

(9) is not qualified on the basis of such factors as training, experience, and knowledge of the securities business;

(10) has failed reasonably to supervise (HIS) agents (IF HE IS A BROKER-DEALER), *investment adviser representatives*, or (HIS) employees (IF HE IS AN INVESTMENT ADVISER) *to assure their compliance with this chapter*;

(11) has failed to pay the proper filing fee, but the commissioner shall vacate the order when the deficiency has been corrected;

(12) has offered or sold securities in this state through any unlicensed agent;

(13) has made any material misrepresentation to the commissioner, or upon request reasonably made by the commissioner, has withheld or concealed information from, or refused to furnish information to, the commissioner; or

(14) has failed to reasonably supervise (THE) agents (OF A BROKER-DEALER), *investment adviser representatives*, or (THE) employees (OF AN INVESTMENT ADVISER) if he or she has assumed or has been designated to carry out the supervisory procedures of the broker-dealer or investment adviser.

Sec. 5. Minnesota Statutes 1982, section 80A.07, is amended by adding a subdivision to read:

Subd. 1a. [INVESTMENT ADVISER REPRESENTATIVES.] The commissioner, by order, shall censure or place limitations on the activities of any investment adviser representative or person seeking to become an investment adviser representative, or suspend or bar any person from being an investment adviser representative, if the commissioner finds, after notice and opportunity for hearing, that the censure, placing of limitations, suspension, or bar is in the public interest and that the person has committed or omitted any act or omission enumerated in subdivision 1. It shall be unlawful for any person as to whom an order suspending or barring him from being an investment adviser representative is in effect willfully to become, or to be, associated with an investment adviser without the consent of the commissioner, and it shall be unlawful for any investment adviser to permit this person to become, or remain, an investment adviser representative without the consent of the commissioner, if the investment adviser knew, or in the exercise of reasonable care, should have known of the order.

Sec. 6. Minnesota Statutes 1982, section 80A.07, subdivision 3, is amended to read:

Subd. 3. The commissioner may issue an order requiring a licensee or an applicant for a license to show cause why the license should not be revoked or the application denied. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend a license, or in the case of an investment adviser representative or person seeking to become an investment adviser representative, summarily suspend or bar that person from acting in that capacity, pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making (SUCH) a disposition of the matter as the facts require. If the

licensee or applicant fails to appear at a hearing of which he or she has been duly notified, (SUCH) *the* person shall be deemed in default and the proceeding may be determined against him upon consideration of the order to show cause, the allegations of which may be deemed to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted pursuant to this subdivision.

Sec. 7. Minnesota Statutes 1982, section 80A.09, subdivision 1, is amended to read:

Subdivision 1. The following securities may be registered by notification:

(a) any industrial revenue bond, the interest on which is exempt from tax under (SECTION 290.08, SUBDIVISION 7) *chapter 290*; and

(b) any securities issued by a person organized exclusively for social, religious, educational, benevolent, fraternal, charitable, reformatory, athletic, chamber of commerce, trade, industrial development, or professional association purposes and not for pecuniary gain, and no part of the net earnings of which inures to the benefit of any private stockholder or individual; provided that no securities issued by any person offering and furnishing a burial service or funeral benefit, directly or indirectly for financial consideration, may be registered under this section.

Sec. 8. Minnesota Statutes 1982, section 80A.14, subdivision 8, is amended to read:

Subd. 8. [INDUSTRIAL REVENUE BOND.] "Industrial revenue bond" means any obligation issued by a governmental unit (including the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one or more of the foregoing), other than a general obligation of a governmental unit having power to tax property or of an agency of the state of Minnesota, (1) which is issued as part of an issue, all or a major portion of the proceeds of which are to be used directly or indirectly in any trade or business carried on by any person who is not an exempt person, and (2) the payment of the principal or interest on which (under the terms of (SUCH) *the* obligation or any underlying arrangement) is, in whole or in major part, (i) secured by any interest in property used or to be used in a trade or business or in payment in respect of (SUCH) *this* property, or (ii) to be derived from payments in respect of property or borrowed money, used or to be used in a trade or business. For purposes of the preceding sentence, an exempt person is (A) *one of the following* governmental (UNIT) *units* or (AN ORGANIZATION DESCRIBED IN MINNESOTA STATUTES 1971, SECTION

290.05, SUBDIVISION 1, CLAUSES (H) AND (I)) *organizations or any other governmental unit or organization which the commissioner may by rule or order designate:*

(1) *corporations operating or conducting public burying grounds, public schoolhouses, public hospitals, academies, colleges, universities, seminaries of learning, churches, houses of worship, and institutions of purely public charity, no part of the net income of which inures to the benefit of any private member, stockholder, or individual; or*

(2) *any corporation, fund, foundation, trust, or association organized for exclusively scientific, literary, religious, charitable, educational, or artistic purposes, or for the purpose of making contributions to or for the use of the United States of America, the state of Minnesota, or any of its political subdivisions for exclusively public purposes, or for any combination of the above enumerated purposes, if no part of the net income of the corporation, fund, foundation, trust, or association inures to the benefit of any private member, stockholder, or individual.*

Sec. 9. Minnesota Statutes 1982, section 80A.14, subdivision 9, is amended to read:

Subd. 9. [INVESTMENT ADVISER.] "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications (OR), writings *or electronic means*, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" does not include:

- (1) a bank, savings institution, or trust company;
- (2) a lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of his profession;
- (3) a broker-dealer whose performance of these services is solely incidental to the conduct of his *or her* business as a broker-dealer and who receives no special compensation for them;
- (4) a publisher of any (BONA FIDE) newspaper, *news column, newsletter, news magazine, or business or financial publication (OF GENERAL, REGULAR AND PAID CIRCULATION); or service, whether communicated in hard copy form, or by electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the specific investment situation of each client; or*

(5) (A PERSON WHOSE ADVICE, ANALYSES OR REPORTS RELATE ONLY TO SECURITIES EXEMPTED BY SECTION 80A.15, SUBDIVISION 1, CLAUSE (A);)

((6) A PERSON WHOSE ONLY CLIENTS IN THIS STATE ARE OTHER INVESTMENT ADVISERS OR PERSONS TO WHOM SALES ARE EXEMPTED UNDER SECTION 80A.15, SUBDIVISION 2, CLAUSE (G); OR)

((7) SUCH) other persons not within the intent of this subdivision as the commissioner may by rule or order designate.

Sec. 10. Minnesota Statutes 1982, section 80A.14, is amended by adding a subdivision to read:

Subd. 9a. [INVESTMENT ADVISER REPRESENTATIVE.] "Investment adviser representative" means any partner, officer, or director of an investment adviser, or any person performing similar functions, or any person, directly or indirectly, controlling or controlled by an investment adviser, including any employee of an investment adviser who provides investment advice to clients.

Sec. 11. Minnesota Statutes 1982, section 80A.14, subdivision 12, is amended to read:

Subd. 12. [INVESTMENT METAL CONTRACT.] "Investment metal contract" or "investment gem contract" means:

(i) a sale of an investment metal or investment gem in which the seller or an affiliate of the seller retains possession of the investment metal or investment gem; or

(ii) a contract of purchase or sale which provides for the future delivery of an investment metal or investment gem, or any option to purchase or option to sell such a contract; or

(iii) a sale of an investment metal or investment gem pursuant to a contract known to the trade as a margin account, margin contract, leverage account, or leverage contract.

"Investment metal contract" or "investment gem contract" shall not include:

(i) the sale of an investment metal or investment gem where the seller has reasonable grounds to believe that the investment metal or investment gem is being acquired for manufacturing, commercial or industrial purposes; or

(ii) the sale, or contract for the future purchase or sale, of jewelry, art objects or other manufactured or crafted goods other than bullion or bulk sales of coins; or

(iii) the sale of an investment metal or investment gem where full payment is made to the seller, and delivery of the investment metal or investment gem is made to the purchaser, or to a bank, savings institution, trust company, broker-dealer, or safe deposit company designated by the purchaser, within 20 days of the date of purchase, if the bank, savings institution, trust company, broker-dealer, or safe deposit company is located within this state, and is, where required, licensed under the laws of this state, provided that (A PURCHASER MAY DESIGNATE A BANK, SAVINGS INSTITUTION, TRUST COMPANY, OR LICENSED BROKER-DEALER, WITHIN THIS STATE, TO ACCEPT DELIVERY ON HIS BEHALF IF THE BANK, SAVINGS INSTITUTION, TRUST COMPANY OR LICENSED BROKER-DEALER MAINTAINS THE INVESTMENT METAL OR INVESTMENT GEM IN SAFE-KEEPING AND AS THE SPECIFICALLY IDENTIFIABLE PROPERTY OF THE PURCHASER) a safe deposit company accepting such delivery may not be an affiliate of the seller; or

(iv) any futures contracts traded on a commodities exchange registered under the Federal Commodity Futures Trading Commission Act of 1974.

Sec. 12. Minnesota Statutes 1982, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds himself, herself, or itself out as engaged in (SUCH) these activities;

(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;

(c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its goodwill, inventory, or fixtures, or any interest therein;

(d) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving

the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(e) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby he or she undertakes to promote the sale of real estate through its listing in a publication issued primarily for (SUCH) *this* purpose;

(f) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not (SUCH) *the* real estate is owned by (SUCH) *the* person. A person shall be presumed to be engaged in the business of selling real estate if (SUCH) *the* person engages as principal in five or more transactions during any 12-month period, *unless the person is represented by a licensed real estate broker or salesperson.*

Sec. 13. Minnesota Statutes 1982, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, *for purposes of this chapter*, a demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account shall not be an interest bearing account except by agreement of the parties and subject to (REGULATIONS) *rules* of the commissioner, *and shall not allow the financial institution a right of set off against moneys owed it by the licensee.*

Sec. 14. Minnesota Statutes 1982, section 82.18, is amended to read:

82.18 [EXCEPTIONS.]

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney acting solely as an incident to the practice of law, provided, however, that the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in (SUCH) *the* building;

(e) any bank, trust company, savings and loan association, public utility, or any land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e) and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when (HE) *that person* is engaged in the specific performance of his *or her* duties as an auctioneer;

(i) any person who acquires (SUCH) real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale, (PROVIDED THAT) *if* no more than 25 such transactions occur in any 12-month period and (THAT) the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of (SUCH) *these* securities;

(k) any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the continuing care facility disclosure and rehabilitation act (chapter 80D), when acting solely as incident to the contract (.);

(m) *any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A.*

Sec. 15. Minnesota Statutes 1982, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) Every salesperson, licensed after July 1, 1973 and before July 1, 1976 shall, within two years of the date his license was first granted be required to successfully complete a course of study in the real estate field consisting of not less than 60 hours of instruction, approved by the commissioner. Upon appropriate showing of hardship by the licensee, or for persons licensed pursuant to section 82.20, subdivision 1, clause (b), the commissioner may waive or modify the requirements of this subdivision. Every salesperson licensed after July 1, 1976 and before July 1, 1978 shall, within three years of the date his license was first issued, be required to successfully complete a course of study in the real estate field consisting of not less than 90 hours of instruction, approved by the commissioner;

(b) After July 1, 1978, and before January 1, 1984, every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. Every salesperson licensed after July 1, 1978, and before January 1, 1984, shall, within one year of the date his license was first issued, be required to successfully complete a course of study in the real estate field consisting of 60 hours of instruction approved by the commissioner.

(c) After December 31, 1983, every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After December 31, 1983, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before filing an application for the license. Every salesperson licensed after December 31, 1983, shall, within one year of the date his license was first issued, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(d) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools licensed by the state department of education. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

Sec. 16. Minnesota Statutes 1982, section 82.27, subdivision 3, is amended to read:

Subd. 3. The commissioner shall issue an order requiring a licensee or applicant for a license to show cause why the license should not be revoked or suspended, or the licensee censured, or the application denied. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. *The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension.* All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which he has been duly notified, such person shall be deemed in default, and the proceeding may be determined against him upon consideration of the order to show cause, the allegations of which may be deemed to be true.

Sec. 17. Minnesota Statutes 1982, 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 327.55, subdivision 1a, 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) *the* transaction, but excluding *any attorney's fees*, interest on the loss and on any judgment obtained as a result of (SUCH) *the* 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 limitations set forth in subdivisions 12 and 14, regardless of the number of persons aggrieved or parcels of real estate involved in (SUCH) *the* 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. *For the purpose of this section "aggrieved person" shall not include a real estate licensee who is seeking to recover a commission.*

Sec. 18. Minnesota Statutes 1982, section 309.515, subdivision 1, is amended to read:

Subdivision 1. Subject to the provisions of subdivisions 2 and 3, sections 309.52 and 309.53 shall not apply to any of the following:

(a) Charitable organizations:

(1) which did not receive total contributions in excess of \$10,000 from the public within or without this state during the accounting year last ended, and

(2) which do not plan to receive total contributions in excess of such amount from the public within or without this state during any accounting year, and

(3) whose functions and activities, including fund raising, are performed wholly by persons who are unpaid for their services, and

(4) none of whose assets or income inure to the benefit of or are paid to any officer.

For purposes of this chapter, a charitable organization shall be deemed to receive in addition to (SUCH) contributions (AS ARE) solicited from the public by it, (SUCH) *the* contributions (AS ARE) solicited from the public by any other person and transferred to it. Any organization constituted for a charitable purpose receiving an allocation from a community chest, united fund or similar organization shall be deemed to have solicited that allocation from the public.

(b) A religious society or organization (WHICH RECEIVED MORE THAN HALF OF THE CONTRIBUTIONS IT RECEIVED IN THE ACCOUNTING YEAR LAST ENDED (1) FROM PERSONS WHO ARE MEMBERS OF THE ORGANIZATION; OR (2) FROM A PARENT ORGANIZATION OR AFFILIATED ORGANIZATION; OR (3) FROM A COMBINATION OF THE SOURCES LISTED IN CLAUSES (1) AND (2). A RELIGIOUS SOCIETY OR ORGANIZATION WHICH SOLICITS FROM ITS RELIGIOUS AFFILIATES WHO ARE QUALIFIED UNDER THIS SUBDIVISION AND WHO ARE REPRESENTED IN A BODY OR CONVENTION IS EXEMPT FROM THE REQUIREMENTS OF SECTIONS 309.52 AND 309.53. THE TERM "MEMBER" SHALL NOT INCLUDE THOSE PERSONS WHO ARE GRANTED A MEMBERSHIP UPON MAKING A CONTRIBUTION AS A RESULT OF A SOLICITATION).

(c) Any educational institution which is under the general supervision of the state board of education, the state university board, the state board for community colleges, or the university of Minnesota or any educational institution which is accredited by the university of Minnesota or the North Central association

of colleges and secondary schools, or by any other national or regional accrediting association.

(d) A fraternal, patriotic, social, educational, alumni, professional, trade or learned society which limits solicitation of contributions to persons who have a right to vote as a member. The term "member" shall not include those persons who are granted a membership upon making a contribution as the result of a solicitation.

(e) A charitable organization soliciting contributions for any person specified by name at the time of the solicitation if all of the contributions received are transferred to the person named with no restrictions on his expenditure of it and with no deductions whatsoever.

(f) A private foundation, as defined in section 509(a) of the Internal Revenue Code of 1954, which did not solicit contributions from more than 100 persons during the accounting year last ended."

Delete the title and insert:

"A bill for an act relating to commerce; securities and real estate; modifying the definition of "investment advisor"; clarifying the definitions of "trust account" and investment metal contract; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; modifying real estate education requirements; providing for the suspension of a broker's or salesperson's license pending a hearing; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, 12, and by adding a subdivision; 82.17, subdivisions 4 and 6; 82.18; 82.22, subdivision 6; 82.27, subdivision 3; 82.34, subdivision 7; 309.515, subdivision 1."

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. 976, A bill for an act relating to state government; providing for a permanent job sharing program; amending

Minnesota Statutes 1982, sections 43A.42; 43A.43, subdivision 2; amending Laws 1981, chapter 210, section 55, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 43A.41, subdivision 4, is amended to read:

Subd. 4. [SHARED POSITION.] "Shared position" means a position which has been converted from a full-time position into part-time positions (OF EQUIVALENT CLASS) *which are in the same classification series and bargaining unit or plan for purposes of sections 43A.40 to 43A.46.*

Sec. 2. Minnesota Statutes 1982, section 43A.41, subdivision 5, is amended to read:

Subd. 5. [PROGRAM.] "Program" means the Minnesota (DEMONSTRATION) job sharing program.

Sec. 3. Minnesota Statutes 1982, section 43A.42, is amended to read:

43A.42 [POSITIONS AFFECTED.]

A total of 50 full-time positions within agencies of state government shall be selected for inclusion within the program. (THESE POSITIONS SHALL BE SELECTED WITHIN AS FEW SEPARATE AGENCIES AS POSSIBLE.) No fewer than 15 of these positions shall be either professional, supervisory or managerial positions. In no instance shall a person in a shared time position work less than 40 percent time. No position shall be selected if it is contained in a unit which is represented by an exclusive representative which has a collective bargaining agreement covering the unit unless the exclusive representative agrees to the selection. All shared time positions shall be equivalent in classification to the full-time position from which they are converted.

Sec. 4. Minnesota Statutes 1982, section 43A.43, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND POWERS.] The (COORDINATOR) *commissioner* shall have the following powers and duties to:

(a) Select, in cooperation with the affected agencies (AND THE COMMISSIONER, THE AGENCIES AND) the positions within the agencies to be included in the program;

((B)) DESIGN AND IMPLEMENT, IN COOPERATION WITH THE AFFECTED AGENCIES AND THE COMMISSIONER, AN EVALUATION PLAN FOR THE PROGRAM, IN ACCORDANCE WITH ACCEPTED RESEARCH CRITERIA, TO ASCERTAIN THE EFFECT OF JOB SHARING ON EMPLOYEE SATISFACTION, PRODUCTIVITY, ABSENTEEISM, ADMINISTRATIVE AND SUPERVISORY TIME DEMANDS, AND INCREASED COSTS BOTH DIRECT AND INDIRECT, AS WELL AS ANY OTHER RELEVANT IMPACT ON EMPLOYER OR EMPLOYEE;)

((C)) (b) Coordinate the conversion of full-time to shared positions in the affected agencies and to assist in the design of the shared positions, with attention to employee and employer needs and to the potential for replicability of the program experience (IN OTHER AGENCIES) throughout state government (. ALL SHARED POSITIONS SHALL BE EQUIVALENT IN CLASSIFICATION TO THE FULL TIME POSITION FROM WHICH THEY ARE CONVERTED);

((D)) (c) Assist the affected agencies (AND THE COMMISSIONER) in recruitment, selection and hiring for the affected positions;

((E)) (d) Assist both supervisors and employees in the affected agencies in the transition to shared positions under the program and to recommend (TO THE COMMISSIONER) any modifications in rules, executive authority or statutes deemed desirable to effectuate the purposes of sections 43A.40 to 43A.46; and

((F)) (e) Monitor the positions selected pursuant to section 43A.41, in cooperation with the affected agencies (AND THE COMMISSIONER,) throughout the term of the program (; AND)

((G)) ASSIST THE COMMISSIONER IN REPORTING TO THE GOVERNOR AND THE LEGISLATURE ON JANUARY 1, 1981 AND JANUARY 1, 1982. THE COMMISSIONER'S REPORT SHALL PROVIDE AN EVALUATION OF THE EXPERIENCE OF THE PROGRAM, WITH ATTENTION TO THE ITEMS LISTED IN CLAUSE (B) IN ADDITION TO ANY OTHER RELEVANT INFORMATION, AND SHALL OFFER RECOMMENDATIONS CONCERNING THE FURTHER INCREASE OF SHARED POSITIONS IN THE STATE SERVICE).

Sec. 5. Minnesota Statutes 1982, section 43A.44, subdivision 1, is amended to read:

Subdivision 1. [SALARIES; CLASS.] A position selected by the (COORDINATOR) *commissioner* pursuant to section

43A.43 shall be divided into shared positions to be paid at the rate of the appropriate shared time percent of the otherwise appropriate salary. (THE CLASSIFICATION OF A SHARED POSITION SHALL BE THE SAME AS THAT APPLICABLE TO THE FULL TIME POSITION FROM WHICH IT IS CONVERTED.)

Sec. 6. Minnesota Statutes 1982, section 43A.44, subdivision 2, is amended to read:

Subd. 2. [BENEFITS.] Employees in shared positions shall be eligible for the following benefits and subject to the following obligations:

(a) Membership in the Minnesota state retirement system, the teachers retirement association or the state patrol retirement fund, whichever is appropriate, except that, notwithstanding any provision of section 352.01, subdivisions 11 and 16; 352B.01, subdivision 3; 354.05, subdivisions 13 and 25; or 354.091, employees shall have allowable service for the purpose of meeting the minimum service requirements for eligibility to a retirement annuity or other retirement benefit credited in full, but shall have benefit accrual service for the purpose of computing a retirement annuity or other retirement benefit credited on a fractional basis either weekly or annually based upon the relationship that the number of hours of service bears to either 40 hours per week or 2,080 hours per year, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year.

(b) Vacation and sick leave (ACCRUAL AT THE RATE OF THE APPROPRIATE SHARED TIME PERCENT OF THE ENTITLEMENT OF COMPARABLE FULL TIME EMPLOYEES) *accruals shall be prorated in accordance with the pertinent collective bargaining agreement or plan covering the position;*

(c) Employee dental, medical and hospital benefits coverage shall be available of the same type and coverage afforded to comparable full-time employees. Employees in shared positions who elect such coverage shall pay, by payroll deduction, the difference between the actual cost to the employer and the appropriate shared time percent of the actual cost. The remaining percent shall be paid by the employer. Employee life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees;

(d) Dependent life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees. Dependent medical, hospital and dental benefits coverage shall be available to employees in shared positions of the same type and coverage afforded to comparable

full-time employees, except that the employer shall contribute the appropriate shared time percent of the dollar amount contributed for comparable full-time employees electing the same program, the remainder to be paid by payroll deduction by the employee electing such coverage;

(e) Employees in shared positions shall be entitled to the (APPROPRIATE SHARED TIME PERCENT OF THE HOLIDAY PAY TO WHICH COMPARABLE FULL TIME EMPLOYEES ARE ENTITLED FOR HOLIDAYS OBSERVED BY THE FULL TIME EMPLOYEES WHENEVER THE EMPLOYEE IN A SHARED POSITION WOULD OTHERWISE BE SCHEDULED TO WORK ON THAT DAY. THE EMPLOYEE MAY BE ALLOWED TO RESCHEDULE WORKING HOURS TO AVOID ANY LOSS IN PAY DUE TO THE PRORATING OF HOLIDAY PAY. WHEN AN EMPLOYEE IN A SHARED POSITION IS NOT SCHEDULED TO WORK ON AN OBSERVED HOLIDAY, THE NEXT SCHEDULED WORKING DAY SHALL BE TREATED AS THE HOLIDAY) *prorated holiday provisions of the applicable collective bargaining agreement or plan covering the position;*

(f) Employees in shared positions shall accrue seniority time in every relevant category at the same rate accorded to comparable full-time employees. No full-time employee accepting a shared position shall suffer any loss of or gap in seniority time in the relevant categories applicable to the full-time employment; and

(g) Any other benefits of employment for employees in shared positions shall be prorated at a rate of the appropriate shared time percent of those available to comparable full-time employees, whenever the benefits are divisible. Contributions by the employer toward the benefits, if any, shall be equal to the appropriate shared time percent of the full-time benefits. When not divisible, the cost of the full-time benefits normally allocable to the employer shall be allocated, the appropriate shared time percent to the employee in a shared position, by payroll deduction, and the remaining percent to the employer.

Sec. 7. Minnesota Statutes 1982, section 43A.45, is amended to read:

43A.45 [ACCEPTANCE OF SHARED POSITIONS.]

No employee holding a full-time or three-quarter time position (ON JULY 1, 1980) shall be required to accept a shared position pursuant to sections 43A.40 to 43A.46.

Sec. 8. Laws 1981, chapter 210, section 55, as amended by Laws 1982, chapter 560, section 61, is amended to read:

Sec. 55. [REPEALER.]

Minnesota Statutes 1980, chapter 43, is repealed. (SECTIONS 40 TO 46 ARE REPEALED EFFECTIVE DECEMBER 31, 1983.)

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, sections 43A.41, subdivision 3; and 43A.43, subdivision 1, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; providing for a permanent job sharing program; amending Minnesota Statutes 1982, sections 43A.41, subdivisions 4 and 5; 43A.42; 43A.43, subdivision 2; 43A.44, subdivisions 1 and 2; 43A.45; amending Laws 1981, chapter 210, section 55, as amended; repealing Minnesota Statutes 1982, sections 43A.41, subdivision 3; and 43A.43, subdivision 1."

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. 1025, A bill for an act relating to economic development; establishing the Minnesota motion picture and television board; proposing new law coded as Minnesota Statutes, chapter 116K.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

The legislature finds that the motion picture and television industry is beneficial to the economy of the state of Minnesota. To further develop this industry, the state should financially support the Minnesota motion picture and television board.

Sec. 2. [APPROPRIATION.]

The sum of \$300,000 is appropriated from the general fund to the commissioner of the department of energy, planning and development for a grant to the Minnesota motion picture and television board, a nonprofit corporation, for the purpose of developing the motion picture and television industry. Of the

appropriation, \$150,000 is available for the fiscal year ending June 30, 1984, and \$150,000 is available for the fiscal year ending June 30, 1985."

Amend the title, as follows:

Page 1, line 2, delete "establishing the"

Page 1, delete lines 3 to 5 and insert "appropriating money."

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

The report was adopted.

Brinkman from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1027, A bill for an act relating to insurance; automobile; authorizing the commissioner to adopt rules on nonrenewals of policies; amending Minnesota Statutes 1982, section 65B.17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 60C.09, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a) Arises out of and is within the coverage of an insurance policy issued by a member insurer if the insurer becomes an insolvent insurer after April 30, 1979;

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, Chapter 145 by section 60C.02; and

(c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when he suffered the injuries was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

A covered claim also includes any unpaid claim which arises or exists within 30 days after the time of entry of an order of liquidation with a finding of insolvency by a court of competent jurisdiction unless prior thereto the insured replaces the policy or causes its cancellation or the policy expires on its expiration date.

Sec. 2. Minnesota Statutes 1982, section 65B.17, is amended to read:

65B.17 [RENEWAL; NOTICE NOT TO RENEW.]

Subdivision 1. [GENERAL REGULATIONS.] No insurer shall fail to renew an automobile insurance policy unless it shall mail or deliver to the named insured, at the address shown in the policy, at least 60 days advance notice of its intention not to renew. (SAID) The notice (SHALL) must contain the specific underwriting or other reason or reasons for (SUCH) the nonrenewal. When the failure to renew is based upon a termination of the agency contract, the notice (SHALL) must so state. This section (SHALL) does not apply:

(a) If the insurer has manifested its willingness to renew; or

(b) In case of nonpayment of the renewal premium;

Provided that, notwithstanding the failure of an insurer to comply with this section, the policy (SHALL TERMINATE) *terminates* on the effective date of any other automobile insurance policy procured by the insured, with respect to any automobile designated in both policies. Renewal of a policy (SHALL) *does not* constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of (SUCH) the renewal. No insurer shall fail to renew an automobile policy solely because of the age of the insured. No insurer shall refuse to renew an automobile insurance policy for

reasons which are arbitrary or capricious. *No insurer shall refuse to renew an automobile insurance policy in violation of rules adopted pursuant to subdivision 2.* An insurer may refuse to renew an automobile insurance policy in case of nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance; provided, however, that this provision for nonrenewal for failure to pay dues shall not be applicable to persons who are retired at age 62 years of age or older or who are disabled, according to social security standards.

No insurer shall take any action in regard to an automobile insurance policy on the statements or charges of any person made to the insurer concerning alleged unsafe driving habits of an insured unless the insurer shall concurrently disclose to the insured the name and address of the person from which the insurer received the information.

Subd. 2. [RULEMAKING.] The commissioner may adopt rules pursuant to chapter 14, including temporary rules, to specify the grounds for nonrenewal of an automobile policy. The rules must limit the basis for nonrenewal to the following factors:

- (a) the reasons stated for cancellation in section 65B.15;*
- (b) payments made for collision, bodily injury liability, or property damage liability coverage;*
- (c) moving violations of a driver; and*
- (d) other factors deemed reasonable by the commissioner.*

The rules must specify the manner in which these factors will be considered and may reflect the severity or reoccurrence of any moving violation, the amount of any payment made, and the number of vehicles insured.

Subd. 3. [ADMINISTRATIVE PENALTY.] The rules adopted under this section may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of any rule provision.

Sec. 3. Minnesota Statutes 1982, section 65B.48, subdivision 3, is amended to read:

Subd. 3. Self-insurance, subject to approval of the commissioner, is effected by filing with the commissioner in satisfactory form:

(1) a continuing undertaking by the owner or other appropriate person to pay tort liabilities or basic economic loss benefits, or both, and to perform all other obligations imposed by sections 65B.41 to 65B.71;

(2) evidence that appropriate provision exists for prompt administration of all claims, benefits, and obligations provided by sections 65B.41 to 65B.71; (AND)

(3) evidence that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a policy of insurance complying with sections 65B.41 to 65B.71, for payment of tort liabilities, basic economic loss benefits, and all other obligations imposed by sections 65B.41 to 65B.71 (.); and

(4) a nonrefundable application fee of \$500.

Sec. 4. Minnesota Statutes 1982, section 65B.48, is amended by adding a subdivision to read:

Subd. 3a. To carry out the purposes of subdivision 3, the commissioner may adopt rules pursuant to chapter 14, including temporary rules. These rules may:

(a) establish reporting requirements;

(b) establish standards or guidelines to assure the adequacy of the financing and administration of self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities that self-insure; and

(d) establish other reasonable requirements to further the purposes of this section.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the date after final enactment."

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert "relating to insurance; covered claims under the insurance guaranty act; rulemaking power of commissioner on nonrenewal of auto insurance and self-insurance; application fee for self-insurers; amending Minnesota Statutes 1982, sections 60C.09, subdivision 1; 65B.17; and 65B.48, subdivision 3, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1032, A bill for an act relating to local improvements; permitting counties to assess for highway improvements within cities; amending Minnesota Statutes 1982, section 429.011, subdivision 2a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [WASHINGTON COUNTY; HIGHWAY IMPROVEMENTS WITHIN CITIES.]

Pursuant to Minnesota Statutes, chapter 429, Washington county may undertake works of construction, reconstruction, or improvement of a county state-aid highway or county highway as defined in Minnesota Statutes, section 160.02, including curbs and gutters and storm sewers within the boundaries of a city, however organized, located in the county. The county may assess for the works in accordance with the provisions of Minnesota Statutes, section 429.061, within the boundaries of a city only with the prior approval of the governing body of the city.

Sec. 2. [LOCAL APPROVAL.]

This act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Washington county board."

Delete the title and insert:

"A bill for an act relating to Washington county; permitting the county to assess for highway improvements within cities."

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. 1042, A bill for an act relating to public welfare; establishing a medical assistance prepayment demonstration project; appropriating money; 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. [256B.70] [PREPAYMENT DEMONSTRATION PROJECT.]

Subdivision 1. [PURPOSE.] The commissioner of public welfare shall establish a medical assistance demonstration project to determine whether prepayment combined with stimulation of competitive market forces is an effective mechanism to ensure that all eligible individuals receive necessary health care in a coordinated fashion while containing costs. For the purposes

of this project, waiver of certain statutory provisions is necessary in accordance with this section.

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

(a) "Commissioner" means the commissioner of public welfare. For the remainder of this section, methods and policies for implementing the project will be proposed by the project advisory committees and approved by the commissioner.

(b) "Demonstration provider" means an individual, agency, organization, or group of the aforementioned entities that participates in the demonstration project according to criteria, standards, methods, and other requirements established for the project and approved by the commissioner.

(c) "Eligible individuals" means those persons eligible for medical assistance benefits as defined in section 256B.06.

(d) "Limitation of choice" means suspending freedom of choice while allowing eligible individuals to choose among the demonstration providers.

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas shall include one urban, one suburban, and at least one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Subd. 5. [PROSPECTIVE PER CAPITA.] The project shall establish the method and amount of payments for services. The commissioner shall annually contract with demonstration providers to provide services consistent with these established methods and amounts for payment. Notwithstanding section 62D.02, subdivision 1, payments for services rendered as part of the project may be made to providers that are not licensed

health maintenance organizations on a risk-based, prepaid capitation basis.

If allowed by the commissioner, a demonstration provider may contract with an insurer, health care provider, nonprofit health service plan corporation, or the commissioner, to provide insurance or similar protection against the cost of care provided by the demonstration provider or to provide coverage against the risks incurred by demonstration providers under this section. The recipients enrolled with a demonstration provider are a permissible group under group insurance laws and the Non-profit Health Service Plan Corporations Act. Under this type of contract, the insurer or corporation may make benefit payments to a demonstration provider for services rendered or to be rendered to a recipient. Any insurer or nonprofit health service plan corporation licensed to do business in this state is authorized to provide this insurance or similar protection.

Payments to providers participating in the project are exempt from the requirements of sections 256.966 and 256B.03, subdivision 2. The commissioner shall complete development of capitation rates for payments before delivery of services under this section is begun.

Subd. 6. [SERVICE DELIVERY.] Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) Shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in section 256B.02, subdivision 8, in order to ensure appropriate health care is delivered to enrollees.

(2) Shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program.

(3) May contract with other health care and social service practitioners to provide services to enrollees.

(4) Shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

Subd. 7. [ENROLLEE BENEFITS.] All eligible individuals enrolled by demonstration providers shall receive all needed health care services as defined in subdivision 6.

All individuals shall have the right to appeal if necessary services are not being authorized as defined in subdivision 11.

Subd. 8. [PREADMISSION SCREENING WAIVER.] Except as applicable to the project's operation, the provisions of section 256B.091 are waived for the purposes of this section for recipients enrolled with demonstration providers.

Subd. 9. [REPORTING.] Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. Required information shall be specified prior to the commissioner contracting with a demonstration provider.

Subd. 10. [INFORMATION.] Notwithstanding any law or rule to the contrary, the commissioner may allow disclosure of the recipient's identity solely for the purposes of (a) allowing demonstration providers to provide the information to the recipient regarding services, access to services, and other provider characteristics, and (b) facilitating monitoring of recipient satisfaction and quality of care. The commissioner shall develop and implement measures to protect recipients from invasions of privacy and from harassment.

Subd. 11. [APPEALS.] A recipient may appeal to the commissioner a demonstration provider's delay or refusal to provide services. The commissioner shall appoint a panel of health practitioners, including social service practitioners, as necessary to determine the necessity of services provided or refused to a recipient. The deliberations and decisions of the panel replace the administrative review process otherwise available under chapter 256B. The panel will follow the time requirements and other provisions of the Code of Federal Regulations, title 42, sections 431.200 to 431.246. The time requirements shall be expedited based on request by the individual who is appealing for emergency services. If a service is determined to be necessary and is included among the benefits for which a recipient is enrolled, the service must be provided by the demonstration provider as specified in subdivision 5.

Sec. 2. [TEMPORARY RULES.]

The commissioner of public welfare shall adopt temporary rules which meet the requirements of sections 14.29 to 14.36. Notwithstanding the provisions of section 14.35, the temporary rules promulgated to implement sections 1 to 3 shall be effective for 360 days and may be continued in effect for an additional 720 days if the commissioner gives notice by publishing a notice in the state register and mailing notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with sections 1 to 3. The temporary rules shall not be effective beyond December 31, 1986, without meeting the requirements of sections 14.13 to 14.20.

Sec. 3. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of public welfare the sum of \$ _____ for the purposes of sections 1 and 2. This appropriation is available for the biennium ending June 30, 1985.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. If the project implementation phase has not begun by June 30, 1985, sections 1 to 3 shall expire."

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1057, A bill for an act relating to agriculture; making changes in the artificial dairy products act; amending Minnesota Statutes 1982, sections 32.53; 32.531; 32.5311; 32.532; 32.533; and proposing new law coded in Minnesota Statutes, chapter 32.

Reported the same back with the following amendments:

Page 3, line 3, after "manufactured" insert "principally"

Page 4, line 24, after "name" insert ", but in no event smaller than one-quarter of an inch or 18 point type,"

Page 4, line 30, delete "a filled or" and insert "an"

Page 4, line 32, delete "printed" and insert "principal"

Page 5, line 1, before the period insert "or section 4"

Page 5, lines 3 and 4, delete "A food product made to resemble a" and insert "An artificial"

Page 5, line 8, delete "food" and insert "artificial dairy"

Page 5, line 6, delete "food" and insert "artificial dairy"

Page 5, delete line 13 and insert "provided on an artificial dairy product"

Page 5, line 15, delete "food" and insert "artificial dairy"

Page 5, line 17, delete "have" and insert "has"

Page 5, after line 17, insert:

"Subd. 3. [EXEMPTION.] This section does not apply to any package containing an individual serving of less than one-half ounce or one-half fluid ounce of an artificial dairy product for use in a restaurant, institution, or passenger carrier, and not otherwise packaged for sale at retail."

Page 6, after line 12, insert:

"Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective on January 1, 1984."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1062, A bill for an act relating to port authorities; providing for the term of service of certain members of port authorities; amending Minnesota Statutes 1982, section 458.10, subdivision 2.

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. 1067, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to accept gifts; designating the commissioner as administrator of weatherization programs; providing for weatherization grants; regulating summer youth programs; amending Minnesota Statutes 1982, sections 268.011, subdivision 2; 268.34; and 268.37, subdivisions 2, 4, and 5; repealing Minnesota Statutes 1982, section 268.37, subdivision 3.

Reported the same back with the following amendments:

Page 3, after line 27, insert:

"Sec. 6. Minnesota Statutes 1982, section 268.52, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION OF FUNDS.] Funds appropriated for *Minnesota economic opportunity grants and community service block grants* for the purpose of subdivision 1 shall be allocated annually to community action agencies under either clause (a) or (b), whichever is more advantageous to the agency, to Indian reservations under clause (c) and to the Minnesota migrant council under clause (d).

If the appropriation (IS INSUFFICIENT TO FULLY FUND EACH AGENCY,) for *Minnesota economic opportunity grants or community service block grants* is less than the previous fiscal year the insufficiency shall be prorated annually among the agencies.

(a) In proportion to the size of the poverty level population served by the agency when compared to the size of the poverty level population in the state; or

(b) Determined as follows:

If the appropriation of funds for community action agencies shall be equal to or more than that available in the previous fiscal (YEARS 1979 AND 1980) year, there shall be in place a "hold-harmless" provision for the allocation of funds among community action agencies. For purposes of this section, "hold-harmless" for the *Minnesota Economic Opportunity Grant Program* is the amount of funding received by a community action agency under the Economic Opportunity Grant Program in the previous fiscal year (WHEN CALCULATING AN AGENCY'S ECONOMIC OPPORTUNITY GRANT). When calculating an agency's community services block grant, "hold-harmless" is the amount of funding received by a community action agency from the (LOCAL INITIATIVE OR) community services block grant act basic allotment in the previous fiscal year.

(c) Allocation of funds to Indian reservations is based on the poverty level population of the reservation.

(d) Allocation of funds to the Minnesota migrant council shall not exceed three percent of the total funds available. The state office of economic opportunity shall negotiate the percentage allocation annually based on the most recent low income population figures."

Page 3, delete lines 28 to 30

Amend the title as follows:

Page 1, line 7, after "programs;" insert "providing financial assistance allocations for community action agencies;"

Page 1, line 8, delete "and"

Page 1, line 9, after the semicolon insert "and 268.52, subdivision 2"

Page 1, line 9, delete "repealing Minnesota Statutes 1982, section 268.37, 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. 1070, A bill for an act relating to retirement; election of Minneapolis employees retirement fund; investment policies; expansion of disability benefits of employees; amending Minnesota Statutes 1982, sections 422A.05, subdivision 1, and by adding a subdivision; 422A.06, subdivision 7; 422A.101, subdivisions 1, 1a, and 2; 422A.18, subdivision 3; 422A.23, subdivision 2; and 422A.26; repealing Minnesota Statutes 1982, section 422A.05, subdivision 7.

Reported the same back with the following amendments:

Page 8, lines 22 to 24, reinstate the stricken language and before the reinstated period insert "*except for employees of the Minneapolis employees retirement fund*"

Page 8, line 26, delete "section" and insert "sections"

Page 8, line 26, delete "is" and insert "; and 422A.23, subdivision 3, are"

Page 8, line 29, delete "July 1, 1983" and insert "upon compliance with Minnesota Statutes, section 645.021"

Amend the title as follows:

Page 1, line 9, delete "section" and insert "sections"

Page 1, line 10, after "7" insert "; and 422A.23, subdivision 3"

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

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1079, A bill for an act relating to social and charitable organizations; including planning and developing costs as fundraising costs; amending Minnesota Statutes 1982, section 309.50, subdivision 12.

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. 1081, A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1086, A bill for an act relating to the city of Roseville; providing an exception from the Roseville police civil service system for the chief and deputy chief of police.

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1088, A bill for an act relating to workers' compensation; creating a competitive state workers' compensation insurance fund; changing benefits; requiring notices of injury; providing for rules related to excessive health care services; providing for the release of medical data; providing for a panel to review clinical health care services provided to injured workers; regulating supplemental benefits; providing for benefit adjustments; providing for interest on delayed benefit pay-

ments; providing for a legislative commission to study various aspects of workers' compensation; defining terms; providing for continuance of certain insurance coverages; providing for deductible workers' compensation insurance policies; clarifying the responsibilities of governmental licensing and contracting agencies regarding workers' compensation insurance; amending Minnesota Statutes 1982, sections 62A.10, subdivision 1; 62C.14, by adding a subdivision; 62D.10, by adding a subdivision; 79.25, subdivision 1, and by adding a subdivision; 79.34, subdivision 2; 79.63, subdivisions 1, 2, and 4; 147.20; 176.011, subdivisions 3 and 9, and by adding a subdivision; 176.021, subdivisions 3 and 3a, and by adding a subdivision; 176.081, subdivisions 1, 2, 3, 4, and 6; 176.101, subdivisions 1, 2, and 3, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 1, 18, and 21, and by adding subdivisions; 176.121; 176.131, subdivisions 1, 1a, 8, and 10; 176.132, subdivisions 1 and 2; 176.133; 176.135, subdivisions 1 and 1a; 176.136; 176.182; 176.221, subdivisions 2, 3, and 7; 176.225, subdivisions 1 and 5; 176.231, subdivision 10; 176.235, by adding a subdivision; 176.241; subdivision 4; 176.331; 176.391, subdivision 3; 176.591, subdivisions 1 and 3; 176.641; and 352E.04; amending Laws 1981, chapter 346, section 145; proposing new law coded in Minnesota Statutes, chapters 79 and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 79.211, subdivision 1; 79.63, subdivision 3; 176.011, subdivisions 14 and 18; 176.061, subdivisions 8 and 9; 176.095; 176.101, subdivisions 4 and 5; 176.102, subdivision 1a; 176.105, subdivisions 1, 2 and 3; 176.152; 176.541, subdivisions 2, 3, 4, 5, 6, and 8; 176.551; 176.561; 176.571; 176.581; 176.603; and 176.611.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [176A.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 13, the terms defined in this section have the meanings given them.

Subd. 2 "Manager" means the manager of the state compensation insurance fund.

Subd. 3. "Fund" means the state compensation insurance fund.

Subd. 4. "Board" means the board of directors of the state compensation insurance fund.

Subd. 5. "Personal injury" or "injury" has the meaning given to it in section 176.011, subdivision 16.

Sec. 2. [176A.02] [CREATION; PURPOSE; ORGANIZATION OF THE FUND.]

Subdivision 1. [FUND CREATED.] The fund is created as a nonprofit independent public corporation for the purpose of insuring employers against liability for personal injuries for which their employees may be entitled to benefits under chapter 176.

Subd. 2. [BOARD OF DIRECTORS.] The governor shall appoint a board of directors consisting of seven members and the commissioner of labor and industry who shall be an ex officio member. Each director shall hold office until a successor is appointed and qualifies. Each member shall be a policyholder or an employee of a policyholder. A policyholder may designate a person to represent them on the board. Until the fund is operational and is issuing policies, the governor shall appoint any employer or employee to serve as a director. In addition to the commissioner, no more than one member of the board shall be a representative of a governmental entity. At least two members of the board shall represent private, for profit, enterprises. No member of the board may represent or be an employee of an insurance company.

The membership terms, compensation, removal of members, and filling of vacancies shall be as provided in section 15.0575.

The board shall annually elect a chairman from among its members and other officers it deems necessary for the performance of its duties. The requirement that each appointee of the governor be a policyholder or the employee of a policyholder shall not apply to the initial appointments of the governor prior to the subscription of the first policyholder to the state fund.

Subd. 3. [FUND MANAGEMENT.] The management and control of the fund is vested solely in the board.

Subd. 4. [POWERS AND DUTIES OF THE BOARD.] The board is vested with full power, authority, and jurisdiction over the fund. The board may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by it under the provisions of this chapter, as fully and completely as the governing body of a private insurance carrier to fulfill the objectives and intent of this chapter.

Subd. 5. [MANAGER.] The fund is under the administrative control of the manager appointed by the board pursuant to section 5.

Subd. 6. [PERSONAL LIABILITY, EXCLUDED.] The members of the board and officers or employees of the fund are

not liable personally, either jointly or severally, for any debt or obligation created or incurred by the fund.

Sec. 3. [176A.03] [SPECIFIC POWERS OF THE FUND.]

Subdivision 1. [GENERAL.] For the purpose of carrying out its function the fund has the powers specified in this section.

Subd. 2. [INSURE WORKERS' COMPENSATION LIABILITY.] The fund may insure an employer against any workers' compensation claim arising out of and in the course of employment, as fully as any other insurer.

Subd. 3. [SELF-INSURED COVERAGE.] The fund may furnish advice, services, and employer liability insurance to any employer qualified as a self-insured employer.

Sec. 4. [176A.04] [GENERAL POWERS.]

Subdivision 1. For the purpose of exercising the specific powers granted in this chapter and effectuating the other purposes of this chapter, the fund:

- (a) may sue and be sued;*
- (b) may have a seal and alter it at will;*
- (c) may make, amend, and repeal rules relating to the conduct of the business of the fund;*
- (d) may enter into contracts relating to the administration of the fund;*
- (e) may rent, lease, buy, or sell property in its own name and may construct or repair buildings necessary to provide space for its operations;*
- (f) may declare a dividend when there is an excess of assets over liabilities, and necessary reserves;*
- (g) may pay medical expenses, rehabilitation expenses, compensation due claimants of insured employers, pay salaries, and pay administrative and other expenses;*
- (h) may hire personnel and set salaries and compensation; and*
- (i) may perform all other functions that are necessary or appropriate to administer the fund.*

Sec. 5. [176A.05] [MANAGER.]

Subdivision 1. [APPOINTMENT, QUALIFICATIONS.] The board shall appoint a manager of the fund who shall be in charge of the day-to-day operation of the fund. The manager shall have proven successful experience as an executive at the general management level. The manager shall be appointed for a term of six years and shall receive compensation as set by the board.

Subd. 2. [BOND.] Before entering on the duties of the office, the manager shall qualify by giving an official bond in an amount and with sureties approved by the board. The manager shall file the bond with the secretary of state. The premium for the bond shall be paid by the fund from the account established in section 8.

Sec. 6. [176A.06] [MANAGER'S POWERS.]

Subdivision 1. [GENERAL.] Subject to the authority of the board and the provisions of this chapter the manager has the powers and duties prescribed in this section.

Subd. 2. [HEALTH PROVIDER CONTRACTS.] The manager may contract with physicians, surgeons, hospitals, other health care providers, qualified rehabilitation consultants, and approved vendors for medical, surgical, and rehabilitation evaluation and treatment and the care and nursing of injured persons entitled to benefits from the fund.

Subd. 3. [SAFETY INSPECTION.] The manager may make safety inspections of risks and furnish advisory services to employers on safety and health measures.

Subd. 4. [DISBURSEMENT OF FUNDS.] The manager may act for the fund in collecting and disbursing money necessary to administer the fund and conduct the business of the fund.

Subd. 5. [ABSTRACT SUMMARY.] The manager shall have an abstract summary of an audit or survey conducted pursuant to section 7 prepared for public use.

Subd. 6. [GENERAL AUTHORITY.] The manager may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by the fund under this chapter, including the establishment of premium rates.

Sec. 7. [176A.07] [AUDITS AND EXAMINATIONS.]

Subdivision 1. [STATE AUDITOR REPORT.] A financial audit of the books and records of the fund shall be conducted each year by the state auditor.

Subd. 2. [ACTUARIAL SURVEY]. An actuarial survey of the fund shall be conducted annually by an independent certified accountant selected by the manager.

Subd. 3. [COMMISSIONER OF INSURANCE EXAMINATION.] The commissioner of insurance shall examine the financial condition and conduct an actuarial survey of the fund at least once every four years.

Sec. 8. [176A.08] [ACCOUNT.]

Subdivision 1. [STATE COMPENSATION ACCOUNT.] There is created and established under the jurisdiction and control of the fund a revolving account known as the "state compensation account."

The manager shall deliver all money collected or received under this chapter to the account.

The money in the account may be used by the fund in carrying out its purpose under this chapter.

Subd. 2. [PROPERTY OF FUND]. All premiums and other money paid to the fund, all property and securities acquired through the use of money belonging to the fund, and all interest and dividends earned upon money belonging to the fund and deposited or invested by the fund, are the sole property of the fund and shall be used exclusively for the operation and obligations of the fund. The money of the fund is not state money. The property of the fund is not state property.

Subd. 3. [NO STATE APPROPRIATION.] The fund shall not receive any state appropriation at any time other than as provided by section 11.

Sec. 9. [176A.09] [EXEMPTION FROM AND APPLICABILITY OF CERTAIN LAWS.]

The fund shall not be considered a state agency for any purpose including, but not limited to, chapters 13, 14, 15, 15A and 43. However, the fund shall be subject to sections 179.61 to 179.77. The insurance operations of the fund are subject to all of the provisions of chapters 60A and 60B. The commissioner of insurance has the same powers with respect to the board as the commissioner has with respect to a private workers' compensation insurer under chapters 60A and 60B. The board is considered an insurer for the purposes of chapters 79 and 176. The fund is subject to the same tax liability as a mutual insurance company in this state pursuant to section 60A.15, subdivision 2.

Sec. 10. [176A.10] [ANNUAL REPORT.]

The manager shall submit an annual report pursuant to section 3.195 to the governor and legislature indicating the business done by the fund during the previous year and containing a statement of the resources and liabilities of the fund.

Sec. 11. [176A.11] [APPROPRIATION.]

There is appropriated from the general fund to the state compensation insurance fund a sum of \$3,000,000 to be available until expended. This amount plus interest at eight percent a year shall be amortized over a ten-year period and shall be repaid by the fund to the general fund in equal installments at the end of each fiscal year.

Sec. 12. [IMPLEMENTATION.]

The members of the board of directors shall be appointed no later than September 1, 1983. The board shall act promptly to hire a manager, hire necessary employees, and acquire necessary facilities and supplies to begin operation. The fund shall begin providing workers' compensation insurance coverage when the board determines that the fund is able to do so and all requirements under state law have been met.

Sec. 13. [REPORT TO THE LEGISLATURE AND GOVERNOR.]

The commissioner of labor and industry shall, no later than March 1, 1986, report to the legislature and governor the operations of the fund up to that date. The report shall include but not be limited to:

(1) the volume of premiums insured through the state fund and its share of the state workers' compensation insurance market;

(2) the percent division of premium dollars among various types of benefit payments and administrative costs for policies and claims under the state fund;

(3) the average rate of return enjoyed by the state fund on reserves set aside by the fund;

(4) recommendations concerning desirable changes in the state fund to promote its prompt and efficient administration of policies and claims;

(5) a recommendation to the legislature and governor regarding the continued operation of the fund; and

(6) any other information the commissioner deems appropriate."

Delete the title and insert:

"A bill for an act relating to workers' compensation; creating a competitive state fund for workers' compensation insurance; proposing new law coded as Minnesota Statutes, chapter 176A."

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. 1089, A bill for an act relating to economic development; creating the world trade center commission; appropriating money.

Reported the same back with the recommendation that 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. 1090, A bill for an act relating to employment; exempting search firms from employment agency licensing; amending Minnesota Statutes 1982, section 184.22, subdivision 2.

Reported the same back with the following amendments:

Page 3, after line 1, insert:

"Sec. 2. Minnesota Statutes 1982, section 184.30, subdivision 1, is amended to read:

Subdivision 1. Every application for an employment agency's license, and every annual report required to be filed under section 184.22, subdivision 2, shall be accompanied by a bond in the penal sum of \$10,000 for each location, with one or more sureties or a duly authorized surety company to be approved by the department and filed in the office of the secretary of state, conditioned that the employment agency and each member, shareholder, director, or officer of a firm, partnership, corporation, or association operating as such employment agency will conform to and not violate any of the terms or requirements of sections 184.21 to 184.40 or violate the covenants of any contract made by such employment agent in the conduct of said business. Action on this bond may be brought by and prosecuted in the name of any person damaged by any breach or any condition thereof and successive actions may be maintained thereon.

Sec. 3. Minnesota Statutes 1982, section 184.41, is amended to read:

184.41 [VIOLATIONS.]

Any person who shall engage in the business of or act as an employment agent or counselor without first procuring a license as required by section 184.22, and any employment agent, manager or counselor who (SHALL VIOLATE) *violates* the provisions of this chapter, *and any exempt firm which violates any of the provisions of section 184.22, subdivision 2* shall be guilty of a misdemeanor.

In addition to the penalties for commission of a misdemeanor, the department may proceed by an action for an injunction against any person who shall engage in the business of or act as an employment agent or counselor without first procuring the license required under section 184.22 and against any employment agent, manager or counselor who shall violate the provisions of this chapter. If an agency, a manager or a counselor is found guilty of a misdemeanor in any action relevant to the operation of an agency, the department may suspend or revoke the license of the agency, manager or counselor."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 4, before the period insert "; 184.30, subdivision 1; and 184.41"

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. 1094, A bill for an act relating to state hospitals; authorizing limited shared services agreements; providing for retention of receipts by the state hospital; appropriating money; amending Minnesota Statutes 1982, section 246.57, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 17, delete "two" and insert "three"

Page 1, line 19, delete "\$50,000" and insert "\$100,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation and Veterans Affairs to which was referred:

H. F. No. 1107, A bill for an act relating to the Minnesota veterans home; clarifying the treatment of assets for purposes of calculating maintenance charges; amending Minnesota Statutes 1982, section 198.03.

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1108, A bill for an act relating to drainage; permitting certain towns to appeal from certain orders of county boards assessing damages or benefits in ditch proceedings.

Reported the same back with the following amendments:

Page 1, line 8, delete "*or awarded damages*"

Page 1, line 11, delete "*award*" and insert "*assessment*"

Page 1, line 12, delete "*and allowed damages*".

Page 1, line 13, delete "*may appeal from the*"

Page 1, delete lines 14 to 16 and insert "*may petition the county board of commissioners in the county where the ditch is located and the road or roads are located for an order of the county board eliminating any assessments for benefits to said road that is no longer a township public road under its jurisdiction.*"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1111, A bill for an act relating to local government; regulating town levies in Crow Wing County; repealing Laws 1941, chapter 451.

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. 1114, A bill for an act relating to public welfare; altering eligibility standards, payment rates, and other provisions of the programs for medical assistance and general assistance medical care; repealing eligibility for unemployment compensation for personal care attendants and homeworkers; eliminating certain state administration aid to counties; amending Minnesota Statutes 1982, sections 256B.02, subdivision 8; 256B.04, subdivision 14; 256B.06, subdivision 1; 256B.07; 256B.17, subdivision 4, and by adding subdivisions; 256D.03, subdivision 4; and 268.04, subdivision 9.

Reported the same back with the following amendments:

Pages 1 to 4, delete section 1.

Page 4, line 23, delete "Sec." and insert "Section"

Page 6, line 19, delete "\$2,700" and insert "\$3,000"

Page 6, line 22, delete "\$5,400" and insert "\$6,000"

Page 6, line 25, strike ", and" and insert a new semicolon

Page 6, line 25, begin a new paragraph with "(b) one"

Page 6, line 29, after the semicolon insert:

"(c) a prepaid funeral contract owned by a medical assistance recipient on the effective date of this act, up to a value of \$750 per person plus \$200 of accrued interest,"

Page 7, lines 5 to 12, reinstate the stricken language

Pages 9 to 11, delete sections 8 and 9

Page 11, line 31, delete "3 and 4" and insert "2 and 3"

Page 11, line 32, delete "2, and 5 to 9" and insert "and 4 to 6"

Page 11, line 33, delete "5, 6, and 7" and insert "4, 5, and 6"

Renumber sections in sequence

Amend the title as follows:

Page 1, line 4, delete "programs" and insert "program"

Page 1, line 4, delete "and general assistance"

Page 1, delete lines 5 to 7

Page 1, line 8, delete "aid to counties"

Page 1, line 9, delete "256B.02, subdivision 8;"

Page 1, line 11, delete "; 256D.03,"

Page 1, line 12, delete everything before the period

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

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1122, A bill for an act relating to the town of Flowing; permitting the town to conduct town business in a nearby city.

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 Energy to which was referred:

H. F. No. 1147, A bill for an act relating to local government; permitting the cities of Richfield and Bloomington to implement an energy conservation program; authorizing the financing of a residential energy conservation program; authorizing the issuance of qualified mortgage bonds; requiring a report to the legislature.

Reported the same back with the following amendments:

Page 1, line 23, delete "5 and 7" and insert "6"

Page 3, line 11, after the period insert "*The city may expend any municipal funds properly available to them or to the housing and redevelopment authorities of those cities acting pursuant to section 5 to finance any program authorized by this act.*"

Pages 3 and 4, delete section 6

Page 5, line 2, delete "*5 and section 7*" and insert "*6*"

Page 5, line 5, delete everything after the period

Page 5, delete line 6

Renumber the remaining sections

Amend the title as follows:

Page 1, lines 5 and 6, delete "authorizing the issuance of qualified mortgage bonds;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Energy to which was referred:

H. F. No. 1154, A bill for an act relating to energy; data reporting; definition of "earth sheltered"; biennial energy reports; certificate of need fees; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; 116J.18, subdivision 1; and 116J.28, subdivision 6.

Reported the same back with the following amendments:

Page 3, delete lines 8 to 32 and insert:

"Sec. 4. Minnesota Statutes 1982, section 216B.01, is amended to read:

216B.01 [LEGISLATIVE FINDING.]

It is hereby declared to be in the public interest that public utilities be regulated as hereinafter provided in order to provide the retail consumers of natural gas and electric service in this state with adequate and reliable services at reasonable rates, consistent with the financial and economic requirements of public utilities and their need to construct facilities to provide such services or to otherwise obtain energy supplies, to avoid unnecessary duplication of facilities which increase the cost of service to the consumer and to minimize disputes between public

utilities which may result in inconvenience or diminish efficiency in service to the consumers. *It is also hereby declared to be in the public interest that public utility rates be set only after giving full consideration to the impact these rates will have on the economic well-being of the state in general and on the particular consumers of the utility's services.* Because municipal utilities are presently effectively regulated by the residents of the municipalities which own and operate them, and cooperative electric associations are presently effectively regulated and controlled by the membership under the provisions of chapter 308, it is deemed unnecessary to subject such utilities to regulation under this chapter except as specifically provided herein."

Amend the title as follows:

Page 1, lines 6 and 7, delete "116J.28, subdivision 6" and insert "216B.01"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Anderson, G., from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1161, A bill for an act relating to metropolitan government; providing for the term of the chairman of the metropolitan airports commission; amending Minnesota Statutes 1982, section 473.604, subdivision 1.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 76, 244, 259, 294, 360, 423, 426, 431, 500, 516, 538, 544, 566, 575, 584, 585, 623, 636, 741, 763, 764, 765, 793, 798, 818, 829, 849, 891, 892, 901, 906, 907, 911, 914, 916, 928, 933, 934, 946, 950, 954, 958, 959, 973, 976, 1027, 1032, 1057, 1062, 1067, 1079, 1081, 1086, 1090, 1094, 1107, 1108, 1111, 1122, 1147, 1154 and 1161 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 369, 356 and 708 were read for the second time.

INTRODUCTION AND FIRST READING
OF HOUSE BILLS

The following House Files were introduced:

Vanasek, Jacobs, Begich, Gustafson and Osthoff introduced:

H. F. No. 1174, A bill for an act relating to taxation; providing that taxation of the income of individuals, estates, and trusts will be based on federal taxable income; extending the period of time the sales tax rate is six percent; including sales of motor vehicles in the six percent rate; defining "publication" for sales tax purposes; amending Minnesota Statutes 1982, sections 290.01, subdivisions 19, 20, 20d, 21, 27, and by adding subdivisions; 290.012, subdivision 2; 290.032, by adding a subdivision; 290.06, subdivisions 2c, 3f, and 11; 290.071, subdivisions 5 and 6; 290.08, subdivisions 1, 8 and 19; 290.081; 290.085; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 29; 290.091; 290.095, subdivision 11; 290.10; 290.101, subdivision 1; 290.12, subdivision 1; 290.16, subdivision 1; 290.17, subdivision 2; 290.18, subdivision 1; 290.21, subdivisions 1 and 3; 290.23, subdivisions 4 and 5; 290.311; 290.32; 290.37, subdivision 1; 290.38; 290.39, subdivisions 1, 1a, and 2; 290.46; 290.49, subdivisions 3 and 10; 290.50, subdivision 1; 290.56, subdivision 2; 290.92, subdivisions 2a, 21, and 23; 290.93, subdivisions 1, 5, and 10; 290.9726, subdivisions 1 and 3; 290A.03, subdivision 3; 297A.02, subdivision 1, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297A.35, subdivision 3; 297B.02, as amended; and 474.12, subdivision 2; and Laws 1982, chapter 523, article 7, section 3, subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1982, sections 290.01, subdivisions 20a, 20b, 20f, 23, and 27; 290.032, subdivision 5; 290.06, subdivisions 2d, 2e, 3e, 3g, 9, 9a, and 15; 290.077, subdivisions 2 and 4; 290.08, subdivisions 23 and 25; 290.09, subdivisions 10, 15, 22, and 27; 290.16, subdivision 1a; 290.17, subdivisions 1 and 1a; 290.18, subdivisions 2 and 4; 290.23, subdivision 3; 290.501; and 290.9726, subdivision 5.

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

Vellenga, Wenzel, Krueger and Peterson introduced:

H. F. No. 1175, A bill for an act relating to agriculture; requiring the purchase of Minnesota food products; encouraging nutrition; proposing new law coded in chapter 17.

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

Ellingson introduced:

H. F. No. 1176, A bill for an act relating to causes of action; providing that certain causes of action survive the death of a party; amending Minnesota Statutes 1982, section 573.01.

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

Cohen; Vellenga; Anderson, R., and Murphy introduced:

H. F. No. 1177, A bill for an act relating to liquor; authorizing a licensing authority to revoke, suspend, or refuse to renew a license of a license holder whose business practices are harmful, indecent, or offensive; amending Minnesota Statutes 1982, section 340.14, by adding a subdivision.

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

Cohen and Long introduced:

H. F. No. 1178, A bill for an act relating to taxation; property; providing that the market value of property shall not be increased due to the character of the surrounding property; amending Minnesota Statutes 1982, sections 273.11, subdivision 1, and by adding a subdivision; and 273.12.

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

Knickerbocker introduced:

H. F. No. 1179, A bill for an act relating to local government; providing for a uniform fiscal year; proposing new law coded in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Jennings, Wigley, Clawson, Cohen and Simoneau introduced:

H. F. No. 1180, A bill for an act relating to local government; requiring notice of and hearings on increases in certain license fees; proposing new law coded in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Skoglund, Norton and Ellingson introduced:

H. F. No. 1181, A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Coleman, Greenfield, Blatz, Kelly and Kostohryz introduced:

H. F. No. 1182, A bill for an act relating to animals; providing for the humane treatment and welfare of animals; authorizing counties and cities to support local humane societies; imposing penalties; appropriating money; amending Minnesota Statutes 1982, section 343.11; proposing new law coded in Minnesota Statutes, chapter 346.

The bill was read for the first time and referred to the Committee on General Legislation and Veterans Affairs.

Elioff introduced:

H. F. No. 1183, A bill for an act relating to occupations and professions; providing for licensing cosmetologists and certain related occupations; establishing a board of cosmetology; prescribing penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 155; repealing Minnesota Statutes 1982, sections 155A.01 to 155A.18.

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

Cohen; Anderson, R., and Kalis introduced:

H. F. No. 1184, A bill for an act relating to state departments and agencies; providing for the expiration or periodic reevaluation of various regulatory programs; requiring a program and fiscal review of regulatory programs; providing for performance audits by the legislative auditor; establishing a pilot program; appropriating money; proposing new law coded in Minnesota Statutes, chapter 15.

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

Ogren, Scheid, O'Connor, Minne and Otis introduced:

H. F. No. 1185, A bill for an act relating to taxation; providing that taxation of the income of individuals, estates, and trusts will be based on federal taxable income; extending the period of time the sales tax rate is six percent; including sales of motor vehicles in the six percent rate; defining "publication" for sales tax purposes; amending Minnesota Statutes 1982, sections 290.01, subdivisions 19, 20, 20d, 21, 27, and by adding subdivisions; 290.012, subdivision 2; 290.032, by adding a subdivision; 290.06, subdivisions 2c, 3f, and 11; 290.071, subdivisions 5 and 6; 290.08, subdivisions 1, 8 and 19; 290.081; 290.085; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 29; 290.091; 290.095, subdivision 11; 290.10; 290.101, subdivision 1; 290.12, subdivision 1; 290.16, subdivision 1; 290.17, subdivision 2; 290.18, subdivision 1; 290.21, subdivisions 1 and 3; 290.23, subdivisions 4 and 5; 290.311; 290.32; 290.37, subdivision 1; 290.38; 290.39, subdivisions 1, 1a, and 2; 290.46; 290.49, subdivisions 3 and 10; 290.50, subdivision 1; 290.56, subdivision 2; 290.92, subdivisions 2a, 21, and 23; 290.93, subdivisions 1, 5, and 10; 290.9726, subdivisions 1 and 3; 290A.03, subdivision 3; 297A.02, subdivision 1, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297A.35, subdivision 3; 297B.02, as amended; and 474.12, subdivision 2; and Laws 1982, chapter 523, article 7, section 3, subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1982, sections 290.01, subdivisions 20a, 20b, 20f, 23, and 27; 290.032, subdivision 5; 290.06, subdivisions 2d, 2e, 3e, 3g, 9, 9a, and 15; 290.077, subdivisions 2 and 4; 290.08, subdivisions 23 and 25; 290.09, subdivisions 10, 15, 22, and 27; 290.16, subdivision 1a; 290.17, subdivisions 1 and 1a; 290.18, subdivisions 2 and 4; 290.23, subdivision 3; 290.501; and 290.9726, subdivision 5.

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

Metzen introduced:

H. F. No. 1186, A bill for an act relating to firearms; providing that a discharge of a firearm by a peace officer which kills a sick, injured, or dangerous animal need not be reported; amending Minnesota Statutes 1982, section 626.553, subdivision 2.

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

Skoglund, Gustafson and Anderson, R., introduced:

H. F. No. 1187, A bill for an act relating to occupations and professions; expanding the jurisdiction of the board of wrestling and boxing to regulate karate and kick boxing; proposing new law coded in Minnesota Statutes, chapter 341.

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

Minne, Begich, Battaglia, Elioff and Solberg introduced:

H. F. No. 1188, A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Gustafson introduced:

H. F. No. 1189, A bill for an act relating to labor; providing for the composition of bargaining units at the University of Minnesota; amending Minnesota Statutes 1982, section 179.741, subdivision 3.

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

Riveness, Norton, Simoneau, Zaffke and Sarna introduced:

H. F. No. 1190, A bill for an act relating to unemployment compensation; providing for conformity with federal law; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivision 2; 268.071, subdivision 3; 268.08, subdivision 3, and by adding a subdivision; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

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

Rodosovich introduced:

H. F. No. 1191, A bill for an act relating to the city of Faribault; exempting certain leased property from ad valorem taxation; amending Laws 1977, chapter 245, section 1, subdivision 1, as amended.

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

Berkelman, Simoneau, Rodosovich, Blatz and Fjoslien introduced:

H. F. No. 1192, A bill for an act relating to state departments and agencies; requiring the adjustment or establishment of certain agency fees by rule; authorizing the use of the noncontroversial rulemaking procedure; amending Minnesota Statutes 1982, sections 14.14, subdivision 1; 16A.128; 239.10; and 296.13.

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

Metzen introduced:

H. F. No. 1193, A bill for an act relating to public safety; allowing businesses to apply for permits to equip motor vehicles with radio equipment capable of receiving radio signals from a police emergency frequency; amending Minnesota Statutes 1982, section 299C.37, subdivision 3.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 9, A Senate Concurrent Resolution relating to Joint Rules; adopting permanent joint rules of the Senate and House of Representatives.

PATRICK E. FLAHAVEN, Secretary of the Senate

Eken moved that Senate Concurrent Resolution No. 9 and the Joint Rules of the Senate and House of Representatives for the 73rd Legislature which were printed in the Journal of the House for Thursday, April 7, 1983, and which were laid over one day be now adopted.

The question was taken on the motion and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Solberg
Anderson, G.	Evans	Kostohryz	Peterson	Sparby
Anderson, R.	Findlay	Krueger	Piepho	Stadum
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Larsen	Price	Sviggum
Begich	Frerichs	Levi	Quinn	Swanson
Bennett	Graba	Long	Quist	Thiede
Bergstrom	Greenfield	Ludeman	Redalen	Tomlinson
Berkelman	Gruenes	Mann	Reif	Tunheim
Bishop	Gustafson	Marsh	Rice	Uphus
Blatz	Gutknecht	McDonald	Riveness	Valan
Brandl	Halberg	McEachern	Rodosovich	Valento
Brinkman	Haukoos	McKasy	Rodriguez, C.	Vanasek
Burger	Heap	Metzen	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Minne	Rose	Waltman
Carlson, L.	Himle	Munger	St. Onge	Welch
Clark, J.	Hoberg	Murphy	Sarna	Welker
Clark, K.	Hoffman	Nelson, D.	Schafer	Welle
Clawson	Hokr	Nelson, K.	Scheid	Wenzel
Cohen	Jacobs	Neuenschwander	Schoenfeld	Wigley
Coleman	Jennings	O'Connor	Schreiber	Wynia
Dempsey	Jensen	Ogren	Segal	Zaffke
DenOuden	Johnson	Olsen	Shaver	Speaker Sieben
Dimler	Kahn	Omman	Shea	
Eken	Kalis	Onnen	Sherman	
Eloff	Kelly	Osthoff	Simoneau	
Ellingson	Kaickerbocker	Otis	Skoglund	

The motion prevailed and the Joint Rules of the Senate and House of Representatives for the Seventy-Third Session were adopted.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 513, 530, 554 and 568.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 513, A bill for an act relating to education; authorizing the state board for vocational education, the state board for community colleges, and the state university board to close institutions in their respective systems; amending Minnesota

Statutes 1982, sections 121.21, subdivision 4; 136.03; and 136.62, by adding a subdivision.

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

S. F. No. 530, A bill for an act relating to the city of Roseville; providing an exception from the Roseville police civil service system for the chief and deputy chief of police.

The bill was read for the first time.

Rose moved that S. F. No. 530 and H. F. No. 1086, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 554, A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

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

S. F. No. 568, A bill for an act relating to state government; providing for a permanent job sharing program; amending Minnesota Statutes 1982, sections 43A.41, subdivisions 4 and 5; 43A.42; 43A.43, subdivision 2; 43A.44, subdivisions 1 and 2; 43A.45; Laws 1981, chapter 210, section 55, as amended; repealing Minnesota Statutes 1982, sections 43A.41, subdivision 3; and 43A.43, subdivision 1.

The bill was read for the first time.

Knuth moved that S. F. No. 568 and H. F. No. 976, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 904 was reported to the House.

Upon objection of ten members H. F. No. 904 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 390 was reported to the House.

Sarna moved that H. F. No. 390 be re-referred to the Committee on Appropriations. The motion prevailed.

H. F. No. 490, A bill for an act relating to public welfare; setting standards for determining the county of financial responsibility for purposes of medical assistance, community social services, and supplemental aid; amending Minnesota Statutes 1982, sections 256B.02, subdivisions 2 and 3; 256D.37, by adding a subdivision; and 256E.08, subdivision 7.

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:

Anderson, B.	Ellingson	Kelly	Osthoff	Simoneau
Anderson, G.	Erickson	Knickerbocker	Otis	Skoglund
Anderson, R.	Evans	Knuth	Pauly	Solberg
Battaglia	Findlay	Kostohryz	Peterson	Sparby
Beard	Fjoslien	Krueger	Piepho	Stadum
Begich	Forsythe	Kvam	Piper	Staten
Bennett	Frerichs	Larsen	Price	Sviggum
Bergstrom	Graba	Levi	Quinn	Swanson
Berkelman	Greenfield	Long	Quist	Thiede
Bishop	Gruenes	Ludeman	Redalen	Tomlinson
Blatz	Gustafson	Mann	Reif	Tunheim
Brandl	Gutknecht	Marsh	Rice	Uphus
Brinkman	Halberg	McDonald	Riveness	Valan
Burger	Haukoos	McEachern	Rodosovich	Valento
Carlson, D.	Heap	McKasy	Rodriguez, C.	Vanasek
Carlson, L.	Heinitz	Minne	Rodriguez, F.	Vellenga
Clark, J.	Himle	Munger	Rose	Voss
Clark, K.	Hoberg	Murphy	St. Onge	Waltman
Clawson	Hoffman	Nelson, D.	Sarna	Welch
Cohen	Hokr	Nelson, K.	Schafer	Welker
Coleman	Jacobs	Neuenschwander	Scheid	Welle
Dempsey	Jennings	O'Connor	Schoenfeld	Wenzel
DenOuden	Jensen	Ogren	Schreiber	Wigley
Dimler	Johnson	Olsen	Segal	Wynia
Eken	Kahn	Omann	Shea	Zaffke
Elioff	Kalis	Onnen	Sherman	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 513, A bill for an act relating to elections; changing certain registration procedures; requiring availability of certain public facilities as polling places; changing requirements that voting machines remain locked after elections; amending Minnesota Statutes 1982, sections 201.071, subdivisions 1, 3, and 6; 204B.16, by adding a subdivision; and 206.21, subdivision 3; repealing Minnesota Statutes 1982, section 201.071, subdivision 7.

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

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

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Solberg
Anderson, G.	Evans	Kostohryz	Peterson	Sparby
Anderson, R.	Findlay	Krueger	Piepho	Stadum
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Larsen	Price	Sviggum
Begich	Frerichs	Levi	Quinn	Swanson
Bennett	Graba	Long	Quist	Thiede
Bergstrom	Greenfield	Ludeman	Redalen	Tomlinson
Berkelman	Gruenes	Mann	Reif	Tunheim
Bishop	Gustafson	Marsh	Rice	Uphus
Blatz	Gutknecht	McDonald	Riveness	Valan
Brandl	Halberg	McEachern	Rodosovich	Valento
Brinkman	Haukoos	McKasy	Rodriguez, C.	Vanasek
Burger	Heap	Metzen	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Minne	Rose	Voss
Carlson, L.	Himle	Munger	St. Onge	Waltman
Clark, J.	Hoberg	Murphy	Sarna	Welch
Clark, K.	Hoffman	Nelson, D.	Schafer	Welker
Clawson	Hokr	Nelson, K.	Scheid	Welle
Cohen	Jacobs	Neuenschwander	Schoenfeld	Wenzel
Coleman	Jennings	O'Connor	Schreiber	Wigley
Dempsey	Jensen	Ogren	Segal	Wynia
DenOuden	Johnson	Olsen	Shaver	Zaffke
Dimler	Kahn	Omann	Shea	Speaker, Sieben
Eken	Kalis	Onnen	Sherman	
Elioff	Kelly	Osthoff	Simoneau	
Ellingson	Knickerbocker	Otis	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 592, A bill for an act relating to utilities; providing a penalty for failure to relinquish a coin-operated telephone for an emergency and other telephone-related situations; amending Minnesota Statutes 1982, section 609.78.

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:

Anderson, B.	Clark, J.	Graba	Johnson	McKasy
Anderson, G.	Clark, K.	Greenfield	Kahn	Metzen
Anderson, R.	Clawson	Gruenes	Kalis	Minne
Battaglia	Cohen	Gustafson	Kelly	Munger
Beard	Coleman	Gutknecht	Knickerbocker	Murphy
Begich	DenOuden	Halberg	Knuth	Nelson, D.
Bennett	Dimler	Haukoos	Kostohryz	Nelson, K.
Bergstrom	Eken	Heap	Krueger	Neuenschwander
Berkelman	Elioff	Heinitz	Kvam	O'Connor
Bishop	Ellingson	Himle	Larsen	Ogren
Blatz	Erickson	Hoberg	Levi	Olsen
Brandl	Evans	Hoffman	Long	Omann
Brinkman	Findlay	Hokr	Ludeman	Onnen
Burger	Fjoslien	Jacobs	Mann	Osthoff
Carlson, D.	Forsythe	Jennings	McDonald	Otis
Carlson, L.	Frerichs	Jensen	McEachern	Pauly

Peterson	Rodosovich	Segal	Sviggum	Waltman
Piepho	Rodriguez, C.	Shaver	Swanson	Welch
Piper	Rodriguez, F.	Shea	Thiede	Welle
Price	Rose	Sherman	Tomlinson	Wenzel
Quinn	St. Onge	Simoneau	Tunheim	Wigley
Quist	Sarna	Skoglund	Uphus	Wynia
Redalen	Schafer	Solberg	Valan	Zaffke
Reif	Scheid	Sparby	Valento	Speaker Sieben
Rice	Schoenfeld	Stadum	Vanasek	
Riveness	Schreiber	Staten	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 598, A bill for an act relating to public welfare; clarifying responsibility for payment for temporary confinement in state hospitals; amending Minnesota Statutes 1982, section 253B.11, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Solberg
Anderson, G.	Evans	Kostohryz	Peterson	Sparby
Anderson, R.	Findlay	Krueger	Piepho	Stadum
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Larsen	Price	Sviggum
Begich	Frerichs	Levi	Quinn	Swanson
Bennett	Graba	Long	Quist	Thiede
Bergstrom	Greenfield	Ludeman	Redalen	Tomlinson
Berkelman	Gruenes	Mann	Reif	Tunheim
Bishop	Gustafson	Marsh	Rice	Uphus
Blatz	Gutknecht	McDonald	Riveness	Valan
Brandl	Halberg	McEachern	Rodosovich	Valento
Brinkman	Haukoos	McKasy	Rodriguez, C.	Vanasek
Burger	Heap	Metzen	Rodriguez, F.	Vellenga
Carlson, D.	Heinitz	Minne	Rose	Voss
Carlson, L.	Himle	Munger	St. Onge	Waltman
Clark, J.	Hoberg	Murphy	Sarna	Welch
Clark, K.	Hoffman	Nelson, D.	Schafer	Welker
Clawson	Hokr	Nelson, K.	Scheid	Welle
Cohen	Jacobs	Neuenschwander	Schoenfeld	Wenzel
Coleman	Jennings	O'Connor	Schreiber	Wigley
Dempsey	Jensen	Ogren	Segal	Wynia
DenOuden	Johnson	Olsen	Shaver	Zaffke
Dimler	Kahn	Omann	Shea	Speaker Sieben
Eken	Kalis	Onnen	Sherman	
Elioff	Kelly	Osthoff	Simoneau	
Ellingson	Knickerbocker	Otis	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 725, A bill for an act relating to transportation; classifying right-of-way appraisals as confidential data; regulating the conveyancing and leasing of certain rights-of-way; providing that the consideration to be paid upon reconveyance be

equal to the estimated current market value of the property reconveyed; authorizing the acquisition of fee title under certain conditions; authorizing the lease of certain easements and providing for the distribution of rents; providing for the alteration of public drainage systems affecting trunk highways; authorizing fees for and the services of a licensed real estate broker for disposing of right-of-way; authorizing the commissioner to convey land to a utility under certain circumstances; amending Minnesota Statutes 1982, sections 13.50, subdivision 1; 161.202, subdivision 4; 161.241, subdivision 4; 161.28, subdivision 1; 161.43; 161.44, subdivisions 2 and 9, and by adding a subdivision; 161.46, subdivision 4; and proposing new law coded in Minnesota Statutes, chapter 161.

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

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

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Solberg
Anderson, G.	Evans	Kostohryz	Peterson	Sparby
Anderson, R.	Findlay	Krueger	Piepho	Stadium
Battaglia	Fjoslien	Kvam	Piper	Staten
Beard	Forsythe	Larsen	Price	Swiggum
Begich	Frerichs	Levi	Quinn	Swanson
Bennett	Graba	Long	Quist	Thiede
Bergstrom	Greenfield	Ludeman	Redalen	Tomlinson
Berkelman	Gruenes	Mann	Reif	Tunheim
Bishop	Gustafson	Marsh	Rice	Uphus
Blatz	Gutknecht	McDonald	Riveness	Valan
Brandl	Halberg	McEachern	Rodosovich	Valento
Brinkman	Haukoos	McKasy	Rodriguez, C.	Vanasek
Burger	Heap	Metzen	Rodriguez, F.	Vellenga
Carlson, D.	Heinritz	Minne	Rose	Voss
Carlson, L.	Himle	Munger	St. Onge	Waltman
Clark, J.	Hoberg	Murphy	Sarna	Welch
Clark, K.	Hoffman	Nelson, D.	Schafer	Welker
Clawson	Hokr	Nelson, K.	Scheid	Welle
Cohen	Jacobs	Neuenschwander	Schoenfeld	Wenzel
Coleman	Jennings	O'Connor	Schreiber	Wigley
Dempsey	Jensen	Ogren	Segal	Wynia
DenOuden	Johnson	Olsen	Shaver	Zaffke
Dimler	Kahn	Omann	Shea	Speaker Sieben
Eken	Kalis	Onnen	Sherman	
Elioff	Kelly	Osthoff	Simoneau	
Ellingson	Knickerbocker	Otis	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 730, A bill for an act relating to drivers licenses; prohibiting the operation of a motor vehicle in this state by either a resident or nonresident whose license has been revoked, suspended, or cancelled until Minnesota driving privileges are reinstated; amending Minnesota Statutes 1982, section 171.20,

subdivision 2; repealing Minnesota Statutes 1982, section 171.181, 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 118 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Otis	Simoneau
Anderson, G.	Erickson	Kostohryz	Pauly	Skoglund
Anderson, R.	Evans	Krueger	Peterson	Solberg
Battaglia	Findlay	Larsen	Piepho	Sparby
Beard	Fjoslien	Levi	Piper	Stadum
Begich	Forsythe	Long	Price	Staten
Bennett	Graba	Mann	Quinn	Swiggum
Bergstrom	Greenfield	Marsh	Redalen	Swanson
Berkelman	Gruenes	McDonald	Reif	Tomlinson
Blatz	Gustafson	McEachern	Rice	Tunheim
Brandl	Halberg	McKasy	Riveness	Uphus
Brinkman	Haukoos	Metzen	Rodosovich	Valento
Burger	Heap	Minne	Rodriguez, C.	Vanasek
Carlson, D.	Himle	Munger	Rodriguez, F.	Vellenga
Carlson, L.	Hoberg	Murphy	Rose	Voss
Clark, J.	Hoffman	Nelson, D.	St. Onge	Waltman
Clark, K.	Jacobs	Nelson, K.	Sarna	Welch
Clawson	Jennings	Neuenschwander	Schoenfeld	Welle
Cohen	Jensen	O'Connor	Schreiber	Wenzel
Coleman	Johnson	Ogren	Seaberg	Wigley
Dempsey	Kahn	Olsen	Segal	Wynia
Dimler	Kalis	Omann	Shaver	Speaker Sieben
Eken	Kelly	Onnen	Shea	
Elioff	Knickerbocker	Osthoff	Sherman	

Those who voted in the negative were:

DenOuden	Kvam	Schafer	Thiede	Welker
Frerichs	Quist			

The bill was passed and its title agreed to.

H. F. No. 749, A bill for an act relating to the city of Fergus Falls; authorizing the city to issue general obligations to finance a solid waste disposal facility.

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:

Anderson, B.	Anderson, R.	Beard	Bennett	Bishop
Anderson, G.	Battaglia	Begich	Bergstrom	Blatz

Brandl	Gustafson	Mann	Quist	Staten
Brinkman	Gutknecht	Marsh	Redalen	Sviggum
Burger	Halberg	McDonald	Reif	Swanson
Carlson, D.	Haukoos	McEachern	Rice	Thiede
Carlson, L.	Heap	McKasy	Riveness	Tomlinson
Clark, J.	Heinitz	Metzen	Rodosovich	Tunheim
Clark, K.	Himle	Minne	Rodriguez, C.	Uphus
Clawson	Hoberg	Munger	Rodriguez, F.	Valan
Cohen	Hoffman	Murphy	Rose	Valento
Coleman	Hokr	Nelson, D.	St. Onge	Vanasek
Dempsey	Jacobs	Nelson, K.	Sarna	Vellenga
DenOuden	Jennings	Neuenschwander	Schafer	Voss
Dimler	Jensen	O'Connor	Scheid	Waltman
Eken	Johnson	Ogren	Schoenfeld	Welch
Elioff	Kahn	Olsen	Schreiber	Welker
Ellingson	Kalis	Omman	Seaberg	Welle
Erickson	Kelly	Onnen	Segal	Wenzel
Evans	Knickerbocker	Osthoff	Shaver	Wigley
Findlay	Knuth	Otis	Shea	Wynia
Fjoslien	Kostohryz	Pauly	Sherman	Zaffke
Forsythe	Krueger	Peterson	Simoneau	Speaker Sieben
Frerichs	Larsen	Piepho	Skoglund	
Graba	Levi	Piper	Solberg	
Greenfield	Long	Price	Sparby	
Grüenes	Ludeman	Quinn	Stadum	

The bill was passed and its title agreed to.

H. F. No. 801, A bill for an act relating to financial institutions; authorizing electronic financial terminals at locations other than retail locations established by persons other than retailers; amending Minnesota Statutes 1982, sections 47.62, subdivision 1; and 47.64, subdivision 3; repealing Minnesota Statutes 1982, section 47.61, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clawson	Gustafson	Knuth	Nelson, K.
Anderson, G.	Cohen	Gutknecht	Kostohryz	Neuenschwander
Anderson, R.	Coleman	Halberg	Krueger	O'Connor
Battaglia	Dempsey	Haukoos	Kvam	Ogren
Beard	DenOuden	Heap	Larsen	Olsen
Begich	Dimler	Heinitz	Levi	Omman
Bennett	Eken	Himle	Long	Onnen
Bergstrom	Elioff	Hoberg	Ludeman	Osthoff
Berkelman	Ellingson	Hoffman	Mann	Otis
Bishop	Erickson	Hokr	Marsh	Pauly
Blatz	Evans	Jacobs	McDonald	Peterson
Brandl	Findlay	Jennings	McEachern	Piepho
Brinkman	Fjoslien	Jensen	McKasy	Price
Burger	Forsythe	Johnson	Metzen	Quinn
Carlson, D.	Frerichs	Kahn	Minne	Quist
Carlson, L.	Graba	Kalis	Munger	Redalen
Clark, J.	Greenfield	Kelly	Murphy	Reif
Clark, K.	Grüenes	Knickerbocker	Nelson, D.	Rice

Riveness	Schoenfeld	Solberg	Uphus	Welle
Rodosovich	Schreiber	Sparby	Valan	Wenzel
Rodriguez, C.	Seaberg	Stadum	Valento	Wigley
Rodriguez, F.	Segal	Staten	Vanasek	Wynia
Rose	Shaver	Sviggum	Vellenga	Zaffke
St. Onge	Shea	Swanson	Voss	Speaker Sieben
Sarna	Sherman	Thiede	Waltman	
Schafer	Simoneau	Tomlinson	Welch	
Scheid	Skoglund	Tunheim	Welker	

The bill was passed and its title agreed to.

H. F. No. 804, A bill for an act relating to courts; providing for transcript fees; amending Minnesota Statutes 1982, section 486.06.

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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kostohryz	Pauly	Solberg
Anderson, G.	Findlay	Krueger	Peterson	Sparby
Anderson, R.	Fjoslien	Kvam	Piepho	Stadum
Battaglia	Forsythe	Larsen	Piper	Staten
Beard	Frerichs	Levi	Price	Sviggum
Begich	Graba	Long	Quist	Swanson
Bennett	Greenfield	Ludeman	Redalen	Thiede
Berkelman	Gruenes	Mann	Reif	Tomlinson
Bishop	Gustafson	Marsh	Rice	Tunheim
Blatz	Gutknecht	McDonald	Riveness	Uphus
Brandl	Halberg	McEachern	Rodosovich	Valan
Brinkman	Haukoos	McKasy	Rodriguez, C.	Valento
Burger	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Minne	Rose	Vellenga
Carlson, L.	Himle	Munger	St. Onge	Voss
Clark, J.	Hoberg	Murphy	Schafer	Waltman
Clark, K.	Hoffman	Nelson, D.	Scheid	Welch
Clawson	Hokr	Nelson, K.	Schoenfeld	Welker
Cohen	Jacobs	Neuenschwander	Schreiber	Welle
Coleman	Jennings	O'Connor	Seaberg	Wenzel
Dempsey	Jensen	Ogren	Segal	Wigley
DenOuden	Johnson	Olsen	Shaver	Wynia
Dimler	Kahn	Omann	Shea	Zaffke
Eken	Kelly	Onnen	Sherman	Speaker Sieben
Elioff	Knickerbocker	Osthoff	Simoneau	
Ellingson	Knuth	Otis	Skoglund	

Those who voted in the negative were:

Evans Sarna

The bill was passed and its title agreed to.

H. F. No. 836, A bill for an act relating to the legislative reference library; permitting the library to require certain identifica-

tion of documents deposited; amending Minnesota Statutes 1982, sections 3.195; and 3.302, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Skoglund
Anderson, G.	Evans	Kostohryz	Peterson	Solberg
Anderson, R.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Stadum
Beard	Forsythe	Larsen	Price	Staten
Begich	Frerichs	Levi	Quinn	Sviggum
Bennett	Graba	Long	Quist	Swanson
Bergstrom	Greenfield	Ludeman	Redalen	Thiede
Berkelman	Gruenes	Mann	Reif	Tomlinson
Bishop	Gustafson	Marsh	Rice	Tunheim
Blatz	Gutknecht	McDonald	Riveness	Uphus
Brandl	Halberg	McEachern	Rodosovich	Valan
Brinkman	Haukoos	McKasy	Rodriguez, C.	Valento
Burger	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Minne	Rose	Vellenga
Carlson, L.	Himle	Munger	St. Onge	Voss
Clark, J.	Hoberg	Murphy	Sarna	Waltman
Clark, K.	Hoffman	Nelson, D.	Schafer	Welch
Clawson	Hokr	Nelson, K.	Scheid	Welker
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Jensen	Ogren	Seaberg	Wigley
DenOuden	Johnson	Olsen	Segal	Wynia
Dinler	Kahn	Omann	Shaver	Zaffke
Eken	Kalis	Onnen	Shea	Speaker Sieben
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 838, A bill for an act relating to transportation; conforming with federal requirements allowing a state authority to exercise jurisdiction over intrastate transportation provided by rail carrier; amending Minnesota Statutes 1982, sections 218.031, subdivision 1; 218.041, subdivision 2; and 218.071, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Anderson, R.	Beard	Bennett	Berkelman
Anderson, G.	Battaglia	Begich	Bergstrom	Bishop

Blatz	Gruenes	Long	Quinn	Stadum
Brandl	Gustafson	Mann	Quist	Staten
Brinkman	Gutknecht	Marsh	Redalen	Sviggun
Burger	Halberg	McDonald	Reif	Swanson
Carlson, D.	Haukoos	McEachern	Rice	Thiede
Carlson, L.	Heap	McKasy	Riveness	Tomlinson
Clark, J.	Heinitz	Metzen	Rodosovich	Tunheim
Clark, K.	Himle	Minne	Rodriguez, C.	Uphus
Clawson	Hoberg	Munger	Rodriguez, F.	Valan
Cohen	Hoffman	Murphy	Rose	Valento
Coleman	Hokr	Nelson, D.	St. Onge	Vanasek
Dempsey	Jacobs	Nelson, K.	Sarna	Vellenga
DenOuden	Jennings	Neuenschwander	Schafer	Voss
Dimler	Jensen	O'Connor	Scheid	Waltman
Eken	Johnson	Ogren	Schoenfeld	Welch
Elioff	Kahn	Olsen	Schreiber	Welker
Ellingson	Kalis	Omann	Seaberg	Welle
Erickson	Kelly	Onnen	Segal	Wenzel
Evans	Knickerbocker	Osthoff	Shaver	Wigley
Findlay	Knuth	Otis	Shea	Wynia
Fjoslien	Kostohryz	Pauly	Sherman	Zaffke
Forsythe	Krueger	Peterson	Simoneau	Speaker Sieben
Frerichs	Kvam	Piepho	Skoglund	
Graba	Larsen	Piper	Solberg	
Greenfield	Levi	Price	Sparby	

The bill was passed and its title agreed to.

H. F. No. 859 was reported to the House.

Kostohryz moved that H. F. No. 859 be continued one day. The motion prevailed.

H. F. No. 870, A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, 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 125 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Burger	Erickson	Heap	Knuth
Anderson, G.	Carlson, D.	Evans	Heinitz	Kostohryz
Anderson, R.	Carlson, L.	Findlay	Himle	Krueger
Battaglia	Clark, J.	Fjoslien	Hoberg	Kvam
Beard	Clark, K.	Forsythe	Hoffman	Larsen
Begich	Clawson	Frerichs	Hokr	Levi
Bennett	Cohen	Graba	Jacobs	Long
Bergstrom	Coleman	Greenfield	Jensen	Mann
Berkelman	Dempsey	Gruenes	Johnson	Marsh
Bishop	Dimler	Gustafson	Kahn	McDonald
Blatz	Eken	Gutknecht	Kalis	McEachern
Brandl	Elioff	Halberg	Kelly	McKasy
Brinkman	Ellingson	Haukoos	Knickerbocker	Metzen

Minne	Otis	Rodosovich	Shea	Uphus
Munger	Pauly	Rodriguez, C.	Sherman	Valan
Murphy	Peterson	Rodriguez, F.	Simoneau	Valento
Nelson, D.	Piepho	Rose	Skoglund	Vanasek
Nelson, K.	Piper	St. Onge	Solberg	Vellenga
Neuenschwander	Price	Sarna	Sparby	Voss
O'Connor	Quinn	Scheid	Stadum	Welch
Ogren	Quist	Schoenfeld	Staten	Welle
Olsen	Redalen	Schreiber	Swiggum	Wenzel
Omman	Reif	Seaberg	Swanson	Wigley
Onnen	Rice	Segal	Tomlinson	Wynia
Osthoff	Riveness	Shaver	Tunheim	Speaker Sieben

Those who voted in the negative were:

DenOuden	Ludeman	Thiede	Welker	Zaffke
Jennings	Schafer	Waltman		

The bill was passed and its title agreed to.

H. F. No. 903, A bill for an act relating to insurance; removing obsolete statutory provisions regulating assessment benefit associations; repealing Minnesota Statutes 1982, sections 63.01 to 63.35.

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

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

Those who voted in the affirmative were:

Anderson, B.	Evans	Kostohryz	Peterson	Solberg
Anderson, G.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Stadum
Beard	Forsythe	Larsen	Price	Staten
Begich	Frerichs	Levi	Quinn	Swiggum
Bennett	Graba	Long	Quist	Swanson
Bergstrom	Greenfield	Ludeman	Redalen	Thiede
Berkelman	Gruenes	Mann	Reif	Tomlinson
Bishop	Gustafson	Marsh	Rice	Tunheim
Blatz	Gutknecht	McDonald	Riveness	Uphus
Brandl	Halberg	McEachern	Rodosovich	Valan
Brinkman	Haukoos	McKasy	Rodriguez, C.	Valento
Burger	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Minne	Rose	Vellenga
Carlson, L.	Himle	Munger	St. Onge	Voss
Clark, J.	Hoberg	Murphy	Sarna	Waltman
Clark, K.	Hoffman	Nelson, D.	Schafer	Welch
Clawson	Hokr	Nelson, K.	Scheid	Welker
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Jensen	Ogren	Seaberg	Wigley
DenOuden	Johnson	Olsen	Segal	Wynia
Dimler	Kahn	Omman	Shaver	Zaffke
Eken	Kalis	Onnen	Shea	Speaker Sieben
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	
Erickson	Knuth	Pauly	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 909, A bill for an act relating to the range association of municipalities and schools; defining its permitted area; amending Minnesota Statutes 1982, section 471.58.

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:

Anderson, B.	Ellingson	Knickerbocker	Otis	Simoneau
Anderson, G.	Erickson	Knuth	Pauly	Skoglund
Anderson, R.	Evans	Kostohryz	Peterson	Solberg
Battaglia	Findlay	Krueger	Piepho	Sparby
Beard	Fjoslien	Kvam	Piper	Stadum
Begich	Forsythe	Larsen	Quinn	Staten
Bennett	Frerichs	Levi	Quist	Sviggum
Bergstrom	Graba	Long	Redalen	Swanson
Berkelman	Greenfield	Ludeman	Reif	Thiede
Bishop	Gruenes	Mann	Rice	Tomlinson
Blatz	Gustafson	Marsh	Riveness	Tunheim
Brandl	Gutknecht	McEachern	Rodosovich	Uphus
Brinkman	Halberg	McKasy	Rodriguez, C.	Valan
Burger	Haukoos	Metzen	Rodriguez, F.	Valento
Carlson, D.	Heap	Minne	Rose	Vanasek
Carlson, L.	Heinitz	Munger	St. Onge	Vellenga
Clark, J.	Himle	Murphy	Sarna	Voss
Clark, K.	Hoberg	Nelson, D.	Schafer	Waltman
Clawson	Hoffman	Nelson, K.	Scheid	Welch
Cohen	Hokr	Neuenschwander	Schoenfeld	Welker
Coleman	Jacobs	O'Connor	Schreiber	Welle
Dempsey	Jennings	Ogren	Seaberg	Wenzel
DenOuden	Jensen	Olsen	Segal	Wigley
Dimler	Johnson	Omann	Shaver	Wynia
Eken	Kalis	Onnen	Shea	Zaffke
Elioff	Kelly	Osthoff	Sherman	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 953, A bill for an act relating to the city of Silver Bay; authorizing the establishment of detached banking facilities.

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:

Anderson, B.	Anderson, R.	Beard	Bennett	Berkelman
Anderson, G.	Battaglia	Begich	Bergstrom	Bishop

Brandl	Gustafson	Mann	Quist	Staten
Brinkman	Gutknecht	Marsh	Redalen	Sviggum
Burger	Halberg	McDonald	Reif	Swanson
Carlson, D.	Haukoos	McEachern	Rice	Thiede
Carlson, L.	Heap	McKasy	Riveness	Tomlinson
Clark, J.	Heinitz	Metzen	Rodosovich	Tunheim
Clark, K.	Himle	Minne	Rodriguez, C.	Uphus
Clawson	Hoberg	Munger	Rodriguez, F.	Valan
Cohen	Hoffman	Murphy	Rose	Valento
Coleman	Hokr	Nelson, D.	St. Onge	Vanasek
Dempsey	Jacobs	Nelson, K.	Sarna	Vellenga
DenOuden	Jennings	Neuenschwander	Schafer	Voss
Dimler	Jensen	O'Connor	Scheid	Waltman
Eken	Johnson	Ogren	Schoenfeld	Welch
Elioff	Kahn	Olsen	Schreiber	Welker
Ellingson	Kelly	Omman	Seaberg	Welle
Erickson	Knickerbocker	Onnen	Segal	Wenzel
Evans	Knuth	Osthoff	Shaver	Wigley
Findlay	Kostohryz	Otis	Shea	Wynia
Fjoslien	Krueger	Pauly	Sherman	Zaffke
Forsythe	Kvam	Peterson	Simoneau	Speaker Sieben
Frerichs	Larsen	Piepho	Skoglund	
Graba	Levi	Piper	Solberg	
Greenfield	Long	Price	Sparby	
Gruenes	Ludeman	Quinn	Stadum	

The bill was passed and its title agreed to.

H. F. No. 987, A bill for an act relating to public utilities; providing for additional investment authority of bond proceeds; amending Minnesota Statutes 1982, section 216B.49, 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 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dempsey	Hoffman	Minne	Reif
Anderson, G.	Dimler	Jacobs	Munger	Rice
Anderson, R.	Eken	Jennings	Murphy	Riveness
Battaglia	Elioff	Jensen	Nelson, D.	Rodosovich
Beard	Ellingson	Johnson	Nelson, K.	Rodriguez, C.
Begich	Erickson	Kahn	Neuenschwander	Rodriguez, F.
Bennett	Evans	Kelly	O'Connor	Rose
Bergstrom	Findlay	Knickerbocker	Ogren	St. Onge
Berkelman	Fjoslien	Knuth	Olsen	Sarna
Bishop	Forsythe	Kostohryz	Omman	Schafer
Blatz	Graba	Krueger	Onnen	Scheid
Brandl	Greenfield	Kvam	Osthoff	Schoenfeld
Brinkman	Gruenes	Larsen	Otis	Schreiber
Burger	Gustafson	Levi	Pauly	Seaberg
Carlson, D.	Gutknecht	Long	Peterson	Segal
Carlson, L.	Halberg	Mann	Piepho	Shaver
Clark, J.	Haukoos	Marsh	Piper	Shea
Clark, K.	Heap	McDonald	Price	Sherman
Clawson	Heinitz	McEachern	Quinn	Simoneau
Cohen	Himle	McKasy	Quist	Skoglund
Coleman	Hoberg	Metzen	Redalen	Solberg

Sparby	Swanson	Uphus	Vellenga	Wenzel
Stadum	Thiede	Valan	Voss	Wigley
Staten	Tomlinson	Valento	Waltman	Wynia
Sviggum	Tunheim	Vanasek	Welch	Speaker Sieben

Those who voted in the negative were:

DenOuden	Frerichs	Ludeman	Zaffke
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The bill was passed and its title agreed to.

CALENDAR

H. F. No. 239, A bill for an act relating to liquor; extending the date for requiring dram shop insurance; requiring an assigned risk plan and specifying rule making authority of the commissioner of insurance in regard thereto; amending Minnesota Statutes 1982, sections 340.11, subdivision 21, and by adding a subdivision; and 340.353, subdivision 8; and Laws 1982, chapter 528, section 9.

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:

Anderson, B.	Erickson	Knickerbocker	Osthoff	Shea
Anderson, G.	Evans	Knuth	Otis	Sherman
Anderson, R.	Findlay	Kostohryz	Pauly	Simoneau
Battaglia	Fjoslien	Krueger	Peterson	Skoglund
Beard	Forsythe	Kvam	Piepho	Solberg
Begich	Frerichs	Larsen	Piper	Sparby
Bennett	Graba	Levi	Price	Staten
Berkelman	Greenfield	Long	Quinn	Sviggum
Bishop	Gruenes	Ludeman	Quist	Swanson
Blatz	Gustafson	Mann	Redalen	Thiede
Brandl	Gutknecht	Marsh	Reif	Tomlinson
Brinkman	Halberg	McDonald	Rice	Tunheim
Burger	Haukoos	McEachern	Riveness	Uphus
Carlson, D.	Heap	McKasy	Rodosovich	Valan
Carlson, L.	Heinitz	Metzen	Rodriguez, C.	Valento
Clark, J.	Himle	Minne	Rodriguez, F.	Vanasek
Clark, K.	Hoberg	Munger	Rose	Vellenga
Clawson	Hoffman	Murphy	St. Onge	Voss
Cohen	Hokr	Nelson, D.	Sarna	Waltman
Coleman	Jacobs	Nelson, K.	Schafer	Welch
Dempsey	Jennings	Neuenschwander	Scheid	Welker
DenOuden	Jensen	O'Connor	Schoenfeld	Wenzel
Dimler	Johnson	Ogren	Schreiber	Wigley
Eken	Kahn	Olsen	Seaberg	Wynia
Elioff	Kalis	Omann	Segal	Zaffke
Ellingson	Kelly	Onnen	Shaver	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 186, A resolution memorializing the President and Congress to freeze natural gas prices under the Natural Gas Policy Act of 1978 for two years.

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 73 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Larsen	Piper	Solberg
Anderson, R.	Ellingson	Long	Price	Sparby
Battaglia	Graba	Mann	Quinn	Staten
Beard	Greenfield	Metzen	Riveness	Swanson
Begich	Gustafson	Minne	Rodosovich	Tunheim
Bennett	Hoffman	Munger	Rodriguez, C.	Vanasek
Bergstrom	Jacobs	Murphy	Rodriguez, F.	Vellenga
Brinkman	Jensen	Nelson, D.	St. Onge	Voss
Carlson, D.	Kahn	Nelson, K.	Sarna	Welch
Carlson, L.	Kalis	Neuenschwander	Scheid	Welle
Clark, J.	Kelly	O'Connor	Schoenfeld	Wenzel
Clark, K.	Knickerbocker	Ogren	Segal	Wynia
Cohen	Knuth	Osthoff	Shea	Speaker Sieben
Coleman	Kostohryz	Otis	Simoneau	
Eken	Krueger	Peterson	Skoglund	

Those who voted in the negative were:

Bishop	Forsythe	Johnson	Redalen	Thiede
Blatz	Frerichs	Kvam	Reif	Uphus
Burger	Gutknecht	Ludeman	Rose	Valento
Dempsey	Haukoos	McDonald	Schafer	Waltman
DenOuden	Heap	McKasy	Schreiber	Welker
Dimler	Heinitz	Omahn	Seaberg	Wigley
Erickson	Himle	Onnen	Shaver	Zaffke
Evans	Hoberg	Pauly	Sherman	
Findlay	Hokr	Piepho	Stadium	
Fjoslien	Jennings	Quist	Sviggunn	

The bill was passed and its title agreed to.

H. F. No. 159, A bill for an act relating to education; requiring school boards to adopt and review discipline policies including rules of conduct for pupils, and grounds and procedures for removal of pupils from class; amending Minnesota Statutes 1982, section 127.27, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 127.

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 116 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Knuth	Pauly	Skoglund
Anderson, R.	Findlay	Kostohryz	Peterson	Solberg
Battaglia	Fjoslien	Krueger	Piepho	Sparby
Beard	Forsythe	Kvam	Piper	Stadum
Begich	Graba	Levi	Price	Staten
Bennett	Greenfield	Long	Quinn	Swiggum
Bergstrom	Gruenes	Mann	Quist	Swanson
Berkelman	Gustafson	Marsh	Reif	Thiede
Bishop	Gutknecht	McDonald	Riveness	Tomlinson
Blatz	Halberg	McEachern	Rodosovich	Tunheim
Brandl	Heap	McKasy	Rodriguez, C.	Valan
Brinkman	Heinitz	Metzen	Rodriguez, F.	Vanasek
Burger	Himle	Minne	Rose	Vellenga
Carlson, D.	Hoberg	Munger	St. Onge	Voss
Carlson, L.	Hoffman	Murphy	Sarna	Waltman
Clark, J.	Hokr	Nelson, D.	Scheid	Welch
Clark, K.	Jacobs	Nelson, K.	Schoenfeld	Wenzel
Clawson	Jennings	Neuenschwander	Schreiber	Wigley
Cohen	Jensen	O'Connor	Seaberg	Wynia
Coleman	Johnson	Ogren	Segal	Speaker Sieben
Dempsey	Kahn	Omamn	Shaver	
Eken	Kalis	Onnen	Shea	
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	

Those who voted in the negative were:

DenOuden	Frerichs	Redalen	Valento	Zaffke
Dimler	Haukoos	Schafer	Welker	
Erickson	Ludeman	Uphus		

The bill was passed and its title agreed to.

H. F. No. 250 was reported to the House.

There being no objection H. F. No. 250 was continued one day.

H. F. No. 251, A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; updating obsolete language; clarifying ambiguous language; amending Minnesota Statutes 1982, section 423A.01, subdivisions 2 and 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Berkelman	Brinkman	Clark, K.
Anderson, G.	Begich	Bishop	Carlson, D.	Clawson
Anderson, R.	Bennett	Blatz	Carlson, L.	Cohen
Battaglia	Bergstrom	Brandl	Clark, J.	Coleman

Dempsey	Hoffman	Metzen	Reif	Stadum
DenOuden	Hokr	Minne	Rice	Staten
Dimler	Jacobs	Munger	Riveness	Sviggum
Eken	Jennings	Murphy	Rodosovich	Swanson
Elioff	Jensen	Nelson, D.	Rodriguez, C.	Thiede
Ellingson	Johnson	Nelson, K.	Rodriguez, F.	Tomlinson
Erickson	Kalis	Neuenschwander	Rose	Tunheim
Evans	Kelly	O'Connor	St. Onge	Uphus
Findlay	Knickerbocker	Ogren	Sarna	Valan
Fjoslien	Knuth	Olsen	Schafer	Valento
Frerichs	Kostohryz	Omann	Scheid	Vanasek
Graba	Krueger	Onnen	Schoenfeld	Vellenga
Greenfield	Kvam	Osthoff	Schreiber	Voss
Gruenes	Larsen	Otis	Seaberg	Waltman
Gustafson	Levi	Pauly	Segal	Welch
Gutknecht	Long	Peterson	Shaver	Welker
Halberg	Ludeman	Piepho	Shea	Welle
Haukoos	Mann	Piper	Sherman	Wenzel
Heap	Marsh	Price	Simoneau	Wigley
Heinitz	McDonald	Quinn	Skoglund	Wynia
Himle	McEachern	Quist	Solberg	Zaffke
Hoberg	McKasy	Redalen	Sparby	Speaker Sieben

The bill was passed and its title agreed to.

S. F. No. 240, A bill for an act relating to domestic abuse; protecting persons from abuse by former spouses and others; authorizing an arrest for violations of certain orders; amending Minnesota Statutes 1982, section 518B.01, subdivisions 2, 13, and 14.

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:

Anderson, B.	Eken	Jacobs	Minne	Rice
Anderson, C.	Elioff	Jennings	Munger	Riveness
Anderson, R.	Ellingson	Jensen	Murphy	Rodosovich
Battaglia	Erickson	Johnson	Nelson, D.	Rodriguez, C.
Beard	Evans	Kahn	Nelson, K.	Rodriguez, F.
Begich	Findlay	Kalis	Neuenschwander	Rose
Bennett	Fjoslien	Kelly	O'Connor	St. Onge
Berkelman	Forsythe	Knickerbocker	Ogren	Sarna
Bishop	Frerichs	Knuth	Olsen	Schafer
Blatz	Graba	Kostohryz	Omann	Scheid
Brandl	Greenfield	Krueger	Onnen	Schoenfeld
Brinkman	Gruenes	Kvam	Osthoff	Schreiber
Carlson, D.	Gustafson	Larsen	Otis	Seaberg
Carlson, L.	Gutknecht	Levi	Pauly	Segal
Clark, J.	Halberg	Long	Peterson	Shaver
Clark, K.	Haukoos	Ludeman	Piepho	Shea
Clawson	Heap	Mann	Piper	Sherman
Cohen	Heinitz	Marsh	Price	Simoneau
Coleman	Himle	McDonald	Quinn	Skoglund
Dempsey	Hoberg	McEachern	Quist	Solberg
DenOuden	Hoffman	McKasy	Redalen	Sparby
Dimler	Hokr	Metzen	Reif	Stadum

Staten	Tomlinson	Vanasek	Welch	Wigley
Sviggum	Uphus	Vellenga	Welker	Wynia
Swanson	Valan	Voss	Welle	Zaffke
Thiede	Valento	Waltman	Wenzel	Speaker Sieben

The bill was passed and its title agreed to.

H. F. No. 384, A bill for an act relating to retirement; local police and salaried firefighters relief associations; requiring annual valuations; deleting requirement of quadrennial experience studies; removing obsolete language; amending Minnesota Statutes 1982, sections 69.77, subdivision 2; and 356.216.

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:

Anderson, B.	Erickson	Knickerbocker	Osthoft	Sherman
Anderson, G.	Evans	Knuth	Otis	Simoneau
Anderson, R.	Findlay	Kostohryz	Pauly	Skoglund
Battaglia	Fjoslien	Krueger	Peterson	Solberg
Beard	Forsythe	Kvam	Piepho	Spärby
Begich	Frerichs	Larsen	Piper	Stadum
Bennett	Graba	Levi	Price	Staten
Bergstrom	Greenfield	Long	Quinn	Sviggum
Berkelman	Gruenes	Ludeman	Quist	Swanson
Bishop	Gustafson	Mann	Redalen	Thiede
Blatz	Gutknecht	Marsh	Reif	Tomlinson
Brandl	Halberg	McDonald	Rice	Valan
Brinkman	Haukoos	McEachern	Rivenness	Valento
Carlson, D.	Heap	McKasy	Rodosovich	Vanasek
Carlson, L.	Heinitz	Metzen	Rodriguez, C.	Vellenga
Clark, J.	Himle	Minne	Rodriguez, F.	Voss
Clark, K.	Hoberg	Munger	Rose	Waltman
Clawson	Hoffman	Murphy	St. Onge	Welch
Cohen	Hokr	Nelson, D.	Schafer	Welker
Coleman	Jacobs	Nelson, K.	Scheid	Welle
Dempsey	Jennings	Neuenschwander	Schoenfeld	Wenzel
DenOuden	Jensen	O'Connor	Schreiber	Wigley
Dimler	Johnson	Ogren	Seaberg	Wynia
Eken	Kahn	Olsen	Segal	Zaffke
Elioff	Kalis	Omann	Shaver	Speaker Sieben
Ellingson	Kelly	Onnen	Shea	

The bill was passed and its title agreed to.

H. F. No. 491, A bill for an act relating to administrative rule-making; providing for consideration of and participation by small business; proposing new law coded in Minnesota Statutes, chapter 14.

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:

Anderson, B.	Erickson	Knuth	Peterson	Skoglund
Anderson, G.	Evans	Kostohryz	Piepho	Solberg
Anderson, R.	Findlay	Krueger	Piper	Sparby
Battaglia	Fjoslien	Kvam	Price	Stadum
Beard	Forsythe	Larsen	Quinn	Staten
Begich	Frerichs	Levi	Quist	Sviggun
Bennett	Graba	Long	Redalen	Swanson
Bergstrom	Greenfield	Ludeman	Reif	Thiede
Berkelman	Gruenes	Mann	Rice	Tomlinson
Bishop	Gustafson	Marsh	Riveness	Uphus
Blatz	Gutknecht	McDonald	Rodosovich	Valan
Brandl	Halberg	McEachern	Rodriguez, C.	Valento
Brinkman	Haukoos	McKasy	Rodriguez, F.	Vanasek
Carlson, D.	Heap	Metzen	Rose	Vellenga
Carlson, L.	Heinitz	Munger	St. Onge	Voss
Clark, J.	Himle	Murphy	Sarna	Waltman
Clark, K.	Hoberg	Nelson, D.	Schafer	Welch
Clawson	Hoffman	Nelson, K.	Scheid	Welker
Cohen	Hokr	Neuenschwander	Schoenfeld	Welle
Coleman	Jacobs	O'Connor	Schreiber	Wenzel
Dempsey	Jennings	Ogren	Seaberg	Wigley
DenOuden	Jensen	Olsen	Segal	Wynia
Dimler	Johnson	Omann	Shaver	Zaffke
Eken	Kahn	Onnen	Shea	Speaker Sieben
Elioff	Kalis	Otis	Sherman	
Ellingson	Knickerbocker	Pauly	Simoneau	

Those who voted in the negative were:

Osthoff

The bill was passed and its title agreed to.

H. F. No. 521 was reported to the House.

Berkelman moved that H. F. No. 521 be returned to General Orders. The motion prevailed.

H. F. No. 540, A bill for an act relating to crimes; creating the crimes of unlawfully obtaining services from a provider of regular route transit and unlawfully interfering with a transit operator while the operator is performing his or her duties; prohibiting disruptive behavior on a transit vehicle; providing penalties; proposing new law coded in Minnesota Statutes, chapter 609.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Pauly	Skoglund
Anderson, C.	Evans	Kostohryz	Peterson	Solberg
Anderson, R.	Findlay	Krueger	Piepho	Sparby
Battaglia	Fjoslien	Kvam	Piper	Stadum
Beard	Forsythe	Larsen	Price	Staten
Begich	Frerichs	Levi	Quinn	Sviggum
Bennett	Graba	Long	Quist	Swanson
Bergstrom	Greenfield	Ludeman	Redalen	Thiede
Berkelman	Gruenes	Mann	Reif	Tomlinson
Bishop	Gustafson	Marsh	Rice	Tunheim
Blatz	Gutknecht	McDonald	Riveness	Uphus
Brandl	Halberg	McEachern	Rodosovich	Valan
Brinkman	Haukoos	McKasy	Rodriguez, C.	Valento
Burger	Heap	Metzen	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Minne	Rose	Vellenga
Carlson, L.	Himle	Munger	St. Onge	Voss
Clark, J.	Hoberg	Murphy	Sarna	Waltman
Clark, K.	Hoffman	Nelson, D.	Schafer	Welch
Clawson	Hokr	Nelson, K.	Scheid	Welker
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Jensen	Ogren	Seaberg	Wigley
DenOuden	Johnson	Olsen	Segal	Wynia
Dimler	Kahn	Omann	Shaver	Zaffke
Eken	Kalis	Onnen	Shea	Speaker Sieben
Elioff	Kelly	Osthoff	Sherman	
Ellingson	Knickerbocker	Otis	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 610, A bill for an act relating to financial institutions; industrial loan and thrift companies; regulated loans; enlarging the group of institutions which may utilize electronic fund transfer facilities; modifying the capital and reserve limitation on loans by industrial loan and thrift companies; permitting loan and thrifts and regulated lenders to take discount points in certain circumstances; authorizing loan and thrifts to receive savings accounts and savings deposits subject to certain prescribed conditions; regulating loan splitting; eliminating the receipt requirement for money orders; standardizing certain penalties; excepting loan and thrifts and regulated lenders from the licensing requirements for real estate brokers and salespersons; amending Minnesota Statutes 1982, sections 47.61, subdivision 4; 47.64, subdivision 1; 48.196; 53.03, subdivision 5; 53.04, subdivisions 3a and 5; 53.05; 53.07, subdivision 2; 53.10; 56.131, subdivision 3, and by adding a subdivision; 56.14; 56.19, subdivision 1; 80A.15, subdivision 1; and 82.18; repealing Minnesota Statutes 1982, section 56.19, 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 120 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knuth	Osthoﬀ	Shea
Anderson, G.	Ellingson	Kostohryz	Otis	Sherman
Anderson, R.	Erickson	Krueger	Pauly	Solberg
Battaglia	Evans	Kvam	Peterson	Sparby
Beard	Findlay	Levi	Piepho	Stadum
Begich	Fjoslien	Long	Price	Sviggum
Bennett	Forsythe	Ludeman	Quinn	Swanson
Bergstrom	Frerichs	Mann	Quist	Thiede
Berkelman	Graba	Marsh	Redalen	Tomlinson
Bishop	Gruenes	McDonald	Reif	Uphus
Blatz	Gustafson	McEachern	Rice	Valan
Brandl	Halberg	McKasy	Riveness	Valento
Brinkman	Haukoos	Metzen	Rodosovich	Vanasek
Burger	Heap	Minne	Rodriguez, C.	Vellenga
Carlson, D.	Heinitz	Munger	Rodriguez, F.	Voss
Carlson, L.	Himle	Murphy	St. Onge	Waltman
Clark, J.	Hoberg	Nelson, D.	Sarna	Welch
Clark, K.	Hoffman	Nelson, K.	Schafer	Welker
Cohen	Jacobs	Neuenschwander	Scheid	Welle
Coleman	Jennings	O'Connor	Schoenfeld	Wenzel
Dempsey	Jensen	Ogren	Schreiber	Wigley
DenOuden	Johnson	Olsen	Seaberg	Wynia
Dimler	Kalis	Omann	Segal	Zaffke
Eken	Knickerbocker	Onnen	Shaver	Speaker Sieben

Those who voted in the negative were:

Greenfield	Kahn	Kelly	Skoglund	Staten
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The bill was passed and its title agreed to.

H. F. No. 631, A bill for an act relating to Hennepin County; authorizing employees to withdraw from participation in the Hennepin County supplemental retirement fund.

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

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

Those who voted in the affirmative were:

Anderson, B.	Carlson, L.	Fjoslien	Hokr	Long
Anderson, G.	Clark, J.	Forsythe	Jacobs	Ludeman
Anderson, R.	Clark, K.	Frerichs	Jennings	Mann
Battaglia	Clawson	Graba	Jensen	Marsh
Beard	Cohen	Greenfield	Johnson	McDonald
Begich	Coleman	Gruenes	Kahn	McEachern
Bennett	Dempsey	Gustafson	Kalis	McKasy
Bergstrom	DenOuden	Gutknecht	Kelly	Metzen
Berkelman	Dimler	Halberg	Knickerbocker	Minne
Bishop	Eken	Haukoos	Knuth	Munger
Blatz	Elioff	Heap	Kostohryz	Murphy
Brandl	Ellingson	Heinitz	Krueger	Nelson, D.
Brinkman	Erickson	Himle	Kvam	Nelson, K.
Burger	Evans	Hoberg	Larsen	Neuenschwander
Carlson, D.	Findlay	Hoffman	Levi	O'Connor

Ogren	Quist	Scheid	Stadum	Waltman
Olsen	Redalen	Schoenfeld	Staten	Welch
Omann	Reif	Schreiber	Sviggum	Welker
Onnen	Rice	Seaberg	Swanson	Welle
Osthoff	Riveness	Segal	Thiede	Wenzel
Otis	Rodosovich	Shaver	Tomlinson	Wigley
Pauly	Rodriguez, C.	Shea	Uphus	Wynia
Peterson	Rodriguez, F.	Sherman	Valan	Zaffke
Piepho	Rose	Simoneau	Valento	Speaker Sieben
Piper	St. Onge	Skoglund	Vanasek	
Price	Sarna	Solberg	Vellenga	
Quinn	Schafer	Sparby	Voss	

The bill was passed and its title agreed to.

H. F. No. 760, A bill for an act relating to retirement; making various administrative and clarifying amendments to laws governing the Minnesota state retirement system and other retirement plans administered by the system; amending Minnesota Statutes 1982, sections 352.01, subdivisions 11, 16, and 17; 352.021, subdivision 5; 352.113, subdivisions 2, 4, and 6; 352.115, subdivision 8; 352.12, subdivisions 3, 4, and 10; 352.15, subdivision 1; 352.22, subdivision 3; 352.93, subdivision 1; 352.95, subdivisions 4 and 5; 352B.01, subdivisions 3, 9, and 10; 352B.02, subdivision 1; 352B.03, subdivision 2; 352B.05; 352B.07; 352B.071; 352B.08, subdivision 1; 352B.105; 352B.11, subdivisions 1, 4, and by adding a subdivision; 352B.30, subdivision 1; 352D.015, subdivision 9; 352D.02, subdivision 3; 352D.04, subdivision 1; and 490.124, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 352B; repealing Minnesota Statutes 1982, sections 352.041, subdivision 6; 352.115, subdivisions 4 and 5; 352.118; 352.1191; 352.22, subdivision 4; 352.71; 352.93, subdivisions 5 and 6; 352B.01, subdivision 8; 352B.02, subdivision 2; 352B.06; 352B.13; 352B.261; and 352B.262.

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

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

Those who voted in the affirmative were:

Anderson, B.	Carlson, L.	Fjoslien	Hokr	Long
Anderson, G.	Clark, J.	Forsythe	Jacobs	Ludeman
Anderson, R.	Clark, K.	Frerichs	Jennings	Mann
Battaglia	Clawson	Graba	Jensen	Marsh
Beard	Cohen	Greenfield	Johnson	McDonald
Begich	Coleman	Gruenes	Kahn	McEachern
Bennett	Dempsey	Gustafson	Kalis	McKasy
Bergstrom	DenOuden	Gutknecht	Kelly	Metzen
Berkelman	Dimler	Halberg	Knickerbocker	Minne
Bishop	Eken	Haukoos	Knuth	Munger
Blatz	Etioff	Heap	Kostohryz	Murphy
Brandl	Ellingson	Heinitz	Krueger	Nelson, D.
Brinkman	Erickson	Himle	Kvam	Nelson, K.
Burger	Evans	Hoberg	Larsen	Neuenschwander
Carlson, D.	Findlay	Hoffman	Levi	O'Connor

Ogren	Quist	Scheid	Staten	Waltman
Olsen	Redalen	Schreiber	Sviggum	Welch
Omamn	Reif	Seaberg	Swanson	Welker
Onnen	Rice	Segal	Thiede	Welle
Osthoff	Riveness	Shaver	Tomlinson	Wenzel
Otis	Rodosovich	Shea	Tunheim	Wigley
Pauly	Rodriguez, C.	Sherman	Uphus	Wynia
Peterson	Rodriguez, F.	Simoneau	Valan	Zaffke
Piepho	Rose	Skoglund	Valento	Speaker Sieben
Piper	St. Onge	Solberg	Vanasek	
Price	Sarna	Sparby	Vellenga	
Quinn	Schafer	Stadum	Voss	

The bill was passed and its title agreed to.

H. F. No. 830, A bill for an act relating to manufactured homes; clarifying the prohibition of net listing agreements; adding an appeals provision; correcting cross-references; amending Minnesota Statutes 1982, sections 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivisions 1 and 2, and by adding a subdivision; 327B.07, subdivision 1; and 327B.09, subdivisions 1 and 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 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Pauly	Simoneau
Anderson, G.	Evans	Kostohryz	Peterson	Skoglund
Anderson, R.	Findlay	Krueger	Piepho	Solberg
Battaglia	Fjoslien	Kvam	Piper	Sparby
Beard	Forsythe	Larsen	Price	Stadum
Begich	Frerichs	Levi	Quinn	Staten
Bennett	Graba	Long	Quist	Sviggum
Bergstrom	Greenfield	Mann	Redalen	Swanson
Berkelman	Gruenes	Marsh	Reif	Tomlinson
Bishop	Gustafson	McDonald	Rice	Tunheim
Blatz	Gutknecht	McEachern	Riveness	Uphus
Brandl	Halberg	McKasy	Rodosovich	Valan
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valento
Burger	Heap	Minnie	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Munger	Rose	Vellenga
Carlson, L.	Himle	Murphy	St. Onge	Voss
Clark, J.	Hoberg	Nelson, D.	Sarna	Waltman
Clark, K.	Hoffman	Nelson, K.	Schafer	Welch
Clawson	Hokr	Neuenschwander	Scheid	Welle
Cohen	Jacobs	O'Connor	Schoenfeld	Wenzel
Coleman	Jensen	Ogren	Schreiber	Wigley
Dempsey	Johnson	Olsen	Seaberg	Wynia
DenOuden	Kahn	Omamn	Segal	Speaker Sieben
Dimler	Kalis	Onnen	Shaver	
Eken	Kelly	Osthoff	Shea	
Elioff	Knickerbocker	Otis	Sherman	

Those who voted in the negative were:

Erickson	Jennings	Ludeman	Welker	Zaffke
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The bill was passed and its title agreed to.

H. F. No. 230, A bill for an act relating to insurance; prohibiting sex discrimination under Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1982, section 62E.08, 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 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellingson	Knuth	Otis	Sherman
Anderson, G.	Erickson	Kostohryz	Pauly	Simoneau
Anderson, R.	Evans	Krueger	Peterson	Skogiund
Battaglia	Findlay	Kvam	Piepho	Solberg
Beard	Fjoslien	Larsen	Piper	Sparby
Begich	Forsythe	Levi	Price	Stadum
Bennett	Graba	Long	Quinn	Staten
Bergstrom	Greenfield	Ludeman	Quist	Sviggum
Berkelman	Gruenes	Mann	Redalen	Swanson
Bishop	Gustafson	Marsh	Reif	Thiede
Blatz	Gutknecht	McDonald	Rice	Tomlinson
Brandl	Halberg	McEachern	Riveness	Tunheim
Brinkman	Haukoos	McKasy	Rodosovich	Uphus
Burger	Heap	Metzen	Rodriguez, C.	Valan
Carlson, D.	Heinitz	Minne	Rodriguez, F.	Valento
Carlson, L.	Himle	Munger	Rose	Vanasek
Clark, J.	Hoberg	Murphy	St. Onge	Vellenga
Clark, K.	Hoffman	Nelson, D.	Sarna	Voss
Clawson	Hokr	Nelson, K.	Schafer	Waltman
Cohen	Jacobs	Neuenschwander	Scheid	Welch
Coleman	Jennings	O'Connor	Schoenfeld	Welle
Dempsey	Jensen	Ogren	Schreiber	Wenzel
DenOuden	Johnson	Olsen	Seaberg	Wigley
Dimler	Kalis	Omann	Segal	Wynia
Eken	Kelly	Onnen	Shaver	Speaker Sieben
Elioff	Knickerbocker	Osthoff	Shea	

Those who voted in the negative were:

Frerichs	Welker
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The bill was passed and its title agreed to.

H. F. No. 558, A bill for an act relating to commerce; altering certain interest rate provisions on renegotiations of conventional and cooperative apartment loans and contracts for deed; amending Minnesota Statutes 1982, section 47.20, subdivision 4a.

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

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

Those who voted in the affirmative were:

Anderson, B.	Erickson	Kostohryz	Peterson	Solberg
Anderson, G.	Evans	Krueger	Piepho	Sparby
Anderson, R.	Findlay	Kvam	Piper	Stadum
Battaglia	Fjoslien	Larsen	Price	Staten
Beard	Forsythe	Levi	Quinn	Svigum
Begich	Frerichs	Long	Quist	Swanson
Bennett	Graba	Ludeman	Redalen	Thiede
Bergstrom	Greenfield	Mann	Reif	Tomlinson
Berkelman	Gruenes	Marsh	Rice	Tunheim
Bishop	Gustafson	McDonald	Riveness	Uphus
Blatz	Gutknecht	McEachern	Rodosovich	Valan
Brandl	Halberg	McKasy	Rodriguez, C.	Valento
Brinkman	Haukoos	Metzen	Rodriguez, F.	Vanasek
Burger	Heap	Minne	Rose	Vellenga
Carlson, D.	Heinitz	Munger	St. Onge	Voss
Carlson, L.	Himle	Murphy	Sarna	Waltman
Clark, J.	Hoberg	Nelson, D.	Schafer	Welch
Clark, K.	Hoffman	Nelson, K.	Scheid	Welker
Clawson	Hokr	Neuenschwander	Schoenfeld	Welle
Cohen	Jacobs	O'Connor	Schreiber	Wenzel
Coleman	Jennings	Ogren	Seaberg	Wigley
Dempsey	Jensen	Olsen	Segal	Wynia
DenOuden	Johnson	Omann	Shaver	Zaffke
Dimler	Kalis	Onnen	Shea	Speaker Sieben
Eken	Kelly	Osthoff	Sherman	
Elioff	Knickerbocker	Otis	Simoneau	
Ellingson	Knuth	Pauly	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 605 was reported to the House and given its third reading.

Piepho moved that H. F. No. 605 be continued one day. The motion prevailed.

H. F. No. 697, A bill for an act relating to the city of St. Paul; providing for facilities, bonding, powers, and duties of the St. Paul port authority; amending Laws 1976, chapter 234, section 3, 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 111 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Elioff	Knuth	Otis	Sherman
Anderson, G.	Ellingson	Kostohryz	Pauly	Simoneau
Anderson, R.	Evans	Krueger	Peterson	Skoglund
Battaglia	Findlay	Kvam	Piepho	Solberg
Beard	Fjoslien	Larsen	Piper	Sparby
Begich	Forsythe	Levi	Price	Staten
Bennett	Graba	Long	Quinn	Swanson
Bergstrom	Greenfield	Mann	Quist	Tomlinson
Berkelman	Gruenes	Marsh	Redalen	Tunheim
Bishop	Gustafson	McEachern	Reif	Uphus
Blatz	Gutknecht	McKasy	Rice	Valan
Brandl	Halberg	Metzen	Riveness	Vanasek
Brinkman	Heap	Minne	Rodosovich	Vellenga
Burger	Heinitz	Munger	Rodriguez, C.	Voss
Carlson, D.	Himle	Murphy	Rodriguez, F.	Welch
Carlson, L.	Hoberg	Nelson, D.	Rose	Welle
Clark, J.	Hoffman	Nelson, K.	St. Onge	Wenzel
Clark, K.	Jacobs	Neuenschwander	Sarna	Wigley
Clawson	Jensen	O'Connor	Scheid	Speaker Sieben
Cohen	Johnson	Ogren	Schoenfeld	
Coleman	Kalis	Olsen	Seaberg	
Dimler	Kelly	Omann	Segal	
Eken	Knickerbocker	Osthoff	Shaver	

Those who voted in the negative were:

Dempsey	Haukoos	McDonald	Shea	Waltman
DenOuden	Hokr	Onnen	Stadum	Weker
Erickson	Jennings	Schafer	Thiede	Wynia
Frerichs	Ludeman	Schreiber	Valento	Zaffke

The bill was passed and its title agreed to.

H. F. No. 721, A bill for an act relating to the city of Babbitt; authorizing the establishment of detached banking facilities.

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:

Anderson, B.	Carlson, L.	Findlay	Hoberg	Larsen
Anderson, G.	Clark, J.	Fjoslien	Hoffman	Levi
Anderson, R.	Clark, K.	Forsythe	Hokr	Long
Battaglia	Clawson	Frerichs	Jacobs	Ludeman
Beard	Cohen	Graba	Jennings	Mann
Begich	Coleman	Greenfield	Jensen	Marsh
Bennett	Dempsey	Gruenes	Johnson	McDonald
Bergstrom	DenOuden	Gustafson	Kalis	McEachern
Berkelman	Dimler	Gutknecht	Kelly	McKasy
Bishop	Eken	Halberg	Knickerbocker	Metzen
Blatz	Elioff	Haukoos	Knuth	Minne
Brandl	Ellingson	Heap	Kostohryz	Munger
Brinkman	Erickson	Heinitz	Krueger	Murphy
Burger	Evans	Himle	Kvam	Nelson, D.

Nelson, K.	Price	Schafer	Stadum	Waltman
Neuenschwander	Quinn	Scheid	Staten	Welch
O'Connor	Quist	Schoenfeld	Sviggum	Welker
Ogren	Redalen	Schreiber	Swanson	Welle
Olsen	Reif	Seaberg	Thiede	Wenzel
Omann	Rice	Segal	Tomlinson	Wigley
Onnen	Riveness	Shaver	Tunheim	Wynia
Osthoff	Rodosovich	Shea	Uphus	Zaffke
Otis	Rodriguez, C.	Sherman	Valan	Speaker Sieben
Pauly	Rodriguez, F.	Simoneau	Valento	
Peterson	Rose	Skoglund	Vanasek	
Piepho	St. Onge	Solberg	Vellenga	
Piper	Sarna	Sparby	Voss	

The bill was passed and its title agreed to.

H. F. No. 787, A bill for an act relating to metropolitan government; regulating the organization, duties, and powers of the metropolitan mosquito control district and commission; amending Minnesota Statutes 1982, sections 473.702; 473.703, subdivisions 1 and 9; 473.704, subdivision 13; 473.711, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 473.

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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Otis	Simoneau
Anderson, G.	Evans	Kostohryz	Pauly	Skoglund
Anderson, R.	Findlay	Krueger	Peterson	Solberg
Battaglia	Fjoslien	Kvam	Piepho	Sparby
Beard	Forsythe	Larsen	Piper	Stadum
Begich	Frerichs	Levi	Price	Staten
Bennett	Graba	Long	Quinn	Sviggum
Bergstrom	Greenfield	Ludeman	Quist	Swanson
Berkelman	Gruenes	Mann	Redalen	Thiede
Bishop	Gustafson	Marsh	Reif	Tomlinson
Blatz	Gutknecht	McDonald	Rice	Tunheim
Brandl	Halberg	McEachern	Riveness	Uphus
Brinkman	Haukoos	McKasy	Rodosovich	Valan
Burger	Heap	Metzen	Rodriguez, C.	Valento
Carlson, D.	Heinitz	Munne	Rodriguez, F.	Vanasek
Carlson, L.	Himle	Munger	Rose	Vellenga
Clark, J.	Hoberg	Murphy	St. Onge	Voss
Clark, K.	Hoffman	Nelson, D.	Sarna	Waltman
Clawson	Hokr	Nelson, K.	Scheid	Welch
Cohen	Jacobs	Neuenschwander	Schoenfeld	Welle
Coleman	Jensen	O'Connor	Schreiber	Wenzel
Dempsey	Johnson	Ogren	Seaberg	Wigley
Dimler	Kahn	Olsen	Segal	Wynia
Eken	Kalis	Omann	Shaver	Zaffke
Elioff	Kelly	Onnen	Shea	Speaker Sieben
Ellingson	Knickerbocker	Osthoff	Sherman	

Those who voted in the negative were:

DenOuden	Jennings	Schafer	Welker
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The bill was passed and its title agreed to.

Metzen was excused at 4:00 p.m. Wenzel was excused at 4:10 p.m.

GENERAL ORDERS

Pursuant to rules of the House, the House resolved itself into the Committee of the Whole with Sieben in the Chair for the consideration of bills pending on General Orders of the Day. Wynia presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE 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. No. 412 which it recommended to pass.

H. F. Nos. 474, 521 and 270 which it recommended progress.

H. F. No. 733 which it recommended progress retaining its place on General Orders.

H. F. No. 91 which it recommended to pass with the following amendment offered by Minne:

Page 3, line 19, after the period insert:

"Within 60 days of the effective date of this section, the board of directors of each cooperative electric association shall notify the stockholders of the provisions of this section and shall explain the process for ratification by petition and election as provided in this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

H. F. No. 745 which it recommended to pass with the following amendment offered by Berkelman:

Page 14, after line 8, insert:

"Sec. 17. Minnesota Statutes 1982, section 14.47, subdivision 8, is amended to read:

Subd. 8. [SALES AND DISTRIBUTION OF COMPILATION.] Any compilation, reissue, or supplement published by

the revisor shall be sold by the revisor for a reasonable fee and its proceeds deposited in the general fund. An agency shall purchase from the revisor the number of copies of the compilation or supplement needed by the agency. The revisor shall provide one copy of any compilation or supplement to (ALL MINNESOTA COUNTY LIBRARIES AND TO ANY PUBLIC LIBRARY UPON ITS REQUEST) *each county library maintained pursuant to section 134.12 or 375.33 upon its request, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 134.12 or 375.33, the copy will be provided to any public library in the county upon its request."*

Renumber the remaining section in sequence

Amend the title as follows:

Page 1, line 15, delete the first "and" and insert a comma

Page 1, line 15, after "5" insert ", and 8"

On the motion of Eken the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll calls were taken in the Committee of the Whole:

Minne moved to amend H. F. No. 91, the second engrossment, as follows:

Page 3, delete lines 16 to 19

The question was taken on the amendment and the roll was called. There were 58 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Battaglia	Coleman	Knuth	Osthoff	Skoglund
Beard	Elioff	Kostohryz	Otis	Solberg
Begich	Ellingson	Krueger	Peterson	Staten
Bergstrom	Fjoslien	Long	Piper	Tomlinson
Berkelman	Greenfield	Minne	Quinn	Vanasek
Bishop	Gustafson	Munger	Reif	Vellenga
Brandl	Gutknecht	Murphy	Rice	Voss
Carlson, L.	Hoberg	Nelson, D.	Riveness	Welch
Clark, J.	Hoffman	Nelson, K.	Rodriguez, C.	Wynia
Clark, K.	Jacobs	Neuenschwander	Rodriguez, F.	Speaker Sieben
Clawson	Kahn	O'Connor	Scheid	
Cohen	Kelly	Ogren	Simoneau	

Those who voted in the negative were:

Anderson, B.	Forsythe	Larsen	Rose	Thiede
Anderson, G.	Frerichs	Ludeman	St. Onge	Tunheim
Anderson, R.	Graba	Mann	Sarna	Uphus
Bennett	Gruenes	Marsh	Schafer	Valan
Blatz	Haukoos	McDonald	Schoenfeld	Valento
Brinkman	Heap	McEachern	Schreiber	Waltman
Burger	Heinitz	McKasy	Seaberg	Welker
Carlson, D.	Himle	Metzen	Segal	Welle
Dempsey	Hokr	Olsen	Shaver	Wenzel
DenOuden	Jennings	Omamm	Shea	Wigley
Dimler	Jensen	Onnen	Sherman	Zaffke
Eken	Johnson	Pauly	Sparby	
Erickson	Kalis	Piepho	Stadum	
Evans	Knickerbocker	Quist	Sviggum	
Findlay	Kvam	Redalen	Swanson	

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

The question was taken on the Carlson, D., motion to re-refer H. F. No. 91 to the Committee on Governmental Operations and the roll was called. There were 53 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Graba	Kalis	Piepho	Tunheim
Brinkman	Gruenes	Kvam	Quist	Uphus
Burger	Halberg	Levi	Redalen	Valan
Carlson, D.	Haukoos	Ludeman	Rose	Valento
Dempsey	Heap	Mann	Schafer	Waltman
DenOuden	Heinitz	Marsh	Schoenfeld	Welker
Dimler	Himle	McDonald	Schreiber	Wenzel
Erickson	Hokr	McKasy	Shaver	Wigley
Findlay	Jennings	Omamm	Sherman	Zaffke
Forsythe	Jensen	Onnen	Stadum	
Frerichs	Johnson	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, G.	Cohen	Knuth	Peterson	Solberg
Anderson, R.	Coleman	Kostohryz	Piper	Sparby
Battaglia	Eken	Krueger	Price	Staten
Beard	Elioff	Larsen	Quinn	Swanson
Begich	Ellingson	Long	Reif	Thiede
Bennett	Evans	Minne	Riveness	Tomlinson
Bergstrom	Fjoslien	Munger	Rodosovich	Vanasek
Berkelman	Greenfield	Murphy	Rodriguez, C.	Vellenga
Bishop	Gustafson	Nelson, D.	Rodriguez, F.	Voss
Blatz	Hoberg	Nelson, K.	St. Onge	Welch
Brandl	Hoffman	Neuenschwander	Scheid	Welle
Carlson, L.	Jacobs	O'Connor	Segal	Wynia
Clark, J.	Kahn	Ogren	Shea	Speaker Sieben
Clark, K.	Kelly	Osthoff	Simoneau	
Clawson	Knickerbocker	Otis	Skoglund	

The motion did not prevail.

Ogren moved to amend H. F. No. 91, the second engrossment, as follows:

Page 3, delete lines 16 to 19 and insert:

"Subd. 7. [OPTIONAL REFERENDUM.] Upon the receipt of a petition signed by at least ten percent of the stockholders, a board of directors shall present the matter to the stockholders for a vote at the second annual meeting subsequent to the enactment of this measure. The matter to be referred shall consist of whether or not to be bound by the provisions of this section. No cooperative shall be bound by the provisions of this section if adoption has been defeated at referendum."

The question was taken on the amendment and the roll was called. There were 53 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Battaglia	Elioff	Long	Piper	Solberg
Beard	Ellingson	Minne	Price	Staten
Begich	Greenfield	Murphy	Quinn	Tomlinson
Berkelman	Gustafson	Nelson, D.	Reif	Vanasek
Bishop	Hoffman	Nelson, K.	Riveness	Vellenga
Brandl	Jacobs	Neuenschwander	Rodriguez, C.	Voss
Carlson, L.	Kahn	O'Connor	Rodriguez, F.	Welch
Clark, J.	Kelly	Ogren	Sarna	Wynia
Clark, K.	Knuth	Osthoff	Scheid	Speaker Sieben
Cohen	Kostohryz	Otis	Simoneau	
Coleman	Krueger	Peterson	Skoglund	

Those who voted in the negative were:

Anderson, B.	Forsythe	Knickerbocker	Quist	Swanson
Anderson, G.	Frerichs	Kvam	Redalen	Thiede
Anderson, R.	Graba	Larsen	Rodosovich	Tunheim
Bennett	Gruenes	Levi	Rose	Uphus
Blatz	Gutknecht	Ludeman	Schafer	Valan
Brinkman	Halberg	Mann	Schoenfeld	Valento
Burger	Haukoos	Marsh	Schreiber	Waltman
Carlson, D.	Heap	McDonald	Seaberg	Welker
Dempsey	Heinitz	McKasy	Segal	Welle
DenOuden	Himle	Metzen	Shaver	Wenzel
Dimler	Hokr	Olsen	Shea	Wigley
Eken	Jennings	Omann	Sherman	Zaffke
Erickson	Jensen	Ornen	Sparby	
Evans	Johnson	Pauly	Stadum	
Findlay	Kalis	Piepho	Sviggun	

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

Osthoff moved to amend H. F. No. 91, the second engrossment, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1982, section 216B.026, subdivision 1, is amended to read:

216B.026 [COOPERATIVE ELECTRIC ASSOCIATION; ELECTION ON REGULATION.]

Subdivision 1. [PETITION.] A cooperative electric association may elect to become subject to rate regulation by the commission pursuant to sections 216B.03 to 216B.23. The election shall be approved by a majority of members or stockholders voting *on the question* by mail ballot initiated by petition of not less than five percent of the members or stockholders of the association, as determined by membership figures submitted by the association to the rural electric administration for the month in which the petition was submitted."

Renumber the section

Amend the title as follows:

Page 1, line 4, after "associations;" insert "amending Minnesota Statutes 1982, section 216B.026, subdivision 1;"

The question was taken on the amendment and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Coleman	Krueger	Quinn	Solberg
Battaglia	Elioff	Long	Reif	Staten
Beard	Ellingson	Minne	Rice	Swanson
Begich	Fjoslien	Murphy	Riveness	Tomlinson
Berkelman	Greenfield	Nelson, K.	Rodriguez, C.	Vanasek
Bishop	Gustafson	Neuenschwander	Rodriguez, F.	Vellenga
Brandl	Hoffman	O'Connor	Sarna	Voss
Carlson, L.	Jacobs	Ogren	Scheid	Welch
Clark, J.	Kahn	Osthoff	Segal	Welle
Clark, K.	Kelly	Otis	Shea	Wynia
Clawson	Knuth	Piper	Simoneau	Speaker Sieben
Cohen	Kostohryz	Price	Skoglund	

Those who voted in the negative were:

Anderson, B.	Forsythe	Kalis	Pauly	Sparby
Anderson, G.	Frerichs	Knickerbocker	Peterson	Stadum
Bennett	Graba	Kvam	Piepho	Sviggum
Blatz	Gruenes	Larsen	Quist	Thiede
Brinkman	Gutknecht	Levi	Redalen	Uphus
Burger	Halberg	Ludeman	Rodosovich	Valan
Carlson, D.	Haukoos	Mann	Rose	Valento
Dempsey	Heap	Marsh	St. Onge	Waltman
DenOuden	Heinitz	McDonald	Schafer	Welker
Dimler	Hoberg	McEachern	Schoenfeld	Wenzel
Eken	Hokr	McKasy	Schreiber	Wigley
Erickson	Jennings	Olsen	Seaberg	Zaffke
Evans	Jensen	Omann	Shaver	
Findlay	Johnson	Onnen	Sherman	

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

Voss moved to amend H. F. No. 91, the second engrossment, as follows:

Page 3, line 16, delete "No" and insert "All"

Page 3, line 16, delete "cooperative" and insert "cooperatives"

Page 3, line 18, delete "approved" and insert "disapproved"

The question was taken on the amendment and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Elioff	Minne	Price	Skoglund
Battaglia	Ellingson	Munger	Quinn	Solberg
Beard	Greenfield	Murphy	Reif	Staten
Begich	Gustafson	Nelson, D.	Riveness	Swanson
Berkelman	Hoffman	Nelson, K.	Rodriguez, C.	Tomlinson
Brandl	Jacobs	Neuenschwander	Rodriguez, F.	Vanasek
Carlson, L.	Kahn	O'Connor	St. Onge	Vellenga
Clark, J.	Kelly	Ogren	Sarna	Voss
Clark, K.	Knuth	Osthoff	Scheid	Welch
Clawson	Kostohryz	Otis	Segal	Wynia
Cohen	Krueger	Peterson	Shea	Speaker Sieben
Coleman	Long	Piper	Simoneau	

Those who voted in the negative were:

Anderson, B.	Findlay	Johnson	Pauly	Sviggum
Anderson, G.	Forsythe	Kalis	Piepho	Thiede
Bennett	Frerichs	Knickerbocker	Quist	Tunheim
Bishop	Graba	Kvam	Redalen	Uphus
Blatz	Gruenes	Larsen	Rodosovich	Valan
Brinkman	Halberg	Levi	Rose	Valento
Burger	Haukoos	Ludeman	Schafer	Waltman
Carlson, D.	Heap	Mann	Schoenfeld	Welker
Dempsey	Heinitz	Marsh	Schreiber	Welle
DenOuden	Himle	McDonald	Seaberg	Wenzel
Dimler	Hoberg	McKasy	Shaver	Wigley
Eken	Hokr	Olsen	Sherman	Zaffke
Erickson	Jennings	Omann	Sparby	
Evans	Jensen	Onnen	Stadum	

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

Minne moved to amend H. F. No. 91, the second engrossment, as follows:

Page 3, line 19, after the period insert:

"Within 60 days of the effective date of this section, the board of directors of each cooperative electric association shall notify the stockholders of the provisions of this section and shall explain the process for ratification by petition and election as provided in this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The question was taken on the amendment and the roll was called. There were 81 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Coleman	Knuth	Price	Sparby
Anderson, R.	Eken	Kostohryz	Quinn	Staten
Battaglia	Elioff	Krueger	Reif	Swanson
Beard	Ellingson	Long	Riveness	Thiede
Begich	Evans	McDonald	Rodosovich	Tomlinson
Bennett	Fjoslien	Minne	Rodriguez, C.	Vanasek
Bergstrom	Greenfield	Munger	Rodriguez, F.	Vellenga
Berkelman	Gustafson	Murphy	Sarna	Voss
Bishop	Gutknecht	Nelson, D.	Scheid	Welch
Blatz	Halberg	Nelson, K.	Schreiber	Welle
Brandl	Hoberg	Neuenschwander	Seaberg	Wynia
Carlson, D.	Hoffman	Ogren	Segal	Zaffke
Carlson, L.	Hokr	Olsen	Shaver	Speaker Sieben
Clark, J.	Jacobs	Osthoff	Shea	
Clark, K.	Kahn	Otis	Simoneau	
Clawson	Kelly	Peterson	Skoglund	
Cohen	Knickerbocker	Piper	Solberg	

Those who voted in the negative were:

Anderson, B.	Frerichs	Kalis	Pauly	Sviggum
Brinkman	Graba	Kvam	Piepho	Tunheim
Burger	Gruenes	Larsen	Quist	Uphus
Dempsey	Haukoos	Levi	Redalen	Valan
DenOuden	Heap	Ludeman	Rose	Valento
Dimler	Heinitz	Mann	Schafer	Waltman
Erickson	Jennings	McKasy	Schoenfeld	Welker
Findlay	Jensen	Omann	Sherman	Wenzel
Forsythe	Johnson	Onnen	Stadum	Wigley

The motion prevailed and the amendment was adopted.

Welker and Voss moved to amend H. F. No. 745, the first engrossment, as amended, as follows:

Page 8, line 3, after "rule." insert *"If the rule is approved, the attorney general shall submit copies of it to the legislative commission to review administrative rules as specified in section 16."*

Page 8, line 4, after "approved" insert *"in accordance with section 16"*

Page 8, line 29, after "in" insert *"section 16 and"*

Page 9, line 20, after "of" insert *"section 16 and"*

Page 11, line 24, after "days." insert *"If the rule is approved, the attorney general shall submit copies of it to the legislative*

commission to review administrative rules as specified in section 16."

Page 11, line 24, after "approved" insert "*in accordance with section 16*"

Page 12, after line 10, insert:

"Sec. 15. Minnesota Statutes 1982, section 14.33, is amended to read:

14.33. [EFFECTIVE DATE.]

The temporary rule shall take effect upon approval of the attorney general. The attorney general shall file two copies of the approved rule with the secretary of state. The secretary of state shall forward one copy of each approved and filed temporary rule to the revisor of statutes. Failure of the attorney general to approve or disapprove a rule within five working days is approval. *Temporary rules are not subject to section 16.*

Sec. 16. [14.435] [APPROVAL OF RULES.]

Subdivision 1. [REVIEW BY LCRAR.] After a rule has been approved by the attorney general and the revisor of statutes, and upon written request by five members of the legislature, the attorney general shall submit copies of it to the chairman and the executive director of the legislative commission to review administrative rules. The commission shall review the rule and prepare written findings concerning whether the rule appears to be reasonable and within the intent and scope of the enabling legislation purporting to authorize its adoption.

Subd. 2. [REFERRAL TO LEGISLATURE.] The commission shall submit a copy of its findings to the agency and copies of the rule and the commission's findings to the presiding officers of the house and senate. If the legislature is in a regular session when the agency submits its rule to the commission, the commission shall report to the legislature with 40 days. If the legislature is not in a regular session when the agency submits its rule to the commission, the commission shall report to the legislature on February 15 next following the agency's request for review.

Subd. 3. [APPROVAL BY RESOLUTION.] The presiding officers of the house and senate shall submit the rule and the commission's findings to the members of their respective bodies for approval. A rule may be referred to a committee for study upon a majority vote of the members of one body. Disapproval or approval of the rule shall be by a simple resolution of the members.

Subd. 4. [APPROVAL BY NONACTION.] No rule shall become effective until approved by a simple resolution in each legislative body, except that if a rule has been submitted in compliance with this section and neither body has disapproved the rule prior to adjournment in the year in which the legislature receives the commission's report, the rule shall be effective after compliance with section 14.18 or 14.34 without approval of the house and senate.

Subd. 5. [LIMITATION.] No rule shall be submitted by an agency to the legislative commission to review administrative rules if there are fewer than 45 legislative days remaining until adjournment of the regular session held during that calendar year."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 3 and 4, and insert "providing for legislative review of administrative rules;"

Page 1, line 14, after "14.32;" insert "14.33;"

Page 1, line 15, after "14.52" insert ";; proposing new law coded in Minnesota Statutes, chapter 14"

The question was taken on the amendment and the roll was called. There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Findlay	Jacobs	Quinn	Thiede
Anderson, R.	Fjoslien	Jennings	Quist	Uphus
Battaglia	Forsythe	Johnson	Redalen	Valan
Begich	Frerichs	Kvam	Reif	Valento
Bennett	Gruenes	Ludeman	Rose	Voss
Bishop	Gutknecht	Marsh	Schafer	Waltman
Blatz	Halberg	McDonald	Schoenfeld	Welker
Carlson, D.	Haukoos	McKasy	Schreiber	Wigley
Dempsey	Heap	Olsen	Seaberg	Zafike
DenOuden	Heinitz	Omahn	Shaver	
Dimler	Himle	Onnen	Sherman	
Erickson	Hoberg	Pauly	Stadum	
Evans	Hokr	Piepho	Sviggum	

Those who voted in the negative were:

Anderson, G.	Clark, J.	Graba	Knickerbocker	Minne
Beard	Clark, K.	Greenfield	Knuth	Murphy
Bergstrom	Clawson	Gustafson	Kostohryz	Nelson, D.
Berkelman	Cohen	Hoffman	Krueger	Nelson, K.
Brandl	Coleman	Jensen	Larsen	Neuenschwander
Brinkman	Eken	Kahn	Long	Ogren
Burger	Elioff	Kalis	Mann	Osthoff
Carlson, L.	Ellingson	Kelly	McEachern	Otis

Peterson	Rodriguez, C.	Simoneau	Tomlinson	Wynia
Piper	Rodriguez, F.	Skoglund	Tunheim	Speaker Sieben
Price	St. Onge	Solberg	Vanasek	
Rice	Sarna	Sparby	Vellenga	
Rivness	Scheid	Staten	Welch	
Rodosovich	Segal	Swanson	Welle	

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

MOTIONS AND RESOLUTIONS

Rice moved that H. F. No. 1094, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Gruenes moved that the name of Bergstrom be added as an author on H. F. No. 63. The motion prevailed.

Clark, K., moved that the names of Nelson, K., and Piper be added as authors on H. F. No. 230. The motion prevailed.

Shea moved that the name of Dimler be added as third author on H. F. No. 424. The motion prevailed.

Vanasek moved that the name of DenOuden be stricken as an author on H. F. No. 500. The motion prevailed.

Otis moved that the name of Quinn be added as an author on H. F. No. 549. The motion prevailed.

Clark, K., moved that the names of Quinn, Staten, Coleman and Segal be added as authors on H. F. No. 864. The motion prevailed.

Jacobs moved that his name be stricken as an author on H. F. No. 963. The motion prevailed.

Krueger moved that the name of Peterson be added as an author on H. F. No. 1057. The motion prevailed.

Segal moved that the name of Nelson, K., be added as an author on H. F. No. 1134. The motion prevailed.

Vellenga moved that the name of Peterson be stricken and the names of Schoenfeld and Valan be added as authors on H. F. No. 1175. The motion prevailed.

Clawson moved that H. F. No. 685, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Redalen moved that H. F. No. 775 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 1115 be returned to its author. The motion prevailed.

ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, April 14, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, April 14, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives